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President: Mr. J. MICHALOWSKI (Poland).

Present:

Representatives of the following States: Australia, Brazil, Colombia, Denmark, El Salvador, Ethiopia, France, India, Italy, Japan, Jordan, Poland, Senegal, Union of Soviet Socialist Republics, United Kingdom of Great Britain and Northern Ireland, United States of America, Uruguay, Yugoslavia.

Observers for the following Member States: Argentina, Belgium, Cuba, Dominican Republic, Greece, Hungary, Iraq, Ireland, Mali, Netherlands, New Zealand, Romania, Sweden, Tunisia.

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

Representatives of the following specialized agencies: International Labour Organisation, Food and Agriculture Organization of the United Nations, World Health Organization.

The representative of the International Atomic Energy Agency.

AGENDA ITEM 9

Natural resources

- (a) Report of the Secretary-General on the United Nations Conference on New Sources of Energy (E/3577)
- (b) Study by the Secretary-General on capital requirements and methods of financing of petroleum exploration (E/3580)

REPORT OF THE ECONOMIC COMMITTEE (E/3673)

1. The PRESIDENT drew attention to the report of the Economic Committee (E/3673) and invited the Council

to consider draft resolution A, concerning new sources of energy, contained in paragraph 7 of that report.

Draft resolution A was adopted unanimously.

2. The PRESIDENT invited consideration of draft resolution B, concerning natural resources, contained in paragraph 7 of the Economic Committee's report (E/3673); it had been proposed that the title of the draft resolution should be altered to "Petroleum Resources" and if there were no objection, he would consider that the Council accepted that change of title.

Draft resolution B, as amended, was adopted unanimously.

AGENDA ITEM 17

Land reform and rural development

REPORT OF THE ECONOMIC COMMITTEE (E/3679)

3. The PRESIDENT drew attention to the report of the Economic Committee (E/3679) and invited the Council to consider the draft resolution, concerning progress in land reform, contained in paragraph 7 of that report.

The draft resolution was adopted by 16 votes to none, with 1 abstention.

AGENDA ITEM 7

Expansion of United Nations activities
in the field of industrial development
(E/3656 and Add.1; E/L.967/Rev.1)

4. Mr. MAYOBRE, Commissioner for Industrial Development, introducing the memoranda by the Secretary-General and himself (E/3656 and Add.1) on the strengthening of United Nations advisory services in the field of industrial development, said that the discussions in the Council on the Development Decade and on world economic trends had confirmed the acceptance by United Nations circles that the policy of industrialization constituted the basis of economic development.

5. During those discussions it had been repeatedly stressed that industrialization could not take place in isolation. Industrialization would involve structural changes and indeed changes in outlook. It could not be achieved without a transformation in social conditions and in education. Moreover, it created social problems which called for a solution.

6. In the agricultural field, there was no room for antiquated systems of land tenure and land utilization if industrialization was to be achieved. Agriculture was called upon to play an important part in the whole process of economic growth, in particular by providing increased supplies of food.

7. Education, too, had an essential role to play in the process of industrialization. In its turn, industrialization could provide the resources for the improvement of the educational system.

8. Another important point which had been stressed by the delegations of Yugoslavia (1227th meeting) and Poland (1228th meeting) was that undue emphasis was perhaps being placed on the techniques of planning; for planning to be effective, it was necessary that the essential general conditions for it should exist.

9. The third point which had been stressed by several delegations, notably those of India (1226th meeting) and Brazil (1228th meeting), was that the adoption of a policy of industrialization was not sufficient to achieve economic development, or indeed to achieve industrialization itself: there must also be favourable economic conditions. Many instances could be cited of very great efforts being devoted to industrialization, with limited success because of difficulties arising from foreign trade. The cases of Colombia and Brazil illustrated how the sustained efforts of those countries over a number of years in the direction of economic development had been hampered by the fall in prices of the commodities which they exported. In that respect, the figures cited by the Brazilian representative were particularly eloquent; in order to achieve a rate of growth of approximately 7.5 per cent in the gross national product during 1965 to 1980, Brazil would have to increase the value of its exports by 98 per cent in 1965 and 340 per cent in 1970 by comparison with 1961.

