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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, Czechoslovakia, Dominican Republic, El Salvador, Haiti, Hungary, India, Indonesia, Iran, Ireland, Israel, Italy, Mexico, Peru, Philippines, Sweden, Tunisia, United Arab Republic, Yugoslavia.

The observer for the following non-member State: Federal Republic of Germany.

Representatives of the following specialized agencies: International Labour Organisation; Food and Agriculture Organization of the United Nations; United Nations Educational, Scientific and Cultural Organization; 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/Rev.1) (continued)

1. Mr. FINGER (United States of America) replied on behalf of the sponsors of the draft resolution, of which a revised text had been circulated (E/L.860/Rev.1), to the various observations made at the previous meeting. With reference to the Netherlands representative's comments, he explained that the complex formula used in paragraph 2 of the proposed terms of reference was necessary because there were two possibilities. The proposed committee might wish to "establish" a small working group, which would meet during the committee's session and whose meetings would involve no special expenditure, in which event the committee should be in a position to act on its own initiative. Alternatively, the committee might think it desirable to set up an *ad hoc* subsidiary body whose meetings would entail additional expenditure if they were held at other times of the year, in which case the committee should be in a position to "pro-

pose" the establishment of such a body to the Council, for the latter's decision. Furthermore, if the committee itself wished to meet at a time when the Council was not in session, it should be in a position to do so, subject to the approval of the Council; that was the purpose of the second sentence of paragraph 3. Paragraph 5 was intended to permit every country to decide, in the light of its own organization and degree of industrial development, whether it wished to be represented by persons who held key functions in the planning or execution of national economic development or by other persons qualified in the field of industrial development.

2. There was nothing in paragraph 6 to imply that the committee would be able to interfere with the work of the regional economic commissions, since it was not authorized to enter into direct consultations with those commissions or with the specialized agencies; such consultations would have to be undertaken through the Economic and Social Council or the Secretariat. To take into account the ILO representative's observations, in their revised text the sponsors had replaced the words "with a view to avoiding overlapping and duplication of effort" in that paragraph by the words "with a view to ensuring the utmost efficiency and co-operation in their work". Lastly, in view of the Netherlands representative's remarks, they had replaced paragraph 7 by the following: "The Committee shall report and make its recommendations to the Council."

3. The sponsors had been unable, however, to meet the Polish representative's desire for a more specific version of sub-paragraph 1 (a) of the proposed terms of reference. The members of the committee should be allowed broad freedom of action; furthermore the stipulations proposed gave rise to problems, since the study of methods of improving the balance of payments situation was already being undertaken by other agencies, such as GATT, the Council itself and the General Assembly, and the study of methods of directly influencing industrialization by increasing the rate of accumulation was a formula which was difficult of application outside the socialist economies. As the Council had undertaken a work programme on industrialization without receiving such specific instructions, the experts should be able to do the same.

4. Some representatives had wondered why a functional commission of the Council should not be set up. He did not wish to reiterate the arguments advanced by the Brazilian representative (1102nd meeting), but would merely point out that the body proposed was very similar to the Technical Assistance Committee; hence the term "Committee" seemed appropriate. A committee would not be less important than a commission, but its activities would be better integrated with the Council's work.

5. Mr. SOSA RODRIGUEZ (Venezuela) pointed out that at the General Assembly's fourteenth session his country, which took a keen interest in the establish-

ment of a body capable of assisting in the industrialization of under-developed countries, had supported resolution 1431 (XIV) recommending the establishment of a commission for industrial development. The name of the proposed body had been changed by the sponsors of the draft resolution now before the Council, but he had no particular objection to that change and would not press for the retention of the term "commission" originally envisaged.

6. He wished, however, to make three important points. The first related to the committee's relations with the regional economic commissions, especially ECLA. The terms of reference did not specify sufficiently clearly that the committee would have to assist those commissions in their activities but must never interfere with their operations. Probably the best solution would be to incorporate the words used in resolution 1431 (XIV), namely "without prejudicing the activities of the regional economic commissions in this connexion".

