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COMMITTEE ON INFORMATION FROM NON-SELF-GOVERNING TERRITORIES

Fifth Session

SUMMARY RECORD OF THE NINETY-FIFTY MEETING

Held at Headquarters, New York,
on Friday, 27 August 1954, at 2.15 p.m.

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PRESENT:

Chairman:	Mr. KHALIDY	(Iraq)
Members:	Mr. PETHERBRIDGE	Australia
	Mr. FRAZAO) Mr. BATALHA LIMA)	Brazil
	Mr. HLA AUNG	Burma
	Mr. LIU	China
	Mr. BRUN) Mr. SVEISTRUP)	Denmark
	Mr. APUNTE	Ecuador
	Mr. HURE) Mr. COLLIN)	France
	Mr. ARENALES	Guatemala
	Mr. SINGH	India
	Miss ROESAD	Indonesia
	Mr. AL-JAMALI	Iraq
	Mr. SPITS) Mr. GRADER)	Netherlands
	Mr. SCOTT	New Zealand
	Mr. GIDDEN) Mr. LEYDEN)	United Kingdom of Great Britain and Northern Ireland
	Mr. GERIG) Mr. EMERSON ROSS) Mr. BORNN)	United States of America
Representatives of specialized agencies:		
	Mr. MATTHEWS	International Labour Organisation
	Mr. ARNALDO	United Nations Educational, Scientific and Cultural Organization
Secretariat:	Mr. HOO	Assistant Secretary-General
	Mr. BENSON	Secretary of the Committee

APPOINTMENT OF ECONOMIC SUB-COMMITTEE

Mr. SCOTT (New Zealand) felt that the Economic Sub-Committee should have eight members instead of six, as in the past, to enable it to accommodate the experts who were serving on certain delegations.

Mr. SINGH (India), supported by Mr. ARENALES (Guatemala) and Mr. HLA AUNG (Burma), expressed a preference for a six-member Sub-Committee. The smaller body could work faster than an eight-member Sub-Committee and would leave more representatives free for other work; it could extend an open invitation to all experts to participate in its discussions.

Mr. GIDDEN (United Kingdom) said that since the Sub-Committee would have a complicated subject to discuss it should accommodate not only more experts but as many members of the Committee as was reasonable. Furthermore, matters dealt with by an eight-member Sub-Committee could be disposed of more rapidly by the full Committee than would be possible in the case of a smaller subordinate body.

The CHAIRMAN pointed out that the decisions of a body consisting of half the membership of the full Committee might prejudge the parent body's decisions, and that a six-member Sub-Committee had the advantage in manageability and efficiency. The inclusion of all the experts might, however, be the deciding factor.

Mr. HURE (France) felt that the experts could make a more effective contribution as full members of the Sub-Committee than as invited observers and that the Sub-Committee should accordingly have eight members.

Mr. LIU (China) considered the criterion of manageability and efficiency overriding; he therefore favoured a smaller body.

<u>The Committee decided, by 7 votes to 5, that the Economic Sub-Committee should consist of eight members.</u>

The CHAIRMAN proposed that the Sub-Committee should consist of Brazil, France, Guatemala, India, Indonesia, Netherlands, United Kingdom and United States of America.

It was so decided.

Mr. ARENALES (Guatemala) explained that his vote against the larger membership implied no unwillingness to serve on the body which had been set up, in the work of which his delegation was fully prepared to join.

ECONOMIC CONDITIONS IN NON-SELF-GOVERNING TERRITORIES: THE RURAL ECONOMY, WITH PARTICULAR REFERENCE TO THE CONSERVATION OF NATURAL RESOURCES, AGRICULTURAL DEVELOPMENT, LAND DISTRIBUTION, AGRICULTURAL CO-OPERATIVES AND CREDIT INSTITUTIONS (A/AC.35/L.158 and Add.1, L.160, L.162, L.166, L.166/Corr.1, L.169 L.172) (continued); FISHERIES (A/AC.35.L.163); INDUSTRIAL AND MINING DEVELOPMENT

Mr. GERIG (United States of America) said that the Secretariat and FAO documents before the Committee provided a good basis for the consideration of the rural economy, which was a vital subject in that between 80 and 85 per cent of the population of the Non-Self-Governing Territories lived directly from the soil. The far-reaching social, political and even religious significance of land in indigenous communities must be borne in mind in any discussion of land from the economic standpoint. The information on land distribution given in document A/AC.35/L.158, as also that supplied by the United Kingdom and French representatives, should be referred to in the Committee's report.