10. The expansion of United Nations activities in the field of industrial development should therefore be closely linked with the efforts to be made to deal with the problems of international trade, especially in connexion with the Development Decade.

11. It was an essential feature of the programme which he was submitting that the major responsibility was left to the countries themselves. It was realized that no international effort could be effective unless the will to industrialize existed in the countries concerned.

12. Another important feature of the programme was that it did not prejudice any recommendations which might be made by the Advisory Committee of ten experts to be appointed under resolution 873 (XXXIII) of the Council. The programme was intended to respond to the need for urgent action by the United Nations without awaiting the recommendations of that committee.

13. With regard to the contents of the programme, it was essentially intended to mobilize and co-ordinate the efforts of the United Nations family in the industrial field. That process would be accomplished at various levels. At the secretariat level, an expansion was called for both at Headquarters and in the regional commissions. His experience in ECLA had confirmed to him the great importance of the role played by the regional commissions, which were functioning in the areas chiefly concerned in the process of industrialization. The Secretariat at Headquarters, for its part, would be called upon to support the action of the secretariats of the regional commissions.

14. Co-operation with the specialized agencies should also be maintained. There were fields of activity which were the special responsibility of those agencies; for example, the ILO had primary responsibility for industrial training, while matters of financial assistance were the province of the competent specialized agencies. The activities of the United Nations and the specialized agencies should be conducted in such a manner as to support each other and to respect the competence of the various organizations. All efforts must, however, converge towards the single common objective of providing assistance to countries in the process of industrialization.

15. The matter of co-ordination with the specialized agencies had not been elaborated upon in his memorandum (E/3656/Add.1) because at the time of its drafting the meetings with the agencies had not yet been completed. It should be added that the meetings had led to satisfactory working arrangements.

16. The programme he had introduced presented an experiment, and its elements were subject to correction in the light of experience. One important result had already been achieved, however, in that industrialization was being given priority in economic development plans.

17. The developing countries were greatly in need of the knowledge and experience acquired by the countries of Europe; that was true both of eastern and of western Europe. The ECE, in which all European countries were represented, had accordingly a vital role to play by co-operating with the developing countries in the field of industrialization.

18. Mr. UNWIN (United Kingdom), welcoming the appointment of Mr. Mayobre as Commissioner for Industrial Development, said that it constituted a valuable step forward in the expansion of United Nations activities in the field of industrialization. His delegation welcomed the Commissioner's determination, expressed in his memorandum (E/3656/Add.1) and in his introductory statement, to undertake his new tasks with vigour.

19. The United Kingdom realized the fundamental importance of industrialization to the developing countries and was determined to assist them. The diversification of the economies of those countries was essential if they were to break away from precarious dependence on the export of a few primary commodities. Such diversification, in its turn, needed a sound industrial basis.

20. The industrialized countries could be of assistance to the developing countries in many ways. Their commercial policy, for example, could assist the developing countries in expanding their exports. Of course, the will to industrialize on the part of the developing countries themselves was the decisive factor, but their efforts needed to be supported.

21. The United Kingdom was already providing countries in process of industrialization with technical advice and training on a bilateral basis; other industrialized countries were doing the same. However, more needed to be done on a multilateral basis and, in that respect, the United Nations had a vital role to play. That view had been generally accepted, but there had been considerable debate as to the manner of attaining the objective.

22. The Committee for Industrial Development had wisely decided not to await the findings of the Advisory Committee of ten experts for a strengthening of the United Nations advisory services in the field of industrial development. The Committee had also realized that the problems of the countries in process of industrialization were practical rather than theoretical and that expert advice on the spot was needed.

23. His delegation supported the general idea of the strengthening of the United Nations advisory services in the field of industrial development and found the Secretary-General's proposals in that respect both practical and effective.