7. His second point related to the future composition of the committee. He agreed to twenty-four members and felt that it was essential to give consideration to the principle of geographical distribution in appointing them. However, the balanced representation of industrialized and less industrialized countries proposed by the sponsors of the draft resolution would merely unbalance the committee, for such parity would give the former, representing only Europe and North America, the advantage over the latter, which represented three continents. To avoid repeating the mistake already made with the Technical Assistance Committee and the Special Fund, the under-developed countries should be given fuller representation in the new committee. He saw no reason why the interests of the developed and the under-developed countries should clash, since they were in fact complementary.

8. Lastly, the wording of sub-paragraph 1 (b) (ii) of the proposed terms of reference was too specific to be acceptable. It might be desirable in theory that a development plan should permit the balanced phasing of the development of industries producing capital goods, consumer goods, goods for the home market and goods for export, but a country might find itself compelled to give one or other sector greater emphasis at any given moment. Development might be delayed if countries were obliged to maintain such a balance.

9. Mr. SHANAHAN (New Zealand) said that one of the more interesting aspects of economic discussions of the past decade had been the accent on growth. It was natural, therefore, that strenuous efforts were being directed to the development of secondary industries throughout the world and that under-developed countries, in particular, should look with hopeful eyes for a significant contribution to their living standards from accelerated industrial development. With such aspirations the New Zealand delegation, representing a country which had moved some distance in that direction, felt the greatest sympathy. The pace of industrialization and its pattern would, however, differ from country to country and region to region. New Zealand's own history had proved that certain combinations of natural and population resources enabled some countries to develop living standards of the highest order on economies which were based essentially on the export of primary commodities. But in all cases a balance had to be maintained between primary and secondary industries, between social

and economic development and between national development plans and the plans of other countries in the same region or engaged in correlated patterns of foreign trade in other parts of the world.

10. He recalled that during the discussion of industrialization in the Economic Committee the New Zealand delegation had expressed the view that any work programme of the Secretariat should be closely integrated with and related to activities at the regional level, for it was at that level that the major part of the United Nations work must continue to be done. Similar views had in the past contributed to the hesitation of the United Nations to establish further centralized machinery in the field of industrialization. It had been the consensus during at least a decade of discussions that the work to be done apart from the regional economic commissions could, on the whole, be better accomplished by *ad hoc* rather than permanent institutional arrangements—by the judicious use, for example, of seminars, or meetings of groups of experts from less and more developed countries who could exchange views in an atmosphere of informality and with succinct agenda. However it had become evident from the discussion in the Second Committee of the General Assembly at the fourteenth session that many less developed countries now wished to place greater emphasis on the central role of the United Nations without prejudicing the work of the regional economic commissions. His delegation had not been and was not yet wholly persuaded that the best way to do that was to set up new central institutional machinery. But because it had always acknowledged the immense contribution industrialization could make to balanced economic development it felt that the wishes of less developed countries as to how they could best be assisted warranted serious and objective attention.

11. The members of the Council would recall that the final wording of Assembly resolution 1431 (XIV) left open the form which any new institutional machinery should take. One of the sponsors, the representative of Ceylon, had then interpreted the inclusion of the phrase to the effect that the Council should take into account the views expressed during the discussion as leaving open the possibility that forms other than a commission might be considered by the Council.<sup>1/</sup> His delegation had been pleased to hear that interpretation reaffirmed at the previous meeting by the representative of Brazil. His delegation believed that the actual form should depend largely on the nature of the functions to be undertaken by the new body. In that respect the terms of reference proposed in the draft resolution before the Council, with which he substantially agreed, predicated a standing committee of the Council rather than a commission. A committee would have the advantage of being a more flexible body than a new commission. Moreover the subject of industrialization was an important part of the Council's work and any new machinery should have a close relationship with the Council.

