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*President* : Mr. Daniel COSÍO VILLEGAS (Mexico).

*Present* :

Representatives of the following States: Afghanistan, Bulgaria, Chile, China, Costa Rica, Finland, France, Mexico, Netherlands, New Zealand, Pakistan, Poland, Spain, Sudan, Union of Soviet Socialist Republics, United Kingdom of Great Britain and Northern Ireland, United States of America, Venezuela.

Observers for the following Member States: Argentina, Belgium, Brazil, Canada, Colombia, Cuba, Czechoslovakia, Dominican Republic, Greece, Hungary, India, Israel, Italy, Japan, Peru, Philippines, Romania, United Arab Republic, Yugoslavia.

Observers for the following non-member States: Federal Republic of Germany, 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 Bank for Reconstruction and Development, International Monetary Fund, World Health Organization.

The representative of the International Atomic Energy Agency.

AGENDA ITEM 5

**Economic development of under-developed countries** (E/3203, E/3208, E/3212 and Corr.1 and Add.1, E/3213 and Add.1 and 2, E/3218 and Corr.1, E/3219) (*continued*):\*

- (a) Industrialization;
- (b) Land reform;
- (c) Sources of energy

1. Mr. SHANAHAN (New Zealand) observed that as his country was still in the process of development its problems were closely akin to those encountered by

\* Resumed from the 1053rd meeting.

the less developed countries with whose interests the Council was concerned. The value of the studies which the Council had before it was much enhanced by their comprehensive treatment of the wide range of programmes at present in operation, and they assisted the Council by identifying the organizations which had been established to undertake various specialized aspects of the work of stimulating the economic development of the under-developed countries. The many organizations which had contributed to the reports had acquired particular competence in their own fields and their expertise should be used to the best advantage, the more so as world resources of technical skill were not unlimited. Indeed, New Zealand considered it a primary responsibility of the Council to ensure the most effective co-ordination of development activities.

2. His delegation agreed with the Secretary-General that progress in technology must not be achieved at the expense of human values. It could not therefore share the USSR representative's view that results constituted the primary criterion; rather must they be considered in terms of what they signified for the well-being of the individual. A balanced approach to economic development was not necessarily to be found exclusively in industrialization; New Zealand knew from its own experience that a high level of living could be attained on the basis of an economy specializing in the production of agricultural commodities. Nevertheless, as countries producing primary commodities were more vulnerable to fluctuating world prices than were industrialized countries, it was clearly desirable to work towards diversification. At the same time it should be borne in mind that the speed at which a predominantly agricultural economy should industrialize depended on many factors, including its natural resources, available markets and comparative costs of production at home as against the cost of importing commodities. Comparative efficiency itself varied from time to time and was frequently relative to the stages of development, for as a country progressed economically it might find that it had become practicable either to produce goods for which it has previously had little or no cost advantage or to reassess the desirability of continuing production of certain other items. In such an economy it might well be found most satisfactory to start by fostering industries allied to the primary sector, such as those servicing rural communities with supplies and mechanized equipment, to proceed next to the development of light engineering, and after that to concentrate gradually on the introduction of heavy industry and the improvement of social capital.

3. The question of the best use to be made in each country of the existing and prospective labour force

was another aspect of the problem of striking a balance between economic efficiency and human welfare. Thus, in countries with large rural labour forces which could not be fully absorbed in agriculture, human interests might best be served by providing employment in labour-intensive industries, even if capital-intensive industry might provide greater output. Where there was no labour surplus, on the other hand, better long-term results might be achieved, with greater regard for human welfare, if as productivity rose the pace of industrialization was balanced by the freeing of labour from agriculture and the application of technological advances to the task of increasing primary production. In New Zealand the rapid application of agricultural research had created a situation in which agricultural output had risen steadily while the number of persons employed in primary industries had remained almost static. At the same time the population, and with it the labour force, had risen sharply. It had been possible to employ the whole of that increase in secondary and tertiary industries. Looking ahead to 1980 and assuming that a constant proportion of labour would enter the tertiary industries, it seemed probable that the labour force available for employment in New Zealand factories would rise at an accumulative rate of about 2½ per cent a year.

4. Those observations suggested that different countries would need to place different priorities on the agricultural sector, the development of light industry and the role of heavy industry. In that connexion he would stress that, while the Council's immediate concern was to survey the possibilities of international co-operation in economic development, the primary responsibility rested with the States themselves, the role of the United Nations and other international organizations being to assist them in giving effect to their own country plans. It was not the function of international organizations to impose their views on countries seeking assistance, but rather to enable them to take advantage of such assistance.