24. He recalled the Secretary-General's remark that high-level experts were costly and difficult to find, so that the most effective manner of using them was to form a pool at Headquarters, which could respond to requests from the various regions. Thus, the Secretary-General's proposal for a permanent pool of six full-time experts, supplemented by specialists employed on a part-time basis (see E/3656, paras. 6-10), appeared acceptable. His delegation suggested, however, that the system should be extended to include the employment of specialists, even if they were unable to serve for more than one term.

25. The proposals embodied in the memoranda would inevitably prove costly. In that connexion, he drew attention to paragraph 11 of the Secretary-General's memorandum (E/3656), stressing that the scheme should, in its operational aspects, be integrated into existing programmes. For its part, his delegation supported the Secretary-General's proposals subject to the overriding authority of the Fifth Committee of the General Assembly regarding their financial aspects.

26. His delegation was studying the joint draft resolution sponsored by the delegations of Brazil, Ethiopia, India and Yugoslavia (E/L.967/Rev.1), and reserved the right to comment upon it at a subsequent meeting; at that stage, however, he wished to express doubts regarding operative paragraph 6.

27. Mr. PATIÑO (Colombia) said that the establishment of the Committee for Industrial Development, the scheme to establish an Industrial Development Centre and the appointment of a Commissioner for Industrial Development were decisions of far-reaching importance. His delegation was gratified by the Secretary-General's prompt action in appointing the Commissioner and by the choice he had made. It considered that the proposals contained in the memoranda by the Secretary-General and by the Commissioner provided a suitable basis for extending United Nations activity in that field. It would therefore support the joint draft resolution, operative paragraph 6 of which it regarded as particularly important. It was convinced that the United Kingdom delegation, as one of those which had initiated the idea of appointing a Commissioner for Industrial Development, would not fail to give its support in the Fifth Committee to the appropriation of the funds required for the planned expansion of activities. Despite its interest in that expansion, which should be carried out strictly within the regular budget of the United Nations, the Colombian delegation was mindful of the warning given by the Secretary-General, who had said, in paragraph 12 of his

memorandum, that the proposals had been kept as modest as possible in order not to prejudice the recommendations which would be formulated by the Advisory Committee. Those proposals were certainly a further step towards the accomplishment of an inevitable process, but still more ambitious measures had to be adopted, as the *World Economic Survey, 1961* (E/3624 and Add.1-6) showed, if the Development Decade was to be also the decade of industrialization.

28. Mr. PORTELLA de AGUIAR (Brazil), introducing the joint draft resolution (E/L.967/Rev.1), reiterated his delegation's belief that priority should be given to the development of the industrial sector as the shortest way to the attainment of rapid economic growth.

29. He recognized the desirability, as a goal, of balanced development in the economic and social fields, and also in industry and agriculture. However, the scarcity of resources made it necessary to concentrate efforts in order to obtain results measurable in the short term. Brazil, for its part, had resolutely placed its hopes in industrial development, which alone could rapidly ensure a substantial expansion of productive employment.

30. Accordingly, his delegation noted with satisfaction the added emphasis which was being placed in the United Nations on the consideration of problems of industrial development. In particular, it welcomed the appointment of Mr. Mayobre as Commissioner for Industrial Development.

31. The Brazilian delegation also welcomed the draft programme of work for the Industrial Development Centre (E/3656/Add.1). However, the Centre itself was only a unit for the integration of activities and for the direction and implementation of work relating to industrial development. The ideal, but by no means Utopian, goal of a specialized agency for industrial development was still a long way off.

32. It was paradoxical that the distribution of resources for the solution of problems dealt with by the United Nations family should be still overwhelmingly tilted against industrial development. There were specialized agencies for a great number of human activities, but the problems of industry, which was actually the characteristic feature of the twentieth century, received only a fraction of the attention or the means devoted to other pursuits.

33. That state of affairs was due to the circumstances in which the United Nations and the specialized agencies had been set up at the end of the Second World War. At that time, the highly industrialized countries had been concerned primarily with the reconstruction of their shattered economies and with the restoration of the food supplies which they had been used to having before the war. The under-developed countries, still in the agricultural stage, had not then fully realized what the future held in store for them; they had thought that all their problems could be solved by means of the considerable reserves of foreign exchange amassed through the highly profitable war-time export of commodities. It was thus understandable that in the organizational structure of the United Nations family the emphasis should have been placed on the solution of the problems of agriculture

and food production; that approach had led to the setting up of FAO, which had done such efficient work.