With regard to the Belgian Congo, he had taken particular interest in the legal control of land concessions, land occupancy and use, the opening of State-owned land for stock farming to remedy the meat shortage, the Administration's respect for individual and tribal customs of land tenure and cultivation, and its recognition of the stability and strength imparted to society by the existence of a large number of contented and self-sustaining people in rural communities. A similar system of land-concession control was in operation in United Kingdom and French administered Territories, where there was immense activity in land clearance, water supply, encouragement of mixed farming and the establishment of demonstration farms. As a member of the 1949 Visiting Mission to the Trust Territories in West Africa he had been impressed by the economic and nutritional significance of such farms.

The Committee would do well to mention in its report that new land could in many cases be brought into use more efficiently by organized agencies than by individuals and that the information before it indicated that for the most part Administering members were fully aware of the problems of large estates and would take them into account in discharging their responsibilities to the inhabitants of the Territories. In United States experience the systems of development described in document A/AC.35/L.158, sub-paragraphs 117 (a) and (b) were preferable to that described in sub-paragraph 117 (c).

United States legislation on soil conservation reflected the interdependence of soil conservation and water control. Land resources, however, could not be effectively preserved by legislation alone; education of the farmer and technical assistance gave better results.

Turning to the subject of fisheries, he expressed his appreciation of document A/AC.35/L.163, which gave a complete, coherent and valuable summary of fishery development in the past three years. The subject of fish production as a means of providing necessary proteins was of particular interest in the Caribbean and Pacific Island Territories. The existing ten per cent of the world's animal protein supplies derived from fisheries was far from adequate. Research, experiment, the training and financial assistance of fishermen and the development of catching and processing techniques all required further effort. The attention paid to fisheries by the Carribbean Commission, the South Pacific Commission, certain Territorial Governments and the United Kingdom Colonial Development Corporation was commendable but the abandonment of the Corporation's deep-sea fishing project for West Africa was disappointing. Deep-sea fishing was admittedly expensive and involved problems of both catching and processing; it was, however, the main economic activity of Alaska, where it had an annual value of over $100 million and employed over 30,000 people annually, including 12,000 fishermen. Exclusive fishery rights were forbidden in Alaska and commercial fishing was controlled by Federal legislation.

The account of the fish farming project in the Belgian Congo, given in document A/AC.35/L.163, was encouraging; the project might well set an example worthy of consideration in other Territories.

The Pacific Oceanic Fisheries Investigation had since 1949 been engaged in research of fishery resources covering an area of nearly 7 million square miles. Three research vessels had completed some sixty oceanographic cruises; the research had brought to light a major source of tuna in the tropical Pacific and had led to the conclusion that there were other parts of the Pacific Ocean which might prove to be unusually productive.

Mr. BORNN (United States of America) welcomed the indication provided by document A/AC.35/L.162 that the co-operative movement was developing in healthy fashion in almost all Non-Self-Governing Territories. In most cases the Administering Powers were lending valuable aid in the development of both co-operatives and credit facility agencies, which were a necessity of agricultural and industrial advancement.

Co-operatives could be developed only when the people had been educated to appreciate and desire them, for genuine conviction was needed to carry developing co-operatives through the trials of their early stages. Many of the Governments concerned were giving the inhabitants of their Territories the necessary preparation; the co-operative spirit found in some European countries would take many years to develop but a good start had been made in many areas. The Government should help in providing revolving funds for the initial capital and in giving supervision but should be ready to withdraw gradually as the people became able to manage the co-operatives alone.