5. His delegation held that the training of specialized personnel was a vital element in economic development, and it had been pleased to note from the report of the Advisory Committee on the Work Programme on Industrialization (E/3213) and the statement of the representative of the International Labour Organisation (ILO) (1049th meeting) that training missions had been established in a number of regions. It also appreciated the useful contributions made by the Food and Agriculture Organization of the United Nations (FAO) in relation to primary production and to land reform. It shared the Secretary-General's high expectation of the contribution which the Special Fund could make.

6. He would like to refer particularly to the activities of the Economic Commission for Asia and the Far East (ECAFE) because it was the regional commission of which his country was a member. The Working Party on Economic Development and Planning set up by ECAFE in 1955 had concentrated at its first two sessions on questions of general development policy, while at its two subsequent sessions it had devoted its attention to economic development sector by sector. Specifically, the third session, held jointly with FAO, had con-

sidered the planning and implementation of agreed programmes in agriculture, and the fourth had concentrated upon industrialization in its bearing on general economic development. He had stressed the work already undertaken by the United Nations regional and functional bodies in the field of industrialization because it was sometimes said that insufficient emphasis was placed on that aspect of economic development. He wished to make it clear that his delegation would not look with favour on any proposals relating to economic development which failed to take full cognizance of the work already being done by those bodies. Substantial assistance was likewise being provided under various programmes outside the framework of the United Nations, such as the Colombo Plan.

7. The Council was in a position to take important decisions on the Secretariat's future work. Such decisions must take full account of the need both to promote programmes of direct and immediate assistance to the countries concerned and to use to the best possible advantage the resources available to the Secretariat. Among projects meeting those criteria he would include the activities relating to the substantive servicing of field operations in industry, dealt with in section A of chapter IV of the Advisory Committee's report. In view of the advantages often resulting from the establishment of a large number of small factories the projects relating to the special problems of small-scale industry and to industrial zones or estates would receive his delegation's full endorsement, particularly as the ILO representative had said that such studies would complement the work already being done by his organization. As many Governments found it useful to influence the pattern of investments in the private sector of their national economies, his delegation felt that a study of the different methods used, as referred to in paragraphs 41 to 50 of the Advisory Committee's report, could be of immediate value.

8. Another question to which further attention should be given was that of the balance-of-payments difficulties experienced by many countries which were in the process of development. It was true that United Nations agencies concerned with trade policies were already studying the problem in so far as it related to fluctuations in prices of primary products, but it should not be forgotten that to some extent such difficulties arose precisely because of the greater emphasis placed on industrialization. For example, while the process of industrialization made it possible to reduce imports of finished goods, that same process increased the demand for the materials required by industry.

9. Although there were a number of other possibilities for future industrialization projects, he felt that the Secretariat's main effort should be concentrated upon those he had mentioned, since they had an immediate and practical relation to the problems of the less-developed countries.

10. His delegation would have no objection to the Advisory Committee's continuing its activities in 1960 provided that there was useful work for it to do. If the Council decided that the Committee should meet again in 1960, it could perform a useful function by

making preliminary investigations of other proposals which might properly find a place in the work programme on economic development, and in elucidating some aspects of the proposals already submitted which had not been very clearly set forth in the present report.

11. Land reform embraced many complex social, political and technical problems. It was significant that the countries which had enjoyed the greatest success in their land reform policies had simultaneously adopted measures for crop improvement and animal husbandry, rural education, the extension of credit for farm improvement, and the provision of alternative employment in industrial enterprises for people displaced from the land. Those observations were borne out by what he himself had seen in Taiwan and Viet-Nam, where a broad programme assisted by FAO and the World Health Organization (WHO) had resulted in a reduction of the incidence of disease, the introduction of co-operatives, and the transfer of the land to the farmers who had formerly worked it as tenants. The resulting improvement in their level of living was illustrated by the fact that, within a five-year period, they had been able to turn their former dwellings into barns and storehouses and provide better housing for themselves. An illustration of the way in which the programme had improved the quality of agricultural output and thus increased the total return on agricultural investment was the fact that it had made it possible to reduce substantially the area planted in sugar. In addition to their social value, such programmes were of great political value in that they gave the farmer an increased sense of security. His delegation would suggest that FAO might consider the desirability of giving priority within the Expanded Programme of Technical Assistance to requests from Governments for assistance in connexion with land reform, and to the implementation of regional projects concerned with agrarian structures. It felt that the value of seminars and training centres should not be overlooked, but it was convinced that the effectiveness of any measures of international assistance concerned with land reform depended on the willingness of recipient Governments to take appropriate action.