34. Considerable progress, however, had been made since then. Many developing countries had emerged as substantial producers and exporters of industrial goods; others had achieved extraordinary rates of growth and had set a pattern for the new nations aspiring to development. There was now a general realization of the need to share the technical knowledge of the highly industrialized countries and the practical solutions found by the under-developed countries for their common problems.

35. That co-operation could and should be organized through the United Nations by means of the establishment of a specialized agency for industrial development with resources commensurate with the magnitude of the task. His delegation therefore hoped that the Advisory Committee would arrive at recommendations resulting in the establishment of such an agency in the near future.

36. His delegation wholeheartedly supported the recommendations relating to the expansion of United Nations advisory services in the field of industrial development which had been made in the report of the Committee for Industrial Development on its Second Session (E/3600 and Corr.1). It also supported the Secretary-General's suggestions for the reorganization of the technical advisory services. It noted, however, that the petroleum industry was not included among the six major industrial fields to be covered by senior advisers and would suggest the addition of that industry to the other six, particularly since ECAFE intended to establish a group of high-level experts in that field at Bangkok.

37. As to the placement of the advisers, he recalled the recommendation by the Committee for Industrial Development that they should be based on the regional economic commissions whenever such placement would give the most effective results (E/3600, para. 102). At its current session, the Council had adopted resolution 879 (XXXIV) confirming its confidence in the policy of decentralization of the economic and social activities of the United Nations and strengthening of the regional commissions in the light of General Assembly resolution 1709 (XVI), which itself called for the increasing delegation of responsibilities to the secretariats of the regional commissions and for the provision of the requisite resources, including personnel.

38. In the light of those considerations, the Brazilian delegation considered that the aim of setting up industrial advisory services primarily based on the regional economic commissions, where they would be most effective, was a point already fully approved by the United Nations. The joint draft resolution was intended to translate that aim into reality.

39. Mr. PAJESTKA (Poland), welcoming the appointment of Mr. Mayobre as Commissioner for Industrial Development, said that appointment constituted one of the first steps towards implementing the recommendations formulated by the Committee for Industrial Development at its second session. He recalled that at the Council's thirty-third session, his delegation had urged that those recommendations, which provided a basis for

further stimulating United Nations activities in industrial development, should be put into effect as soon as possible.

40. There was no difference of opinion in the Council regarding the need to strengthen United Nations advisory services in the field of industrial development. The developing countries were already benefiting from advisory services mainly through the specialized agencies, in practically every field of economic and social activity. Those countries should therefore be given an opportunity to receive similar services in the field of industrial development on a broader scale than before. The matter was of particular importance because they were preparing their long-term development plans, of which industrial planning must be the backbone.

41. His delegation agreed with the Secretary-General's proposals relating to the recruitment of advisers and specialists to be appointed as consultants for industrial development, and to the selection of the industrial sectors where advisory services were particularly desirable. In that connexion, in the recruitment of additional personnel, due attention should be paid to those countries which had collected a wealth of experience in attaining rapid industrial development under conditions similar to those prevailing in the less developed countries.

42. His delegation was prepared in principle to support the joint draft resolution, which rightly stressed that additional experts should, whenever possible, be stationed in the regional economic commissions, which had a long record of work in industrial development and were well acquainted with the technical problems of countries in their respective geographical areas.

43. Lastly, he welcomed the Commissioner's memorandum as a step towards the co-ordination and development of United Nations activities in the field of industrial development and looked forward to the forthcoming meeting of the Advisory Committee, whose recommendations would doubtless be of great value to the future activities of the United Nations family in the matter.