As an example of the harm which could be done to the co-operative movement by injudicious statutory regulation, he described the Virgin Islands Co-operative, a marketing organization for the products of indigenous cottage industries. The extension to the home craftsmen of wage and hour regulations had priced their products out of the market.

The Virgin Islands Corporation, a United States Government agency, made long-term, low-interest cash loans to Virgin Islands farmers and granted them credit for materials, for the use of mechanical equipment and for the cost of preparing the land for planting; the amounts due were recovered by deductions from payments for sugar cane. The Corporation and the United States Department of Agriculture were also clearing land and building dams free of charge for independent farmers and guiding them in husbandry techniques. A large acreage had been set aside for experiment with alternative crops to sugar cane and over 800 acres of sugar-producing land had been divided into plots of between 20 and 80 acres for sale to farmers on a twenty-year basis.

Mr. LIU (China) observed that the high proportion of the population of under-developed countries dependent on the land made land tenure and agrarian problems a burning issue in the contemporary world. The Chinese communists had made great use of the slogan "Land to the tillers!" and a vague resolution that the land should be restored to the indigenous population was invariably introduced during the discussion of each Trust Territory in the Trusteeship Council. He agreed with the United States representative that the significance of land in the Non-Self-Governing Territories far transcended economic considerations and touched upon every phase of community life. The Committee could not discuss land distribution and policy without considering such questions as population pressure, the need to produce more food, the opportunities for cash sales for crops, the necessity of acquiring new techniques, and so forth.

He went on to enumerate the main agrarian problems, most of which had received detailed attention in a special United Nations study. His delegation was glad to note that the Administering Powers had recognized the need to establish forms of land tenure which would permit an economic use of the land and the development of social benefits. The French, Netherlands and United Kingdom representatives had also touched upon the efforts being made to attain the agrarian objectives set by the Committee.

Turning to the systems of development described in document A/AC.35/L.158, paragraph 117, he said that the United Kingdom delegation, in the light of experience in Jamaica, Kenya and Malaya, would undoubtedly understand his delegation's preference for the method of direct partnership of the local inhabitants with the Government, which encouraged local responsibility and had greater educational value than the other methods described.

Even in advanced countries, farmers could not work without official assistance. Table I of the FAO report on the adequacy of Government services to agriculture in the Non-Self-Governing Territories (A/AC.35/L.166) showed a striking range of agricultural expenditure *per capita*, from 37¢ in Nyasaland to $6.49 in Trinidad and Tobago. In only three cases did expenditure exceed three dollars per head and in fourteen of the Territories mentioned it amounted to less than two dollars per head. The conclusion stated in paragraph 22 of the report should not be obscured by the extensive remarks with which the FAO qualified the statistics given in the table. It was clear that the Administering Powers should increase their expenditure on agricultural services if they wished to improve agricultural production in their Territories.

Lastly, he stressed the desirability of striking a balance between production for export and production for local consumption. The conclusion reached in document A/AC.35/L.169 was that in general the balance favoured production for export. The many Non-Self-Governing Territories which depended on one or two agricultural exports for their livelihood were particularly vulnerable to fluctuations in world prices and their situation was indeed precarious.

Mr. HLA AUNG (Burma) said that the report of the Committee on economic conditions and development in 1951 rightly emphasized the importance of agricultural and land questions in the predominantly agricultural Non-Self-Governing Territories. The Committee should therefore welcome the documents prepared by the Secretariat and FAO.

Document A/AC.35/L.169 dealt with production for home consumption and for export. After pointing out the difficulty of assessing the relative progress in those two classes of production, it went on to indicate that on balance export production seemed to be generally in a more favourable position. That was natural in view of the buoyant world market for agricultural commodities since the war and of the readier availability of capital for export industries. There was, however, some danger in the situation and the FAO recommended careful planning to avoid excessive concentration on export production at the expense of local needs.