12. He looked forward to the Secretary-General's report on land reform which was to be issued in 1962, and endorsed the suggestion of the United States representative (1049th meeting) that the Secretariat might be asked to fill out the prospectus for consideration at a later session.

13. With regard to sources of energy, New Zealand had had experience in harnessing geothermal steam, a form of energy which would prove of great value because it was not subject to the vagaries of wind and weather. As far as the work programme on energy development was concerned, it was important that individual countries faced with a choice between developing alternative forms of power should be in a position to make a proper economic appraisal. Country studies could therefore be of real value, and where countries were contiguous and one or more of them had an exportable surplus of power the others should have access to information on the relative costs of imported power as opposed to its domestic development. On the other hand, the immediate

value to be derived from comparisons of long-term costs of fuel and power as between different types of country and of geographical location was not clear; his delegation was therefore not convinced of the merits of the proposal that a panel of experts should be appointed to undertake appraisals of world energy resources. Similarly, it questioned the wisdom of holding a world conference on new sources of energy at the present stage, and was inclined to feel that more useful results might be obtained by concentrating on symposia or studies limited to meetings of experts to examine the development and possible application of new sources of energy, their findings to be made available on the widest possible basis.

14. He hoped that, when the Council had concluded its discussion on the economic development of under-developed countries, it would take the necessary decisions to ensure that the work already begun would be continued and expanded.

15. Mr. GOLDSACK (International Federation of Christian Trade Unions), speaking at the invitation of the PRESIDENT, said that the economic development of under-developed countries was unquestionably the most important item on the Council's agenda.

16. Turning first to the problem of industrialization, he observed that the documents before the Council were proof of the progress made in the execution of the broad programme on industrialization and productivity undertaken by the Council three years earlier. The International Federation of Christian Trade Unions (IFCTU) welcomed that progress, for it too had always recognized the important contribution that industrialization and productivity could make to the economies of the under-developed countries.

17. Of the many useful recommendations made in the report of the Advisory Committee (E/3213) he would stress particularly the recommendation that henceforth more emphasis should be placed on studies of a macro-economic nature, and that systematic work should be undertaken relative to general development policies and the techniques of programming economic development. He hoped that the Council would approve the Committee's suggestions, and particularly those relating to the implementation of the work programme, the most important of which, from the standpoint of the IFCTU, were those set forth in paragraphs 86 and 87 of the report.

18. He wished also to reiterate IFCTU's plea that consideration should be given to the advisability of enlisting the help of trade union organizations, whether in the preparation of certain basic studies or in the selection of experts to serve on the various committees and working groups, a step which would help to ensure that industrial development was carried out within a general framework of balanced economic development, and that the human factor was not neglected. The many resolutions of the General Assembly and the Council stressing the interdependence of economic and social factors and urging that the one should not be subordinated to the other had in practice largely gone by default, and the discussions in both the Assembly and the Council had dealt primarily with the economic aspects of industrialization. The IFCTU therefore

deemed it essential to reiterate unequivocally its view that economic progress achieved at the expense of social progress could not be called progress at all, and that production for its own sake, or for the purposes of ideological propaganda, was valueless. That warning seemed particularly important in view of the abuses which had been perpetrated, particularly by the countries with centrally planned economies, in putting into effect programmes of forced industrialization. The IFCTU did not underestimate the importance of industrial development for the under-developed countries, but simply wished to ensure that the mistakes made by the countries which were now industrialized were not repeated. One of the best means of avoiding such mistakes lay in close collaboration with the trade unions, which had the greatest specialized knowledge of the problems entailed.

19. The trade unions were vitally concerned with the questions of labour management, particularly labour management policies and productivity, discussed in paragraphs 52 to 60 of the secretariat report entitled *Management of Industrial Enterprises in Under-developed Countries*.<sup>1</sup> The Christian trade unions had repeatedly expressed their awareness of the benefits to be derived from increased productivity, and were accordingly willing to co-operate in all efforts directed towards that objective. They insisted, however, that the question of ways of increasing productivity should always be related to two other considerations which were of no less importance: namely, that the gains derived from increased productivity should be equitably distributed; and that workers who were displaced, or in danger of being displaced, as a result of the measures to increase productivity should be protected. If those two objectives were to be attained the trade unions should be constantly consulted.