44. Mr. ARKADEV (Union of Soviet Socialist Republics) said that the Brazilian representative had rightly referred to delay in undertaking the industrial development of the developing countries within the United Nations system. Certain countries had long refused to recognize the right of such countries to industrialization, but now, it appeared, their opposition to the idea was crumbling, perhaps because of the large number of developing countries which had recently been admitted to the United Nations. That progress was being made towards recognition of the importance of industrialization was symbolized by the establishment of the Committee for Industrial Development, albeit after a fierce struggle, and by the appointment of the Commissioner for Industrial Development; both those events would make it easier to tackle the problem of industrialization from the practical point of view.

45. Although vast funds and large numbers of experts were available under the Special Fund and technical assistance programmes, efforts had not been concentrated on the industrial development; of the less developed countries. Too much time had been spent on studies and

the production of documents; practical action was necessary, and consistent efforts must be made to help the developing countries industrialize and not to pave the way for private capital and industry in its search for ever-increasing profits. The USSR, which was providing the developing countries with considerable assistance on a bilateral basis, wished to ensure that United Nations funds were not frittered away on idle exercises, but used to promote the industrial development of those countries.

46. The joint draft resolution was in line with General Assembly resolution 1709 (XVI) on decentralization, since it proposed that experts should be attached to the regional commissions. That was a sound approach, since the effect of attaching experts to Headquarters, where many such groups already existed, would be to divorce them from the needs of the developing countries. The procedure suggested in the draft resolution would ensure that experts kept in close touch with the needs of the area they were to serve.

47. He noted that the cost of the services proposed would be \$250,000; that was by no means a small sum and it was suggested, in document E/3656, paragraph 10, that it should be found by increasing the regular budget of the United Nations. That method was used far too often. It appeared to indicate a lack of proper budgetary control and a feeling that countries automatically made available any additional funds requested of them. The funds required could be made available, however; in fact, they were already available in the form of the resources of the Special Fund, the specialized agencies, the regional commissions and the technical assistance programmes. By eliminating marginal projects and channelling the funds thus released into the implementation of the measures suggested in the draft resolution, it would be possible to provide not seventy experts but many times that number. That was a matter which called for serious consideration.

48. Mr. MERAUD (France) said that both problems of administrative structure as discussed in the Secretary-General's memorandum and questions of programme as dealt with in the memorandum by the Commissioner for Industrial Development had to be resolved before deciding on the form to be given to the advisory services in the field of industrial development. The French delegation fully approved of the essentials of the proposals contained in the memoranda. It took the view that for the administrative structure the solution lay primarily in the provision of new machinery for action in the industrial field, which had hitherto been improvised by United Nations organs, and in its incorporation in the existing organizations—namely, in the specialized agencies and the regional economic commissions.

49. With regard to new machinery, in resolution 873 (XXXIII) the Council had recommended the appointment of a Commissioner because it realized that an authority supervising the various services and programmes assisting industrialization was essential for the co-ordination of their work. He was gratified by the speed with which the post of Commissioner had been filled and the choice which the Secretary-General had made.

50. The Secretary-General proposed the setting up of two groups of super-experts called "senior advisers" and

"high-level specialists" to collaborate closely with the Commissioner. As experts of that kind were rare and costly, their services should be used as effectively as possible and Headquarters or the regional economic commissions should not part with them for too long at a time. They should constitute a reserve scientific team, to supervise and advise the executive personnel scattered throughout the world and engaged in laying the foundations for new industries. France, in its relation with the countries with which it was organizing programmes of technical co-operation, had given that idea a successful trial; the effectiveness of a highly qualified specialist was increased, while the expert on the spot was not left to his own resources.

51. In regard to the specialities of the two new types of expert, recruitment should not be confined to engineers, even highly qualified engineers, for all too often the technician was only concerned with technical success. France had had experience of that after the war when mechanization, based on excellent machinery, had been carried through without regard for the economic, financial and sociological conditions of French agriculture, thus giving rise to serious economic and political difficulties. Together with the experts specializing in the installation of industrial plant and the technical management of factories, there should therefore be experts in global economic analysis, and specialists in the economic and financial management of business undertakings. All-purpose teams which would be capable of making industries show a profit and find their place on the national or international market should be set up. Furthermore, the technical proposals of the experts, in so far as they involved the economic future of the country concerned, should be examined in the regional economic commissions and at Headquarters by advisers, acting not individually but in groups.

