



**ECONOMIC AND SOCIAL COUNCIL**

Monday, 11 April 1960,  
at 10.55 a.m.

Twenty-ninth Session  
OFFICIAL RECORDS

NEW YORK

CONTENTS

	Page
<i>Agenda item 7:</i>	
<i>Consideration of the establishment of a commission for industrial development . . . . .</i>	37

President: Mr. C. W. A. SCHURMANN  
(Netherlands).

*Present:*

Representatives of the following States: Afghanistan, Brazil, Bulgaria, Chile, China, Costa Rica, Denmark, France, Japan, Netherlands, New Zealand, 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, Australia, Austria, Canada, Cuba, Czechoslovakia, El Salvador, Haiti, Hungary, India, Indonesia, Ireland, Israel, Mexico, Pakistan, Peru, Philippines, Romania, Sweden, Tunisia, United Arab Republic, Yugoslavia.

Observers for the following non-member States: Federal Republic of Germany, Holy See.

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 Monetary Fund; World Health Organization.

The representative of the International Atomic Energy Agency.

AGENDA ITEM 7

Consideration of the establishment of a commission for industrial development (E/L.851, E/L.860)

1. The PRESIDENT reminded the Council that agenda item 7 arose from General Assembly resolution 1431 (XIV). He drew attention to the note by the Secretariat (E/L.851) and the draft resolution submitted by Brazil, Denmark, France, the United Kingdom and the United States of America (E/L.860).

2. Mr. PENTEADO (Brazil), presenting the draft resolution on behalf of the sponsors, said that it was based not only on General Assembly resolution 1431 (XIV) but also on various other texts going back to General Assembly resolution 521 (VI). The draft resolution was the outcome of prolonged negotiation between many delegations, both within and outside the Council and representing countries at all stages of development.

3. He wished to clarify two points. Firstly, the phrase "accelerate the process of industrialization"

in the second preambular paragraph was not used idly; it was used because the sponsors were aware of the urgency of the need for the industrialization of the under-developed countries and also of the feasibility of carrying it out. The present-day agrarian countries could take advantage of the experiences of all the countries which had been industrializing, by the slow process of trial and error, during the last one hundred and fifty years. Even so, their task would not be easy: it would, however, be less difficult and it would take less time. Secondly, he wished to justify the inclusion of sub-paragraph 1 (b) (iv) of the proposed terms of reference. It was important, in his delegation's view, that industrialization should be an orderly process. The industrial development of the less developed areas would inevitably have an effect on the pattern of world trade, creating markets in some directions, destroying them in others. Hence it was highly desirable that the proposed body should study techniques for the distribution and marketing of industrial products so that the process of absorption of the new producers of industrial goods into the world market should be as smooth as possible.

4. There might, he realized, be some objection to the draft resolution on the ground that it spoke of a standing committee and not of a commission for industrial development as did General Assembly resolution 1431 (XIV). His delegation, which had been one of the initiators of that resolution, did not consider that the term "commission" was mandatory; indeed it had always thought in terms of a standing committee rather than a functional commission. He thought his remarks held good for other delegations, too. The Economic and Social Council was responding to the spirit of General Assembly resolution 1431 (XIV) in considering the prompt establishment of a body to deal with questions of industrial development; what form that body should take was entirely its own concern.

5. Mr. AUBOIN (France) said that his delegation, which was a sponsor of the draft resolution, had always held that industrialization was an essential factor in the development of the under-developed countries and it therefore attached great importance to the establishment by the Council of a body to deal specifically with that subject. His delegation had been one of those which had sponsored the resolution adopted by the General Assembly; it had done so on the clear understanding that the Council was entirely responsible in the matter of the setting up of subsidiary organs of the Council and it had been satisfied that the resolution adopted by the Assembly at its fourteenth session had respected the constitutional position.