12. If the Council agreed to set up a standing committee the next question was to decide the appropriate number of members. He agreed with the sponsors of the draft resolution that an appropriate number of members would be twenty-four and that the over-all

<sup>1/</sup> See *Official Records of the General Assembly, Fourteenth Session, Annexes*, agenda items 30 and 12, document A/4321, para. 111.

membership should retain a balance between highly industrialized and less industrialized countries. If the Council took the view that a commission should be set up, his delegation would feel obliged to revise that opinion. His support of a committee of twenty-four members acknowledged difficulties which the Assembly had had in the past in its attempts to expand the membership of the Council and so to make its composition more representative of the membership of the United Nations.

13. In view of what the representative of Venezuela had just said, he felt it important to mention that his interpretation of the draft resolution did not imply that there need be any imbalance between less and more developed countries. In an organization of the kind contemplated, it was desirable for membership to provide expertise from countries in all stages of development. The purpose, then, of providing that the membership should maintain a balance between the highly and less industrialized countries was to ensure the availability of information of a nature which would not be available were the membership to consist substantially of less developed countries.

14. He agreed with the representative of the Netherlands that the resolution might refer to industrialization as part of the process of economic development. The Council's viewpoint was essentially the broad one of balanced economic growth. Industrialization was but one—admittedly a most important—aspect of economic development. That important fact should be explicitly acknowledged in the terms of the resolution. It was hoped some method, such as a simple interpolation, would be found to take account of that point.

15. Regarding paragraph 1 (b) (iv) of the proposed terms of reference, under which the committee would propose studies in "effective techniques of distribution and marketing", it should be understood that the committee would not deal with matters which properly fell within the province of other international organizations dealing with trade problems.

16. Mr. DE LEQUERICA (Spain) said that his delegation considered that the establishment of a standing committee for industrial development would strengthen the work of the Council in the field of industrialization; it would therefore support the draft resolution, in the hope of thus contributing to the elimination of the existing inequalities between the advanced and the less developed countries.

17. However, while industrialization could help substantially to surmount many of the obstacles in the way of improved levels of living, it must not be forgotten that it also created social problems which the Council could not ignore. His delegation hoped that in its reports under paragraph 7 of the proposed terms of reference the committee would give due consideration to the social repercussions of changes in economic structure brought about by industrialization.

18. His delegation had not come to a final decision concerning certain points in the draft resolution. Like the Venezuelan representative he was inclined to view with some misgivings the proposed equal representation of highly industrialized and less industrialized countries, but he recognized that the industrial countries would be called upon to give technical advice and were entitled to real representation. His delegation hoped that it would be possible to work out a text that would be satisfactory to all representatives.

19. Mr. AHMED (Sudan) said that the commission for industrial development envisaged in General Assembly resolution 1431 (XIV), of which his country had been a sponsor, was intended to assist United Nations bodies concerned with economic development and to undertake new studies in the field of industrial development. The General Assembly had envisaged a commission rather than a standing committee because it had felt that a commission would have greater freedom of action in the matter of recommendations and at the operational level. The establishment of a committee would do little to accelerate industrial development and would accentuate the shortcomings which it had been hoped to remedy by the creation of a commission. He would be grateful if the supporters of the proposal to establish a committee would explain the exact reasons for their preference because a General Assembly recommendation could not be amended without careful consideration.

20. He was afraid, moreover, that the provisions relating to the composition of the committee, and particularly to the election of the six additional members, might be too rigid: geographical distribution might be affected if a great number of new Members, in particular African countries, were admitted to the United Nations. It would therefore be advisable to add a provision to the effect that the membership of the committee would be subject to review in the light of future developments and the increase in the number of States Members of the United Nations.

21. Moreover, the committee's activities might be seriously limited if its main function was to be the examination for the Council of the work programme on industrialization. The committee should concern itself principally with work that the Council did not undertake, and industrialization should for that purpose be considered in its general context, taking into account development programmes, financial policies and the influence of internal and external factors.

22. Mr. SCHWEITZER (Chile) observed that at the fourteenth session of the General Assembly his delegation had been among those proposing an amendment (A/C.2/L.446),<sup>2/</sup> referring to the regional economic commissions, to the Brazilian draft resolution concerning the establishment of a commission for industrial development. The amendment had been accepted and Chile had warmly supported the Brazilian proposal, which would undoubtedly be of assistance to countries anxious to industrialize as a means of raising the level of living of their people. His delegation's position remained unaltered.