52. The establishment of new machinery should be linked with maximum utilization of already existing bodies, particularly the specialized agencies and the regional economic commissions. Within the next few months the ILO, UNESCO, TAB, IBRD and the Special Fund should give the lead in extending their work in the sphere of industrialization.

53. In his memorandum, the Commissioner had stressed the part that could be played by the regional economic commissions and had defined the role of the Secretariat as consisting in meeting the problems arising at the periphery. The French delegation shared that view and recommended great flexibility in that connexion. It drew attention to the attractive method adopted by ECAFE for the industrial inquiries carried out in Singapore in 1960/61, during which representatives of the Commission's secretariat had co-operated with teams of experts from Headquarters. It was particularly in programming that the regional economic commissions could show their real effectiveness.

54. The French delegation approved of the programmes proposed by the Commissioner, which showed good sense, particularly in the distribution of tasks between Headquarters and the regions. In that connexion, there were three problems; the order of priorities, planning and the social aspect of industrial development.

55. From the point of view of priorities, a balance would have to be found between the desires of the country concerned and the accomplishments on a regional, and even worldwide scale which would result from the activity of the Office of the Commissioner, in order to avoid duplication. In each country the optimum relationship between certain economic factors should be determined: the optimum proportion as between the factors of capital and manpower and the relationship between agricultural and industrial investment, between heavy and light industry, and between industry in large and in small units. As there was no universal pattern of industrialization, it would be for the regional economic commissions to determine those relationships.

56. Nor was there any universal pattern for planning in respect of industrial organization. Industries had to be built up on a rational basis, due account being taken of all the relevant factors. As the head of the French delegation had pointed out at the 1229th meeting, France had developed a flexible planning system in which the various decisions of each were co-ordinated with the plans of others and were adapted as fully as possible to future internal and external demand. None of the countries with a so-called free-enterprise economy had denied, in the Committee for Industrial Development, the beneficial effect of state action in respect of nascent industrial structures. It was merely a question of avoiding dogmatic choices. In that connexion, the regional economic commissions could play a useful role by ensuring the exchange of experience between countries in the same region. On a broader scale, it would no doubt be useful for all to study and to pass on experience in the field of planning to those who were trying to find the formula best adapted to their needs and aspirations.

57. With regard to the role which social considerations should play in the process of industrialization, he said that the industrialized countries knew what mistakes had been made by neglecting human factors in the establishment of industrial complexes and what dangers lay in the uncontrolled urbanization of an area. The authors of the fourth French plan had given even more importance than before to the sociological studies which should accompany either the establishment of industries at sites which had previously been rural or the development of industrial complexes in areas which were already urbanized. The experts should be chosen with due regard for their interests and qualifications in that field. It would probably be necessary to engage sociologists in addition to economic and industrial technicians.

58. His delegation was grateful to the delegations of the countries in the course of industrialization for having drawn attention to the urgency of the problem. The reservations which it had expressed on several occasions had primarily concerned the methods and the concepts of administrative structures. Basically, France not only accepted but desired the advancement of the under-developed countries. As the head of the French delegation had said, the apprehensions of some industrialized countries or of some of the industrial sectors regarding the prospect of the industrialization of the new countries would be dispelled if they bore in mind the benefits of general growth. They should realize that in the long run the countries which were at present industrialized would

export more "know-how" in the form of engineers or complex industrial equipment and would import industrial products for current consumption, the manufacture of which required a great deal of relatively unskilled labour. The fourth French plan for 1962-1965 had adopted that point of view and the forecasts which were being prepared in France for 1970 and even 1980 banked even more heavily on the industrialization of the under-developed countries.