6. Industrialization, while essential to the under-developed countries, was an extremely difficult and complex task, raising different problems for each country, according to climate, resources, population and so on. The developed countries had a wealth of experience in the matter and the under-developed

countries could benefit directly from their efforts over the centuries, their successes and their failures. What was necessary was to study the problem in all its detail for each specific country, and that could best be done within the United Nations, into which information flowed from all over the world. The Secretariat had done a great deal already but would need to extend its activities in that field. The Council, too, had given the matter considerable attention but from now on the question would become more and more a technical one. It was only proper, therefore, that it should rely on a specialized body to enlighten and guide it. In his delegation's view it was an essential condition for the success of the work of such a body that its members should be specialists with wide experience in industrialization problems. He therefore hoped that in considering the draft resolution delegations would pay particular attention to paragraph 5 of the terms of reference. If that essential element were included, the adoption of the resolution would ensure a great improvement in the work of the Economic and Social Council on behalf of the underdeveloped countries.

7. Mr. PHILLIPS (United States of America) said that at the fourteenth session of the General Assembly his delegation, though doubtful whether a functional committee would be the best way of promoting industrialization, had, in response to the Brazilian initiative, declared its willingness to examine with other countries the question of the most appropriate type of machinery and terms of reference. Since then his delegation had had extensive discussions with many delegations, the fruit of which was to be found in the draft resolution before the council, of which his delegation was happy to be a sponsor.

8. Industrialization was a key factor in the balanced economic development of the less developed countries and the establishment of a new standing committee of the Council to deal specifically with industrial questions would be a signal contribution to that process. Such a committee would have the successful precedent of the Technical Assistance Committee as a guide to its organization. It would be important for it to bear in mind the work being done in the field by the regional economic commissions and the specialized agencies, by the technical assistance bodies and the Special Fund. It would also have to relate the work of the Council in the field of industrialization to its work in other important fields of economic development. The standing committee envisaged in the draft resolution was in his delegation's view admirably suited to the requirements, and he hoped that the proposal would win the unanimous support of the Council.

9. Mr. MELJER (Netherlands) congratulated the sponsors of the draft resolution, which he hoped would achieve the objectives of General Assembly resolution 1431 (XIV), of which his delegation had been a sponsor. Since there appeared to be no disagreement on the end in view, he hoped that it would be possible to agree on the means to achieve that end. The General Assembly had been divided, in its preference, between an advisory group of experts, a functional commission of the Council and a standing committee of the Council. His delegation slightly preferred the idea of an advisory group of experts—and he had the impression from paragraph 20 of its note (E/L.851) that the Secretariat did too. The sponsors of the draft resolution had chosen the third possibility, which automatically emphasized the policy rather than the

expert aspect. Although the new body was thus to be an integral part of the Council, its membership was to be wider than that of the Council. That was evidently a compromise solution, and as such his delegation was prepared to support it. He would, however, like to make some comments and ask a few questions on certain parts of the proposal.

10. Paragraph 1 of the proposed terms of reference emphasized the importance of accelerated industrial development; it should, however, be stressed that industrial development was only one part of general economic growth and could not take place in isolation. His delegation entirely endorsed sub-paragraphs (a), (b), (c) and (d) of that paragraph and was glad that mention had been made both of economic programming techniques and of techniques of distribution and marketing.

11. Paragraph 2 was logical but he wondered in which cases the committee would "establish" and in which it would merely "propose" *ad hoc* bodies. It might be preferable if the committee was restricted to proposing, since it was for the Council itself to decide on any extension of its machinery.

12. His delegation entirely agreed with the proposal in paragraph 3 that in order to give the committee a more adequate membership, it should have another six members in addition to the eighteen members of the Council, although he was not sure what the words "balanced representation" meant. He doubted the wisdom of the suggestion that the committee should be authorized to sit while the Council was not in session. It was important to maintain a close integration of the work of the committee with that of the Council as a whole.

13. There appeared to his delegation to be some contradiction between the choice of a standing committee as the form of the proposed body and the conditions laid down in the third preambular paragraph and paragraph 5 of the terms of reference. In calling for expert representation those two paragraphs would seem to indicate a preference for a body in the nature of a functional commission. The Advisory Committee on the Work Programme on Industrialization which had met in February 1959 had been composed of high-level experts. Such experts could hardly be included in a policy-making body. Moreover, a man who held a key function in the planning or execution of national economic development was not likely at the same time to be an expert in industrial problems. Furthermore, since—unlike the experts members of functional commissions—the members of Economic and Social Council delegations did not travel at the expense of the United Nations, meetings of the new body outside the regular Council sessions would probably be attended by persons already stationed in New York or Geneva, who would not necessarily meet the requirements of the draft resolution.