23. In spite of opinions to the contrary it was quite clear from the report of the Second Committee<sup>3/</sup> that the Assembly had left the Council free to establish a committee rather than a commission. The Brazilian representative's explanations had removed any doubts which might remain on that point.

24. The question of the co-ordination of Secretariat activities in the field of industrialization had been raised at the Council's twenty-first and twenty-second sessions, but the Council had never specified the type of body which should be made responsible for co-ordination. It might be advisable to circulate a questionnaire to Governments and the specialized agencies

<sup>2/</sup> *Ibid.*, para. 103.

<sup>3/</sup> *Ibid.*, para. 111.

in order to obtain specific views on the structure, function and membership of the body to be established. It was clear from the discussion in progress that there was agreement only in regard to the principle of establishing such a body. When a resolution establishing the body had been adopted, it would be advisable to proceed without delay—either immediately or at the summer session—with the election of the six members of the committee to be elected outside the Council.

25. Mr. ORTIZ MARTIN (Costa Rica) supported the Venezuelan representative's remarks. It was essential to make clear that the proposed committee would not encroach on the functions of ECLA and of the other regional economic commissions. His delegation could not accept the principle of the balanced representation of developed and under-developed countries.

26. Mr. ARKADEV (Union of Soviet Socialist Republics) recalled that his delegation had often had occasion to stress the importance of ensuring the rapid industrialization of under-developed countries in order to strengthen their political and economic independence and to raise the level of living of their peoples. In that respect, the United Nations had an essential part to play under the terms of its Charter and it would do well to move on from the examination of the economic situation in the under-developed countries to the working out of practical measures for solving existing problems.

27. At the fourteenth session of the General Assembly, the Soviet Union delegation had voted for the establishment of a commission for industrial development, on the understanding that it would be based on sound principles and given sufficiently broad terms of reference. Unfortunately, the draft resolution before the Council, after a reference to Assembly resolution 1431 (XIV), departed entirely therefrom in its further provisions; it proposed the establishment of a standing committee, and, whatever the Brazilian representative might say, that was not the same as a commission. Neither the proposed committee nor its terms of reference were adequate to meet the important duties devolving on the United Nations in the industrialization field and envisaged by the General Assembly as being entrusted to a commission. In fact, the scope of those duties was so great that the establishment of a specialized agency would be warranted. The Council should, therefore, create a commission that would be the real centre of all United Nations activities for the industrialization of the under-developed countries.

28. The draft resolution submitted to the Second Committee at the fourteenth session of the General Assembly had been sponsored by thirty-three delegations, and many other representatives had been prepared to join the sponsors of the draft. Moreover, it had been approved unanimously. But, at the close of the fourteenth session, his delegation had warned the Assembly that attempts would undoubtedly be made to reconsider that decision and to bury the commission. That was precisely the situation today.

29. At the fourteenth session of the Assembly, an unofficial draft resolution had been circulated which was very different from the draft resolution at present before the Council. Its preamble provided that the views expressed during the discussion on that question in the General Assembly should be taken into account in defining the commission's terms of reference, whereas the present draft made no reference to that

point. The first operative paragraph of the unofficial draft would have left the commission much greater freedom of action than was envisaged in the draft resolution before the Council. The unofficial draft had referred to twenty-four States Members of the United Nations whereas the present proposal would admit members of the specialized agencies; in other words, West Germany, South Korea and South Viet-Nam might be represented on the commission. No precedent for that proposal could be found in the history of the commissions established by the Council. Yet a proposal by the Soviet Union delegation that all the countries in the world should contribute to the Special Fund and the Expanded Programme of Technical Assistance had aroused violent opposition.

30. Under the unofficial draft, the commission would have had the power to consider requests for assistance from various countries and territories and to make recommendations directly to the Governments concerned on matters within its competence. There was no provision of that kind in the draft resolution before the Council. It provided for the phasing of the development of industries but did not even refer to the methods of obtaining the required equipment.