59. One of the Commissioner's basic tasks, after ensuring the co-ordination of the industrialization plans of the various under-developed countries, would be the co-ordination of the plans of countries in the course of development with those of highly industrialized countries. The interesting document recently issued by ECLA on Brazilian projects for mechanical industries, particularly industries producing capital goods during the coming decade (E/CN.12/619), was a model working instrument for use by technical experts and financiers. It was to be hoped that the relative anarchy would give way to a measure of discipline and that Malthusian isolationism would be replaced by the dynamic conception of the world.

60. Mr. POPOVIC (Yugoslavia) said that his delegation shared the views expressed by the Commissioner for Industrial Development. It was to be noted that United Nations activities in the field of industrial development were only in their initial stages; the report to be prepared by the Advisory Committee of ten experts would undoubtedly further define the role that was to be played by the United Nations in that connexion and draw attention to the need for a specialized agency in the field of industrialization. Meanwhile, a valuable contribution could be made through advisory services in the field of industrial development and by the Committee for Industrial Development. United Nations activities should, moreover, be organized through the regional commissions.

61. In view of the above considerations, his delegation had co-sponsored the draft resolution before the Council.

62. Mr. WALKER (Australia), commending the Commissioner for Industrial Development on his excellent statement, said that it was important to distinguish between the general strategy of industrialization and the technical management and marketing problems encountered in respect of specific industries. The strategy of industrialization consisted in ensuring progress on a broad front towards the goal of a well-diversified economy; lack of such strategy could well lead to the establishment of "white elephant" industries, which could not be integrated into the economy of the country or which failed to stimulate the cumulative growth of other industries. Strategic problems related mainly to the field of planning, and their solution called for a clear idea of the general lines along which industrial development was to take place. A wise choice of the industries which were to be developed was an important factor, and in that connexion great attention should be paid to the natural resources available locally.

63. New industries were often established with a view to import substitution; in the early stages, the production costs of the goods they manufactured were often higher

than the prices of the imports that were to be replaced. One of the problems that had been encountered in Australia in that respect was that the higher prices at which new industries had to sell their output frequently affected the cost patterns of other national industries, and for that reason it had been found necessary to keep under continuing review the protection afforded to various industries. Whether or not a new industry became an integral part of a country's economy depended not only on the country's economic circumstances, but also on the regional demand and supply pattern; for that reason, the importance attached in the documents before the Council to the activities of the regional commissions was to be commended. In brief, the goal of economic strategy was to build up an integrated system of industries which, by their joint action, stimulated the development of the resources of the country concerned. All those general problems would loom large in the United Nations industrialization activities, in which advisory services and the assistance given to the developing countries would play an important part.

64. The Secretary-General had presented his proposal as a pilot project in staffing, an approach which his delegation supported, subject to a reservation in respect of its financial implications, which should be considered by the Fifth Committee of the General Assembly. It would be desirable, however, to have more accurate information on what proportion of the regional advisers would work largely in the field of industrial development. It was not clear, for example, whether some of those advisers were to prepare the ground for the senior advisers; that system would result in a reduced call on the services of the senior advisers.

65. He also wondered whether an inventory could be prepared of outside specialists who would be prepared to serve the United Nations as *ad hoc* specialists. In the light of information gleaned from such a survey, the need for permanent appointments of senior officers could conceivably be reduced. Perhaps the information resulting from such a review, together with information about the number of requests for expert assistance which the United Nations had been unable to meet from its present pool of experts in various fields of industrialization, could be furnished before the financial implications of the pilot project came up for consideration in the Fifth Committee. He would welcome the Secretariat's comments on the feasibility of those suggestions.

66. His delegation recognized the need for strengthening the United Nations advisory services in the field of industrial development, but was concerned about the financial implications of the joint draft resolution. Operative paragraph 6 was hardly acceptable, for its wording was too strong. In particular, the word "conviction" did not seem appropriate, and the words "as required" ran the risk of ambiguity — the sky might be the limit. Expressions such as "conviction" and "as required" placed delegations in a serious and delicate position. They might be thought to be giving their approval to financial commitments with no upper limits. For those reasons, he hoped that the sponsors would find it possible to consider a formulation less categorical than that as drafted in paragraph 6.

The meeting rose at 1.5 p.m.