14. With regard to paragraph 6, his delegation agreed that overlapping and duplication of effort should be avoided but wondered how the committee could "assist" the Economic and Social Council to "maintain the necessary liaison...". An independent co-ordinating function of the kind the words appeared to suggest did not seem to his delegation to be proper for a body composed of persons holding key functions in the planning of national economic development. While supporting the general idea behind that paragraph, therefore, his delegation would urge the substitution of the word "advise" for the word "assist".

15. In paragraph 7, again, there were hints of a functional commission. The committee would inevitably make recommendations to the Council; it would be sufficient, therefore, simply to stipulate that the committee would provide the Council with reports.

16. In conclusion, he assured the sponsors of the draft resolution that his delegation's criticisms and suggestions had been made in a constructive spirit and in an awareness of the importance of the question.

17. Mr. MATSUDAIRA (Japan) said that, although his delegation had serious doubts about the wisdom of establishing a functional commission of the Council to deal with the subject of industrialization, the Council might benefit from the establishment of a committee on the subject that could maintain close collaboration with other bodies concerned, such as the regional economic commissions, the Technical Assistance Committee and the Special Fund. One of the main tasks of such a committee would be to conduct studies on industrialization and to examine the Council's work programme on industrialization in the light of those studies. Fruitful work had been done by the Advisory Committee on the Work Programme on Industrialization and Japan felt that the Secretary-General should have access to such an advisory body for the purpose of requesting its assistance in the work of the proposed committee. It would be appropriate to establish a standing committee consisting of the eighteen members of the Council, plus six other members elected by the Council for a two-year term; the membership of the committee should strike a balance between the advanced and the less advanced countries, with due consideration to the principle of geographical distribution. The members of the committee must have expert knowledge in the field of industrialization, but since the committee would be an inter-governmental body, the members should represent their Governments and not serve merely as experts. His delegation hoped that it would be possible to establish a committee at an early date.

18. Mr. TABIBI (Afghanistan) said that only through industrialization could a country increase its productive capacity, raise its level of living and make use of its raw materials. Indeed industrialization was playing a key role in Afghanistan's first five-year plan. The United Nations could give invaluable advice to the under-developed countries on the basis of the practical experience of such bodies as the Technical Assistance Board, the Special Fund and the specialized agencies, and there was an urgent need for a permanent body to assist the United Nations in the discharge of its functions in that field. The proposed new organ of the Council should find ways to accelerate industrialization in the less developed countries, advise on the establishment of industries to absorb the primary products of those countries, help them to introduce modern industrial techniques and assist in the diversification of their economy. The new body should in no way take over any of the activities of the regional economic commissions but should assist them by co-ordinating their work with that of the other bodies concerned. United Nations recommendations and assistance in the field of industrialization would be broadened in scope if the work were co-ordinated by a permanent body of the Council on which representatives of the developed and less developed countries could work together.

19. Although Afghanistan would agree with the majority of the General Assembly in preferring the establishment of a functional commission, it was prepared to consider the establishment of a standing committee with appropriate terms of reference and wider membership than the Council. If the six additional seats referred to in paragraph 3 of the draft resolution were reserved for the representatives of the less developed countries of Asia, Africa and Latin America, Afghanistan would accept the proposal for such a committee.

20. Mr. LYCHOWSKI (Poland) said that, although the draft resolution was, broadly speaking, on the right lines, the proposed terms of reference of the new body, particularly those in sub-paragraph 1 (a), were not specific enough. Paragraph 18 of the report of the Advisory Committee on the Work Programme on Industrialization (E/3213)<sup>1/</sup> made it clear that the programme should deal mainly with projects relating to general development policies and programmes, yet the tendency in United Nations work on industrialization had been rather to concentrate on the "immediate needs and practical problems" and "field operations in industry" referred to in paragraph 17 of the Secretariat note (E/L.851). Consequently, he considered that if the proposed body was to examine the work programme on industrialization and make recommendations concerning its further development, the terms of reference should include specific guidance on how that was to be done. The text should include a reference to the fact that the main task of the future body should be to keep a close watch on progress in industrialization in the less developed countries and on the fundamental economic conditions for that progress, in particular the possibilities of increasing the rate of accumulation, improving the balance of payments by national or international measures and increasing co-ordination of national economic policies with respect to national and regional programmes.