In much of the information before the Committee there was evidence of increasing production and trade which might well be due to increasing exports. It was important to ascertain which sectors of the economy were receiving the benefits. All too frequently in Non-Self-Governing Territories capital invested in export production led to a one-sided economy in limited parts of the country, as, for example, when production was expanded along the main lines of communication. That type of expansion might well upset the balance between areas growing food for local consumption and areas producing export commodities.

Even in Territories where development had been most striking there remained an urgent need to increase the productivity of the indigenous inhabitants, with special reference to local agricultural production. Investment in export industries could have the effect of exacerbating conditions in some rural areas by drawing labour away from them. In its report to the General Assembly, the Committee should utter a warning about the danger of economic development where undue emphasis was placed on production for export.

With regard to land distribution, the Burmese delegation had expressed the view in the Fourth Committee of the 1951 General Assembly that the Special Committee's recommendations on land reform could have been more positive; it now felt that the present Committee should go a good deal further than the Secretariat had thought prudent in documents A/AC.35/L.158 and L.160. In Kenya, for example, it appeared that the European elected members of the Legislative Council had agreed on a policy of continuing to reserve the "White Highlands" for European settlement; yet the information supplied by the United Kingdom Government acknowledged that the pressure of population in the Colony was more than the present, and in some cases even the future, capacity of the land could support.

Kenya was only one of a number of African Territories where much of the best land had been alienated for the benefit of Europeans. That was a fundamental economic and social problem which the Committee should consider with great care. Much discontent had been caused in the past by alienation of land to non-indigenous groups.

Yet another important problem was that of rural indebtedness, which could reach the point where the whole distribution of the land was changed and many holdings came into the control of non-indigenous money-lenders. Co-operative credit schemes could prevent that situation, especially if they forestalled the incurrence of debt, but the figures given in document A/AC.35/L.162 showed that little had been done in that respect. Rural co-operative credit was a feature of some Territories, but in others, particularly in Africa and the Caribbean area, credit still seemed to be a matter for money-lenders and traders. In some Territories, too, the co-operative credit facilities seemed to operate to the benefit of European rather than indigenous inhabitants. In its report the Committee should emphasize the importance of the question of rural credit and endorse the work undertaken by the ILO in that field.

Despite the real economic progress that had been achieved in many Non-Self Governing Territories since 1951, on which the Administering members and their officials were to be congratulated, it still seemed that in the three fields of production planning, land questions and rural credit insufficient action had been taken to give effect to the principles laid down in 1951. In its report to the General Assembly, the Committee should reaffirm those principles, at the same time referring to certain of the factual situations to be found in the documents submitted by the Secretariat and FAO.

Miss ROESAD (Indonesia) said that her delegation approached the subject as the delegation of a country which had recently been a Non-Self-Governing Territory and whose economy remained mainly agricultural. It felt some concern about the trend, confirmed once again in document A/AC.35/L.169, towards concentration on the development of export industries in Non-Self-Governing Territories. It was true that the same document also stated that production for local consumption was not being neglected, but nowhere in the documents before the Committee was to be found any evidence of a straightforward policy towards modifying the economic structures of the Non-Self-Governing Territories.

Production and income in those Territories depended on undiversified agrarian economies, with concentration on the production of food and raw materials required by industrial countries. The lack of effective demand at home, obsolete production techniques and the pressure of population meant low productivity and incomes below the subsistence level. The deterioration of the terms of trade, too, increased the instability of economies dependent on foreign trade, especially since the prices of export commodities were subject to violent fluctuations. Although such fluctuations arose outside the Territories, and indeed usually in the metropolitan countries, the Administering Powers had done regrettably little to introduce policies which would cushion the income of the inhabitants against them.

The aim of economic development should be to achieve production and employment stability with increased per capita output through a balanced development of agriculture and industry. That was a long-term aim, but the documents before the Committee did not indicate that adequate steps towards it had been taken. The greatest attention should be given to the lack of technical and managerial skills, which arose from the social conditions of the Territories but had a serious effect on their economic development.