31. In short, the draft resolution before the Council was far from satisfactory, and the only way to improve it was to incorporate in it the amendments submitted by Bulgaria (E/L.862), which were perfectly in keeping with the desired aim. Thus, the new commission would be an active body, concerned both with the practical problems of securing the rapid and effective industrialization of the under-developed countries and with theoretical questions. It would submit its conclusions to the Economic and Social Council, make recommendations, undertake studies, publish the information it compiled and organize meetings of experts, consultations of specialists and symposia on questions relating to the industrialization of the under-developed countries.

32. The commission must include at least twenty-four members, representing the different areas of the world and the various levels of economic development. In that connexion, his delegation was definitely in favour of the Sudanese proposal to call on new Members of the United Nations.

33. Mr. DUDLEY (United Kingdom) recalled that it was his country's policy to promote by every means the economic development of the new countries. There could be no conflict between the developed and the under-developed countries with respect to industrialization of under-developed nations; the provision for balanced representation of industrialized and less industrialized countries in the draft resolution was intended to ensure that both groups would make an effective contribution to the committee's work.

34. Unlike the Bulgarian representative, he felt that the membership of the proposed committee, which would include six members in addition to the members of the Council, should give satisfaction to all concerned. In reply to the comments of the Venezuelan representative, he stated that it was definitely the wish of the majority of the sponsors of the draft resolution and of the members of the Council that most of the six additional seats should be given to under-developed countries. He shared the opinion of the Chilean representative that the new committee should be set up as rapidly as possible. A valuable



precedent for its establishment was to be found in the composition of the Technical Assistance Committee and in the results it had obtained.

35. True, General Assembly resolution 1431 (XIV) had recommended the establishment of a commission rather than a committee. The sponsors of the draft resolution before the Council had decided to recommend the change because they felt that quicker and more substantial results would be secured by establishing a committee. A commission could not be established as quickly as a committee, and it would in practice carry much less weight. Moreover, it must be remembered that the problem of industrialization was extremely vast, and it would be difficult for countries to designate a single expert with competence to deal with all aspects of the problem. Although each country could appoint only one representative to a commission, it could designate a number of experts to represent it on a committee, in the light of the particular items of the agenda. It seemed desirable, too, that the body responsible for industrialization questions should be a committee of the Council, and hence closely associated with the important work done by the Council for the development of under-developed countries, the most significant aspect of which was industrialization. Lastly, there was no organ better qualified than the Council to co-ordinate the work of the regional economic commissions and the specialized agencies, which had already done very important work in the industrialization field. For all those reasons, a committee, performing the functions of the Council on its behalf in the field of industrialization, would be in a better position than a commission to obtain concrete results.

36. In conclusion, he said that in the matter of industrialization the Council could do no more than provide assistance to countries that desired it, and hence there was no danger of interference in the policies pursued by the Governments of those countries.

37. Mr. CHEN (China) favoured the draft resolution before the Council. He believed that a standing committee of the Council would be in a better position to deal with the question of industrialization than a commission; moreover, in view of the considerable work already undertaken in that field by the regional economic commissions and the specialized agencies, a commission might have only a limited sphere of action. His delegation might wish to make a further statement when all the amendments to the draft resolution had been submitted.

38. The PRESIDENT invited Mr. Bernardo, observer for Argentina, to address the Council.

39. Mr. BERNARDO (Argentina), congratulating the sponsors of the draft resolution, said it was clear that they had shown a sincere spirit of compromise in their desire to arrive at an agreement. The importance of industrialization for the economic development of the under-developed countries was beyond doubt, and the only question was what form United Nations action should take. It had been suggested that the draft resolution providing for the establishment of a committee, instead of a commission, was a backward step in relation to General Assembly resolution 1431 (XIV), but what mattered was that the body established should be effective, whatever name it was given; and the membership and powers of the committee proposed in the draft resolution appeared to be in keeping with the interests of all concerned.