20. He hoped that the item under discussion would continue to receive the attention it warranted from the United Nations and the specialized agencies, particularly the ILO. He also wished to repeat the suggestion made by the IFCTU in earlier years that those bodies should examine the principles and practices of what was commonly known as co-determination, namely, the participation of labour in the management of enterprises, and the applicability of that concept to the under-developed countries.

21. With regard to land reform, industrialization projects alone would not bring about an improvement in levels of living in under-developed countries. Industrial goods would not find a ready market unless the purchasing power of the rural population was increased. Industrialization and agricultural improvement were therefore the two pillars of economic development. As a trade union, the IFCTU was primarily interested in the question as it affected rural workers, particularly in the under-developed countries. Much remained to be done before those workers enjoyed the benefits extended to most workers in other occupations. Many rural workers were even deprived of the right to form trade unions of their own choice. A number of steps had

already been taken on their behalf, and the IFCTU was pleased to note that many aspects of the question would be dealt with by the Council in 1962. It ventured to suggest that a special report on the situation of the rural worker in under-developed countries might be prepared.

22. On the question of sources of energy, the IFCTU was impressed by the wealth of information available, and noted that, according to the Secretary-General's report (E/3212 and Corr.1) the major difficulties in under-developed countries with respect to energy were economic and administrative rather than scientific or technical. The Council would therefore be well advised to endorse the recommendations in chapter VI of that report.

23. Mr. SCHURMANN (Netherlands) said that the example of Mexico showed that rapid economic development was possible in a framework of freedom and social justice. It also showed how private initiative and public policies could be combined to create a harmonious whole. The close interrelationship between economic and social development was indicated by the fact that, because of its rate of population increase, Mexico had been obliged to proceed with its industrialization programme in spite of the difficulties connected with the previous year's recession. The increase in the world's population, which was expected to reach between 4,900 and 6,900 million inhabitants by the year 2000, made economic development a matter of urgency even in industrial countries. The Netherlands, with one of the highest population densities in the world, a near absence of natural resources, a fast rate of net population increase and a small territory, had to give urgent consideration to that question.

24. The impression gained from a study of the reports before the Council was that a stock-taking of technical assistance experience and a study of the character of the research work of the Secretariat were needed.

25. With regard to the first point, there was a growing realization of the need for stock-taking. The moment appeared to have arrived to arrange for organized access to the results of technical assistance experience so that more correct conclusions might be drawn. Action should be taken, and perhaps institutions created, which would form the basis for a larger dissemination of the results achieved. The closer link between research and technical assistance offered the perspective not only of a new kind of co-operation between the various agencies concerned but also of a pooling of the knowledge now available in bilateral, regional or multilateral institutions.

26. The second point related to the character of the research activities of the Secretariat, including the secretariats of the regional commissions, at present and in the future. Economic development problems should be tackled on as practical a basis as possible. General research studies had traditionally concentrated on some particular aspect of economic development. There was now a natural tendency to replace work that related essentially to the past by activities relating to the future. Some of the funds hitherto spent on descriptive studies

<sup>1</sup> United Nations publication, Sales No.: 58.II.B.5.

and periodic reports might be devoted to research and other activities directed towards future national and international economic policies; they might, for instance, be used for essential new projects in the field of energy and industrialization. Those tasks could be carried out by a rapidly expanding specialized apparatus within the Secretariat, which would deal with such specific aspects of economic development as the energy and industrialization problems that did not fall within the purview of any other agency. Within the United Nations, projections for the future had been made mostly in the regional economic commissions. If the request in the report of the Commission on International Commodity Trade on its seventh session<sup>2</sup> was endorsed by the Council, the Secretariat would be asked to produce studies on the demand for, and production of, raw materials over the medium term. It was therefore not surprising that in the list of projects recommended by the Advisory Committee there should be one concerning the forecasting of demand for selected industrial products. That did not mean that estimates would be made for thousands of products; the estimates should concentrate on certain important products, such as steel or fertilizers, the relevant studies being initiated on a regional basis, in view of the wealth of information the regional economic commissions already possessed, and the final figures being computed at Headquarters.

27. Industrialization, land reform and energy sources might be called the pillars of balanced economic growth. The progress report on the implementation of the work programme on industrialization (E/3219) could be summarized as the effort to establish useful links between work of a micro-economic and work of a macro-economic character. The tendency, which the Netherlands delegation endorsed, was to make that work concrete, and to select pilot studies linked to the actual needs and problems of countries and regions. Generally speaking micro-projects should have priority over macro-projects, because they were of more immediate use to the less developed countries.