At present economic control was vested in small private, usually foreign, groups. Their control of the export side of the economy meant, in those Territories where exports were the main determinant of income, that they controlled the most vital part of the economy. That unhealthy situation was aggravated by the fact that such groups had often extended their control to such internal sectors of the economy as land transport and rural credit. Effective action was therefore necessary to increase the bargaining power of the rural inhabitants as part of a general integrated programme of economic and social progress directed towards fundamental structural changes. The Indonesian delegation could not, therefore, welcome the increase in the figures for export production in the absence of similar progress in general development.

Development problems in Non-Self-Governing Territories were fundamentally different from those of independent countries and Administering Powers should take a greater part than they would in their own countries in laying the foundations for industrial and agricultural development and in preventing investment from flowing only into already known channels. Improvements in total production did not necessarily denote progress but might even mean that an existing imbalance in the economic and social structure had been perpetuated.

The Indonesian delegation hoped that the information to be submitted to future Committees would provide more solid grounds for satisfaction and that Administering members would give greater heed to the recommendations of the 1951 report.

Mr. LEYDEN (United Kingdom), noting that the Secretariat paper on fisheries (A/AC.35/L.163) was an unusually thorough treatment of the subject, explained that United Kingdom policy was to work with and through fishermen and fishing communities in the Territories, rather than through foreign enterprises, and to increase the efficiency of indigenous fishermen by teaching improved methods. Fishing was an integral part of the life of tribal communities and had as much social and religious significance as land.

In Uganda, the Uganda Development Corporation - an agency of the protectorate government - had worked with the local African authorities for the more efficient removal of fish from Lake George and the more efficient marketing of the catches. By using motor-boats in the fishing operation, arranging for the pooling of catches and building a fish factory, the joint enterprise had succeeded in increasing the fishermen's <u>per capita</u> income to 90 pounds per month; before that, fishing in Lake George had not yielded more than subsistence for the twenty-three fishing villages involved. Now the average catch amounted to 16,000 tons per annum, half fresh fish and half salt. The surplus fresh fish was driven to the nearest railroad and sold, while the salt fish was dried and sold to the Belgian Congo, an example of intra-territorial co-operation.

In the vicinity of Lake Victoria, a trawler fishery had been established, with equally good results. It was operated entirely by the African local government, to which the United Kingdom had lent a fishery expert. The people involved in the enterprise had invested the profits in a Uganda mine.

Mr. BENSON (Secretary of the Committee), referring to the FAO document on fisheries (A/AC.35/L.163), informed the members that background material on the subject was available in the Secretariat files. FAO experts had found that production from aquatic reserves could be doubled or tripled and that it could increase sevenfold in terms of new forms of fish. Yet production was not keeping pace with increased needs but was being checked by social-economic factors. The major technical advance in the development of fishing had been its conversion from the hunting stage to a form of animal husbandry, as was clearly shown in fish farming.

The Secretariat had not prepared any special document on industrial and mining development, because development since 1951 had been so much in line with the indications already given to the Committee that a new paper would have been a mere repetition and duplication. Those indications, contained in chapters VII and VIII of the special study on economic conditions and development, showed that changes since 1951 had been along the lines recommended by the Committee in its 1951 report.

With regard to industrialization, the Committee had emphasized, inter alia, expansion of cottage industries in rural areas and establishment of small industrial plants suited to local circumstances. It had stressed processing of agricultural products, manufacture of agricultural tools and simple agricultural equipment, and use of by-products and waste. It had welcomed the creation of governmental or mixed agencies to promote industrial expansion and the granting of concessions to private companies introducing new industries or expanding existing ones. Finally, the Committee had recognized the importance of techniques for training workers and of introducing labour legislation and organizational measures to govern new economic enterprises.

The summaries of information before the Committee gave, in abbreviated form, the main statistical information on industrial development.

With regard to mining development, the Committee had stated, in its 1951 report, that the Administrations had an immediate responsibility for directing development in accordance with the interests of the inhabitants of the Territories. It had encouraged reinvestment of mineral profits in the Territories and the use by mining enterprises of local supplies from agriculture and existing industrial plants. It had urged the training of the indigenous inhabitants to qualify them for the operation and management of mines and had concluded that mining operations offered an excellent opportunity for setting social standards and linking development with educational programmes enabling the inhabitants to share more fully in the economic direction of the Territories.