21. The proposed new body had always been referred to as a functional commission of the Council and the Polish delegation saw no reason for the new suggestion that it should be a standing committee. The Repertory of Practice of United Nations Organs described the Council's functional commissions as bodies which "undertake studies and make recommendations to the Council with respect to the fields of activity defined in their terms of reference";<sup>2/</sup> since a similar wording was used in paragraph 1 of the proposed terms of reference he saw no reason why a body which was obviously intended to perform the same functions as a functional commission should be denied its proper name and status.

22. He considered that if the draft resolution were amended on the lines that he had suggested it would be acceptable to the Council.

23. The PRESIDENT invited the observer for Yugoslavia to address the Council.

24. Mr. VIDIC (Yugoslavia) observed that Yugoslavia attached particular importance to the activities of the United Nations in the field of industrialization. Industrialization had a predominant role to play in the development of productive capacities and was of special

<sup>1/</sup> Official Records of the Economic and Social Council, Twenty-seventh Session, Annexes, agenda item 5.

<sup>2/</sup> United Nations publication, Sales No.: 1955.V.2 (vol. III), p. 477.

importance to countries in the process of development. Technological development was the basis of the modern economy and the acceleration of the pace of economic development depended on the application of modern technological knowledge. Without accelerated industrial development there was for many countries little prospect of independent national development and higher levels of living. For them the vicious circle of poverty which was keeping the rate of economic growth down to a dangerously low level could be broken only by accelerated industrialization. It was understandable, therefore, that the under-developed countries attached the greatest importance to the establishment of modern industries and it was encouraging that both the General Assembly and the Council had recognized that industrialization was the key factor in accelerated economic development.

25. Yugoslavia had participated actively in the preparation of the work programme on industrialization when it had been a member of the Council. It welcomed the proposal to establish a new body for industrial development, for careful study had convinced his Government that there was a need for a specialized inter-governmental body in the field of industrial development. The Council had always intended its work in that field to be of a practical character and to meet the basic practical needs of under-developed countries in the process of industrialization. The guiding principles had not changed but if sound conclusions concerning the future development of the programme were to be reached a more detailed examination of the work already done was necessary, and only a specialized body of experts could do that adequately. Moreover, the representation of under-developed countries on the Council was insufficient. Many of those countries had already had considerable experience of the problems of industrial development and could undoubtedly make a useful contribution to the consideration of programmes for accelerated industrial development. The development of United Nations activities in that field called for the widest exchange of experiences between the industrialized and the less developed countries; only in that way could a rational solution of the underlying problems be found.

26. While the majority of the Members of the General Assembly had felt that a functional commission would best meet the need, he thought that a standing committee would probably do equally well. The proposed membership ensured an adequate representation of under-developed countries, while the proposed terms of reference allowed it sufficient latitude in its work. He welcomed the emphasis on expert qualifications and agreed that the committee should provide the Council with an annual report and recommendations. He accordingly approved of the draft resolution.

27. Mr. REYMOND (International Labour Organisation) said that at its 144th session, held at Geneva in March 1960, the Governing Body of the International Labour Office had considered General Assembly resolution 1431 (XIV) with great interest.

28. It had decided to draw the Economic and Social Council's attention to the activities and interests of the ILO in the field of industrialization, more especially in the matter of manpower surveys, employment policy and organization, vocational training, management development and the improvement of productivity and working conditions, since other aspects of industrial development depended on those activities. It was,

also anxious to ensure that the new body would from the beginning be fully aware of the activities and interests of the ILO, with a view to avoiding duplication and to making its own work more effective.

29. The Council could rest assured that the ILO would co-operate fully with the new body. It expected that co-operation to result in a closer co-ordination of the activities of all those organs which by their terms of reference were concerned with industrialization, and in the effective development of the common effort in that field.

30. The ILO, which had been concerned with the effective use of human resources for a considerable period of time, felt that in many countries the shortage of qualified personnel at the managerial and supervisory levels was at least as serious an impediment to industrialization as the shortage of capital and the lack of adequate natural resources. The main contribution which the ILO could make to economic development lay in assisting countries to overcome that shortage of personnel through the organization of a suitable system of vocational training at all levels. Indirectly such a programme helped to reduce the shortage of capital by creating more favourable opportunities for the use of existing capital and by helping to raise productivity, thereby attracting additional capital. In fact, the main purpose of the vocational training programme was to increase productivity, for upon that depended the success of any programme of economic development.