28. The modern approach to land reform problems was more technical than it had been in the past. It was now considered necessary to start by collecting complete and reliable data, without which no effective land reform was possible. The United Nations family, particularly FAO, could render valuable service by collecting the necessary information and advising on possible land reform measures.

29. With regard to sources of energy, European countries were particularly conscious of the urgency of energy problems because they were faced with a rapidly increasing energy deficit. Population growth was far outstripping the discovery of new mineral resources that could be used to produce energy and the invention of new conventional and unconventional techniques. The development of methods for the economic appraisal of energy resources, as outlined in chapter VI of the progress report on work in the field of energy resources (E/3212), would be helpful because such an appraisal

<sup>2</sup> *Official Records of the Economic and Social Council, Twenty-eighth Session, Supplement No. 6.*

would have to be made in any country embarking upon an energy programme. On the other hand, the periodic census of energy resources referred to in the same chapter might not be worth the time and money that would have to be spent on it. The Netherlands delegation also doubted whether an analysis of long-term costs and prices of fuel in selected countries should have priority over other projects. Short- or medium-term studies, to be made at the request of specific countries desiring them, might be more useful.

30. The report on new sources of energy (E/3218 and Corr.1) showed that the rate of technical progress was impressive, in spite of the fact that during the next few years the application of the so-called new sources of energy would be limited to a relatively small number of situations. The Netherlands delegation agreed with the general outline of the proposed agenda for the international conference on new sources of energy, which would concentrate on practical application rather than on theoretical science.

31. Mr. YLLANES RAMOS (International Organisation of Employers), speaking at the invitation of the PRESIDENT, emphasized the role of private enterprise in industrialization, and its recognition that the process of industrialization should not be allowed to destroy fundamental human rights and freedoms. Every citizen had the right to devote his energies to work of his own choice. A centrally planned economy restricted individual freedom and allowed the workers to perform only such work as suited the State.

32. He went on to enumerate the basic characteristics of the system of free enterprise, stressing that government action should always be directed towards the welfare of the whole community and should create an atmosphere favourable to individual and collective initiative. Industrialization programmes must rely on the free will of the individual worker; he should be fully informed of the programme's objectives and provided with adequate technical assistance if his contribution was to be effective. Industrialization was not an end in itself but a means towards raising levels of living and facilitating the material and spiritual development of the human person. An industrialization programme which sacrificed human freedoms was meaningless: it should respect freedom to work, freedom of association and freedom from government interference. The international technical assistance programme for industrialization should give full recognition to the right of workers and employers to form associations and to engage in collective bargaining.

33. The concept of industrialization and the priorities of any programme should be defined in terms of the particular needs and circumstances of a given country. It was essential to guard against setting up economically unsound industries which could not compete on the world market and which were so rigorously protected as to make it impossible for domestic consumers to afford their products. Industrialization admittedly could lead to economic independence, but it was of the utmost importance not to establish artificial industries, for they inevitably led to an exploitation of labour. Workers

should receive an adequate wage and not be forced into unfavourable competition with the workers of other countries with regard to output.

34. Industrialization should not be regarded merely as an investment: it should be related to all aspects of the business operation, including that of human relations. It should work to the benefit of the investors, the workers, the employers, the national income and the community as a whole. If, as the representative of the ILO had asserted, there was little interest among the directors of business enterprises in improving production methods and establishing good relations with labour, it might be wise for ILO experts to convince management of the advantages of a sound productivity policy and good labour/management relations. A favourable response on the part of the management could almost certainly be obtained if enterprise was convinced that technical assistance and advice would improve the operation of the business from an economic point of view as well as raise the level of living of the workers.

35. While the report of the Advisory Committee was a most valuable document, he had found the classification of industries as micro-economic and macro-economic confusing. The allocation of priorities in an industrialization programme should depend on the particular circumstances of the country, its natural resources, and its prospects for competing on both the domestic and international markets. The first step in the industrialization of under-developed countries should be the modernization and mechanization of its agricultural methods. Only then could the country proceed to industrialize its primary commodities and advance from a colonial to an integrated economy. Not all industries could be developed in all countries, and higher levels of industrialization could often not be reached until the country as a whole had attained a high degree of general economic development. In some cases under-developed countries suffered from under-consumption owing to low purchasing power on the domestic market; in others, it was not economically sound to expand certain industries and attempt to compete on the world market. The Council should weigh all those considerations in relation to proposed industrialization programmes. Finally, industrialization should be accompanied by technical assistance on as wide a basis as possible and by increased productivity which would lower costs for both management and consumers.