The summaries of information prepared by the Secretariat and now before the Committee contained new statistical data tending to confirm the trends observed in 1951. Accordingly, no new document had been prepared on mining development.

Mr. COLLIN (France) said that the experts entrusted with working out economic development programmes for the Territories administered by France had concluded that industrialization should never be contemplated as an end in itself, but rather as a means of raising the standards of living of the population. Its effect should be to strengthen rather than destroy the economic-social balance of the area concerned. Diversification of industrial enterprises was effective in bringing about the relative economic independence of the Territory provided it was carried out on the basis of realistic objectives.

One of the most important prerequisites for industrialization was the provision of power. In Tropical Africa, the scarcity of power had been an especially serious handicap: the need to import fuel had increased the deficit trade balance and the remoteness of the sources of power had sometimes made the price of power exorbitant. Accordingly, the first phase of the Ten-Year Development Plan for the French Territories had concentrated on providing hydro-electric power and assuring electrification of the urban centres. In 1953, power consumption had been seven times greater than in 1938 and twice as great as in 1949. In Guinea, French Equatorial Africa and the Cameroons, hydro-electric power installations had become the nucleus around which industrial centres had sprung up. Moreover, part of the power produced by the falls at Djoue, near Brazzaville, was sold to industry in Leopoldville, Belgian Congo, while the French provided the use of their rail line for the transport of Belgian copper and palm oil - another example of international co-operation.

The second major prerequisite for industrialization was adequate means of transport, to be developed concurrently with power resources. In Morocco, for example, the opening of a new connecting railway line across very difficult terrain had resulted in a doubling of coal production from the Djerada mines.

Another factor to be taken into account in undertaking balanced industrialization was the need to provide outlets for the products manufactured in the new plants. Although first consideration should be given to meeting the needs of the Territory itself, there were many sectors of the territorial economy which depended for their development on placing the new output advantageously on a fluctuating world market. For example, Morocco could use only a small proportion of the vast output in tinned fish of the Safi-Agadir area. Accordingly, by an agreement concluded in 1952, about half the Moroccan production in canned sardines had been sold on the British market. In addition, France took a large part of that production free of all duties. The exemption was unilateral, however, as the Act of Algesiras prohibited reciprocity in that respect.

Only if the infant industries in the Territories could dispose of an adequately skilled labour force could they hope to keep the cost of production down to a competitive level. The French Government had recognized that fact and had instituted a programme of technical training which had proved so effective that, in some Moroccan factories, labour productivity had equalled and even surpassed the level prevailing in similar plants in Europe. Of course, high individual output was closely related to proper and balanced nutritution, which was often difficult to achieve in under-developed areas, not only for economic reasons, but for psychological and social reasons related to the retention of traditional patterns no longer suited to the new technical advances.

Industrialization was too often held back by scarcity of capital. The ideal would be to use the savings of the indigenous population for investment purposes. Low standards of living, however, combined with the reluctance of the inhabitants to invest their savings according to modern ideas rather than in land and property, seriously hampered progress in that area. In an effort to solve the problem, the French Government had ordered the principal Sociétés d'Economie Mixte in its overseas territories to set aside 20 per cent of their stock for the indigenous peoples. Until those peoples had developed more modern habits of applying their savings, the Central Fund for Overseas France would temporarily subscribe to that issue of shares on their behalf.

Owing to the special risks involved in establishing tropical industries, selection of the proper methods of industrialization was extremely important. The French Government had frequently had to set up uneconomic pilot plants and model industries in order to give impetus to initiatives on the part of the population. In that connexion, the most important work had been done by the Sociétés d'Economie Mixte in North Africa and Tropical Africa, particularly in such basic fields as power, coal mining, oil-prospecting. They were companies formed partly with capital from the metropolitan country and partly with local capital. In Moroccan mining enterprises, however, the "mixed" companies varied from a Moroccan State monopoly operating the phosphate industry to an oil company in which the French Government, the Moroccan Government and private capital had equal shares.