31. The ILO had published a number of studies on those aspects of the problems of industrialization which were its particular concern. It had also provided technical assistance in the same fields on a considerable scale under its regular budget, under the Expanded Programme of Technical Assistance and under the auspices of the Special Fund.

32. Mr. GAGLIOTTI (United Nations Educational, Scientific and Cultural Organization), describing the basis for the contribution of UNESCO to industrial development, pointed out that under article 1 of its Constitution UNESCO was pledged to maintain, increase and diffuse knowledge, and that General Assembly resolution 1431 (XIV) called attention to the need for a wider dissemination of advanced technological knowledge and an expansion of the means of providing advice, information and assistance by the United Nations to under-developed countries. Moreover, whenever the question of economic development, and of industrialization in relation thereto, was under consideration special emphasis was placed upon the need for education and in particular for higher technical education and training.

33. UNESCO was the executing agency for Special Fund projects in technological education. Six such projects had already been approved and were in various stages of operation, and the Special Fund had recently requested UNESCO to act as executing agency for five more projects in that field. Moreover, under the Expanded Programme of Technical Assistance UNESCO was assisting thirteen countries in the field of technical education and twenty-six countries in that of science teaching. To cope with its expanded activities in that respect UNESCO had found it necessary to establish a new Division of Technological Education in its Department of Education.

34. Perhaps of even greater although less direct importance to the problem of industrialization was

the scientific support of industrialization rendered by such projects as the International Computation Centre in Rome, in the founding of which UNESCO had been instrumental. The Centre was engaged in the analysis of statistical data, the consideration of problems of numerical analysis and the publication of dictionaries dealing with terminology in scientific fields. It was at present in the process of establishing a network of corresponding institutions.

35. The processing of very complicated and voluminous data was another problem of considerable interest to industry in connexion with which UNESCO had sponsored an International Conference on Information Processing. The conference, which had been held at Paris in June 1959, had included twelve symposia on various connected problems and had been attended by approximately 2,000 specialists from thirty-six countries.

36. Another way in which UNESCO was assisting countries to make the best use of the vast amount of documentation available, and which bore directly on sub-paragraph 1 (c) of the proposed terms of reference of the new body, was through the development, under the technical assistance programme, of national centres of scientific documentation. Equally basic to the problem was the assistance UNESCO rendered in connexion with the standardization of technical terms, the encouragement of translation, microfilm reproduction and the production of glossaries and multilingual dictionaries.

37. Appreciating that any study of industrialization which failed to pay attention to the social problems inherent in it was inadequate, UNESCO was devoting special attention to the research aspects of the question. Research projects in that field were being carried out by the Latin American Centre for Research in the Social Sciences at Rio de Janeiro, the Research Centre on Social Implications of Industrialization in Southern Asia at Calcutta and the International

Research Office on the Social Implications of Technological Change at Paris. Furthermore, important studies were being undertaken in Asia and Africa on the requirements and resources of scientific and technical personnel, including economists and statisticians.

38. He assured the Council that UNESCO would cooperate fully with the new body which was to be established, in an effort to solve the many-sided problem of industrialization.

39. Mr. TCHOBANOV (Bulgaria) noted with regret that the draft resolution, with its proposal for a standing committee, appeared to be a step backward from General Assembly resolution 1431 (XIV), which referred specifically to a commission for industrial development.

40. Moreover, although the draft resolution provided that an additional six members over and above the Council members should serve on the proposed committee that would not altogether rectify the disproportion between highly developed and less developed countries. Nor did he approve of the provision by which the six additional members were to be elected from amongst States Members of the United Nations and members of the specialized agencies, since the admission of States non-members of the United Nations to the specialized agencies had not been governed by principles of justice; for example, North Viet-Nam had been refused admission, whereas South Viet-Nam had been admitted.

41. In his view the draft resolution would have to be altered considerably to bring it into line with General Assembly resolution 1431 (XIV). He proposed to submit a formal amendment to that end. <sup>3/</sup>

The meeting rose at 12.45 p.m.

<sup>3/</sup> Subsequently distributed as document E/L.862.