36. The reports of the International Bank for Reconstruction and Development<sup>3</sup> and the International Finance Corporation<sup>4</sup> and the comments thereon (1054th and

<sup>3</sup> International Bank for Reconstruction and Development, *Thirteenth Annual Report, 1957-1958* (Washington, D.C.), transmitted to the Council by a note of the Secretary-General (E/3198); and "Supplement to the thirteenth annual report: A summary of Bank activities from July 1, 1958, to January 31, 1959", transmitted to the Council by a note of the Secretary-General (E/3198/Add.1).

<sup>4</sup> International Finance Corporation, *Second Annual Report, 1957-1958* (Washington, D.C.), transmitted to the Council by a note of the Secretary-General (E/3199); and "Supplement to the second annual report: A summary of developments in the Corporation from September 11, 1958, to March 15, 1959", transmitted to the Council by a note of the Secretary-General (E/3199/Add.1).

1055th meeting) had demonstrated the close interrelation between economic development, particularly in the under-developed countries, and credit and monetary stabilization. Those two institutions had done much to stimulate private initiative and investment in the under-developed countries; they proved the value of combining action at the national and international levels.

37. With regard to the remarks of a certain representative extolling the paramount importance of raising the level of living at all costs, he pointed out that no real progress could be achieved if in that process human life and human freedom were sacrificed. He invited the Council to study how Mexico was applying systems of increased productivity, and he supported the proposals for assessing the experience of all countries in order to evaluate technical assistance programmes and avoid waste in investment.

38. Mr. MICHALOWSKI (Poland) said that, after studying the proposals of the Advisory Committee, his delegation had revised its critical attitude towards United Nations activities in the field of industrialization and now viewed them optimistically. It strongly supported the Committee's view that industrialization of a country was a continuing process and should not be limited to the establishment of isolated industrial enterprises. It considered that the United Nations should not merely direct its energies towards the development of selected industries but should at the same time work out co-ordinated measures of a general nature relating to the country's general economic policy and its techniques of programming development. The Advisory Committee had rightly selected the activities to be included in the work programme, taking into account the objectives of the less developed countries and particularly of those where industrialization was being actively promoted by the Government. United Nations advice should be directed to Governments and should concern general issues of economic policy. From its enumeration of the broad categories of problems with which the Governments of the less developed countries were faced, it was clear that the Advisory Committee held that United Nations efforts towards the industrialization of less developed countries should be so widened as to acquire a macro-economic character; the Polish delegation concurred in that view and disagreed with the representative of the Netherlands. Even the servicing by the United Nations of field operations in industry should be conducted on the basis of the economic and institutional setting in which such technical servicing was to be provided.

39. The general studies envisaged by the Advisory Committee placed emphasis on the proper priorities. Poland had consistently held that every process of economic growth of a less developed country should be based on some indication of the prospects of the future demand for the products of the industries to be expanded. It had also supported that idea in the Commission on International Commodity Trade with regard to primary commodities. It was therefore glad to find that the Secretariat was to undertake studies relating to the forecasting of demand for selected industrial products. The project concerning Government activities influencing

capital formation in less developed countries would also prove extremely valuable, as would that concerning the implementation of national development programmes.

40. With regard to the allocation of the work proposed by the Advisory Committee, he considered that the United Nations Secretariat should concern itself with general problems of economic development, including the study of policies of industrialization already applied in many countries and of the experience of all countries, both positive and negative, irrespective of their economic systems, while research studies on planning, studies of specific programmes of industrial development and micro-economic studies should be the primary responsibility of the regional economic commissions. Moreover, questions of specific geographical conditions, natural resources and capital accumulation in specific countries could be better handled by regional commissions or specialized agencies. Decentralization of activities was desirable to avoid duplication of effort and to facilitate the co-operation of Governments closely linked with the activities of the regional commissions.

41. The Council should endorse the proposals of the Advisory Committee and continue to encourage such expert advice. Its main task should be to assist in ascertaining the future trend of industrial development in the less developed countries, and in reducing the wide disparity in the rate of industrialization between those countries and the highly developed nations of the world.

#### Organization of work

42. The PRESIDENT informed the Council that, after consultation with the Vice-Presidents, it had been decided to establish an Economic Committee and a Social Committee to deal with the relevant aspects of the items of the agenda. Mr. Michalowski (Poland) and Mr. Zahiruddin Ahmed (Pakistan) would be the respective chairmen of the two committees.

The meeting rose at 1 p.m.