It should be borne in mind that industrialization should never be sought regardless of circumstances. The scope and objectives of new industries should be clearly determined in the light of potential outlets for output, relation of fixed overhead and operational expenses to volume of production, and conditions on the competitive market. The ideal was to be able, so far as possible, to convert local raw materials into manufactured products on the spot, either for local consumption or for export. It had been achieved in Morocco, for example, where oil was refined and lead ore smelted near where they had been extracted.

Rather than yield to the temptation of setting up large-scale industry, industrialization in the Non-Self-Governing Territories should be directed mainly towards the less spectacular processing activities, especially in sparsely-populated areas where high auxiliary costs made more ambitious undertakings too risky. The situation could be drastically changed by the introduction of atomic power, to which the French Government was giving serious study. That innovation was bound to prove economically more profitable in remote areas of Tropical Africa, for example, than in more highly developed countries.

Finally, the decision regarding an acceleration in the rate of industrialization should be carefully weighed. Industrialization should keep pace with agricultural development if food scarcities were to be averted. Moreover, the impact of industrialization on a predominantly rural and tribal economy should not be underestimated. Steps had to be taken to mitigate the effects of detribalization, of the growth of urban centres, of the competition presented by the infant industries to established crafts. In Morocco, for example, the Government had introduced a programme to modernize handicrafts, improve handicraft techniques and organize co-operatives for the marketing of handicraft articles. Any attempt to convert handicraft enterprises into capitalist undertakings was generally bound to fail.

He went on to describe the effects of industrialization in two major French territories: Morocco and French Equatorial Africa. In Morocco, the most spectacular progress had been achieved in mining development. Moroccan phosphate production, for example, now represented 20 per cent of world output and there had been substantial increases in production of lead, manganese, coal, iron ore, cobalt and oil. Development of Moroccan industry, strictly speaking, had been directed towards the processing of the country's natural resources, particularly its food. The canning industry provided a solution to the dual problem of getting the food to the consumer rapidly and preventing its deterioration through lack of refrigeration. It made possible a rapid and plentiful supply of food to the urban centres and large-scale exports. Three-quarters of the yield in fish was now being processed in Morocco by canning. Apart from the food industries, Morocco was engaged in other processing, maintenance and assembling activities. According to France's development plans, semi-finished or unfinished goods, spare parts and prefabricated component parts imported from the metropolitan country would be assembled and processed in Moroccan industrial centres. The Moroccan textile industry had also grown, with the result that output of cottons, wools and packing cloths had risen considerably. Cork was another material which had been put to good use by Moroccan industry, and cement, fertilizers, vegetable oils and paper were also being produced in much larger quantities than before the war.

In contrast to Morocco, the most highly industrialized of the French territories, French Equatorial Africa was in the least favoured position as a potential centre of industry. In the past three years, however, an excellent beginning had been made despite the overwhelming obstacles of distance, topography and sparse population. The food situation had been improved by the establishment of oil and rice factories and breweries and by an arrangement with an air transport line to supply fresh meat to those areas where cattle could not subsist. Spinning and weaving industries had been expanded and a start had been made in modernizing the chemical industry. Other industries were continuing to operate, although on a very small scale. In public works and building, however, there had been great advances under the Ten-Year Development Plan. Two large French companies were promoting building and encouraging local governments to participate in the enterprises. Mining development was also relatively advanced and quite varied, with an output of gold, diamonds, copper, lead, tin and manganese. Oil prospecting, too, gave cause for encouragement. Once the overwhelming difficulty of transporting mineral products to ports had been resolved, French Equatorial Africa was expected to double and triple its mining output.

The major consideration in industrialization was the interdependence between economic development and social progress. Industrialization had to be weighed in terms of the real needs of the population. Grandiose projects and systematic solution were to be avoided. The overriding purpose of all industrialization should be to raise the standard of living of the greatest number of inhabitants of a given Territory as rapidly as possible.

The meeting rose at 5.30 p.m.