40. However, at the fourteenth session of the General Assembly his delegation had been one of the sponsors of the amendment stating that the establishment of a commission for industrial development should not prejudice the activities of the regional economic commissions in that connexion, and that amendment had been incorporated in resolution 1431 (XIV). The principle did not appear to have been sufficiently clearly set forth either in the preamble of the draft resolution or in paragraph 1 of the proposed terms of reference. The work of ECLA in the industrialization field was of the greatest importance for all Latin American countries, and Argentina was anxious that the establishment of the proposed committee should not be permitted to prejudice that work in any way whatever. His misgivings were strengthened by operative paragraph 6 of the proposed terms of reference, which did not make it sufficiently clear what were the respective powers of the regional economic commissions and the committee. Sub-paragraph 1 (b) (ii) was also questionable, since it seemed to prejudge the question of the techniques to be applied in drawing up economic programmes, a matter which should surely be left to the committee to decide. At present it was impossible for many under-developed countries to ensure a balanced development of their economy, and if the criterion of balance were imposed on them, it would lead to an indefinite postponement of all development.

41. With regard to the membership of the committee, he noted with satisfaction the United Kingdom representative's assurance that the majority of the six additional seats would go to representatives of the under-developed countries. However, that assurance was not enough to dispel his doubts, as the representative of a Latin American country, about the future distribution of those six seats. The Argentine delegation had striven at many sessions of the General Assembly, particularly the fourteenth, to secure a decision to enlarge the membership of the Council. Any decision taken about the membership of the committee might be regarded as a precedent for the future membership of the Council. The twenty Latin American countries made up a quarter of the total membership of the United Nations, and it was appropriate that they should be represented in the same proportion in all United Nations bodies, and particularly in the proposed committee. Yet if the principle of a balanced representation of the industrialized and non-industrialized countries was accepted, very few seats would remain for the latter group; that principle was not to be found anywhere in the Charter, and he was convinced that if there were any conflict, the paramount consideration must be that of geographical distribution. Moreover, there did not appear to be any reason why the principle of balanced representation should be applied in the present case. In the Special Fund, for example, it was appropriate that the industrialized countries, which had an important part to play, should be regarded as having a special responsibility, but in the proposed committee those countries would play a purely advisory role.

42. Dr. COIGNEY (World Health Organization) said that WHO was greatly interested in the question of industrialization. The WHO Executive Board had adopted a resolution, at its twenty-first session in January 1958, declaring that programmes of concerted action in the field of industrialization and productivity complied with the principles set out in the general work programme of WHO, and expressing the view

that WHO should participate as fully as possible in those programmes. The significant role of health in the industrialization process had long been recognized in many countries. WHO had from the beginning worked in close association with the ILO on questions of mutual concern in the field of occupational health and had given continued attention to the needs of developing countries, particularly in the training of occupational health staff. In addition to preventive and remedial measures to protect the well-being of the labour force, WHO took a special interest in such problems as the organization of health services and the planning of industrial areas, and also in the possible effects on mental health of rapid changes in developing societies. Considerable work had already been undertaken by WHO in those various fields as part of its regular programme. Studies had been carried out on automation and on the peaceful uses of atomic energy, and several fellowships in occupational health had been awarded. In 1959 a training course in advanced techniques in industrial health work had been organized with the assistance of WHO at the High Institute of Public Health in Alexandria. At the end of 1958 WHO and the ILO had joined in sponsoring the Regional Conference on Industrial and Occupational Health, held at Calcutta, which had been attended by twenty-

eight participants from six countries in South-East Asia. At the end of 1959, WHO and the ILO had jointly sponsored a European conference on the contribution of the industrial medical officer to the psycho-social environment in industry. The conference, held in London, had been attended by participants and observers from fourteen European countries.

43. Other WHO programmes, especially malaria eradication programmes, were making a strong impact on the economic development of the countries concerned. In Mexico, for example, malaria eradication had made it possible to establish industries in areas which had formerly been uninhabitable. Similarly, the WHO programme for the development of community water supplies would undoubtedly have beneficial effects from the point of view of general economic development.

44. As to the future, WHO considered that it could continue to contribute to concerted action in the field of industrialization, and it would co-operate to the fullest extent with any new inter-governmental body that the Council might establish for the purpose of accelerating industrial development.

The meeting rose at 5.55 p.m.