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## Agenda item 5:

Economic development of under-developed countries  
*(continued)*

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**President:** Mr. Mohammad MIR KHAN (Pakistan).

**Present:**

The representatives of the following countries: Argentina, Brazil, Canada, China, Dominican Republic, Egypt, Finland, France, Greece, Indonesia, Mexico, Netherlands, Pakistan, Poland, Union of Soviet Socialist Republics, United Kingdom of Great Britain and Northern Ireland, United States of America, Yugoslavia.

Observers from the following countries: Albania, Bulgaria, Chile, Czechoslovakia, Hungary, Italy, Japan, Philippines, Romania.

The 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.

**AGENDA ITEM 5**

**Economic development of under-developed countries (E/2930, E/2950, E/2958) *(continued)***

**GENERAL DEBATE *(continued)***

1. Mr. PALAMAS (Greece) said that his delegation fully supported the efforts of the United Nations and its specialized agencies to promote conditions favourable to industrialization programmes in under-developed countries.

2. The Greek Government was putting into application a programme of industrialization with particular stress on the development of energy production. Industrial activity in Greece had increased by roughly 50 per cent in comparison with the years before the Second World War, and that was only a start. Demographic pressure necessitated a much higher degree of industrial activity with corresponding increases in production and employment. The difficulties encountered—lack of capital and modern technical equipment, inadequate training of technicians and high production costs—were found in all under-developed countries.

3. The United Nations technical assistance programme would be of great help in solving the problems connected with the modernization and expansion of industrial activity. The Greek delegation welcomed the proposal to publish a bulletin on industrialization and productivity.

4. The Greek delegation also welcomed the other research projects planned by the Secretariat, although some of them appeared to be theoretical and the immediate link between them and the practical problems of the under-developed countries was not readily apparent. The Secretariat should direct its efforts towards finding solutions that were immediately applicable to present-day problems.

5. He reiterated the importance of complete co-operation between the United Nations Secretariat and all the specialized agencies interested in the problems of industrialization. Those problems could not be solved in a piecemeal fashion; labour problems, social and regional aspects, financial possibilities and research endeavours should be integrated into a rounded industrialization programme so as to avoid any duplication of effort.

6. The plans for European economic integration referred to by the Netherlands representative (960th meeting) were of the highest importance to the world at large and in particular to those European countries whose economic development was lagging behind. The gradual elimination of restrictions on trade would improve the general economic structure and productivity of the countries concerned; at the same time principles and procedures should be adopted which would prevent a widening of the gap between those countries and the less developed areas in Europe such as Greece, Yugoslavia, and southern Italy; specific measures for monetary co-operation and financial aid should be taken for the balanced development of the European continent as a whole.

7. With regard to land reform, the competent authorities of his country had not yet sent in any information but were engaged in compiling a detailed report on the legislative and administrative measures taken in that respect and their effects on agricultural production and living standards.

8. Land reform in Greece had begun early in the twentieth century. The great estates had been distributed to landless peasants or tenants through large-scale expropriation in 1917, 1922 to 1924, and 1952. Today the problems of land reform related chiefly to cadastral surveys, registration of ownership and the introduction of co-operative farming for extremely small holdings. The Government was studying methods to prevent the excessive fragmentation of land in the future. The enormous disproportion between agricultural capital and the rural population was reflected in disguised unemployment and under-employment in the villages; the yearly agricultural income did not exceed \$125 per head. The total area under cultivation had been increased as a result of land reclamation and irrigation works but, as in the Netherlands, the cultivated area per head of population had increased because of a constant increase of population. Systematic efforts had been made by successive Governments to increase agricultural production through better farming methods and the standards of living of the farmers had

been gradually improving. Medium and long-term credits granted by the Agricultural Bank of Greece were helping the farmers to raise productivity.

9. The suggestions which the representative of the Food and Agriculture Organization (FAO) had made to the Council (960th meeting) were worthy of careful consideration. It might be more useful if the Council would recommend, instead of further surveys of a general character, the undertaking of special studies on problems of the implementation and administration of land reform measures or on their impact on production, employment and general economic development.

10. Mr. THORMANN (International Federation of Christian Trade Unions), speaking at the invitation of the President, noted with satisfaction that there was a growing awareness of the importance of the social consequences of industrialization. The changes that were taking place would involve profound changes in ways of life.

11. The report submitted to the Council (E/2958) was concise and his organization would welcome further information on a number of points; in particular, referring to project 5, he asked for details about the agenda of the proposed panel meeting and the names of the experts (E/2958, para. 19). He also hoped that the role of trade unions in increasing productivity and organizing production would be studied as soon as possible. With regard to project 7, he hoped that the Secretariat would give details of the studies that were being carried out (E/2958, para. 25).

12. The International Federation of Christian Trade Unions (IFCTU) was anxious to stress the need for an integrated, balanced economic programme covering agriculture, mining, transport, power production and other sectors of the economy. If industry was developed too rapidly in relation to agriculture the resulting disequilibrium would in the long run hamper economic development.

13. Small and medium-scale industry offered the under-developed countries an excellent basis for development by enabling them to make use of their abundant manpower and develop their natural resources to the full. The level of living could not be raised unless agriculture and the consumer goods industries were developed at the same time as heavy industry.

14. The IFCTU was glad to note that the majority of Governments were considering land reform within the framework of a general policy which covered not only the reform of institutions but also measures relating to the working conditions of agricultural labourers, the improvement of farming methods, credit and other measures recommended in the basic resolutions of the Council (resolution 370 (XIII)) and of the General Assembly (resolutions 524 (VI) and 625 (VII)).

15. He endorsed the United Nations' recommendations for the provision of increased opportunity to acquire ownership of land and the improvement of conditions of tenancy. The dangers of excessive individualism and of collectivism should be avoided.

16. It was probably impossible to devise a universally applicable agrarian reform policy. He suggested, however, the establishment of "mixed agricultural commissions" composed of representatives of the public authorities and of employers' and workers' organizations. Such commissions would be in a position to reach

those who would benefit from the new schemes and to assure the enforcement of the measures adopted. Agrarian reform would likewise be facilitated by the development of credit co-operatives of the Raiffeisen type.

17. Much remained to be done to extend to agricultural workers the benefits enjoyed by workers in other occupations. Such benefits should include the full exercise of trade-union rights, working conditions established in accordance with internationally recognized standards, a minimum wage, protection against accidents incurred in the course of work, adequate legislation on health conditions in places of work and the development of social services generally to enable the worker to enjoy normal conditions of family life in keeping with the customs of his country. Such measures, while difficult to put into immediate effect even in socially advanced countries, should not be lost sight of by the organizers of development programmes. The trade unions could play a very important role in the under-developed countries in that respect.

18. Although substantial progress had been made in some areas, the improvement was not general and in some cases the existing financial or economic obstacles seemed for the time being to be almost insurmountable. In the circumstances, consideration might well be given to the possibility of international financial assistance to facilitate the implementation of agrarian development programmes. He hoped that the Special United Nations Fund for Economic Development (SUNFED) would furnish some assistance in financing the non-self-liquidating investments required by programmes of agrarian reform.

19. Action should be taken to make knowledge of the administrative and technical aspects of agricultural problems more widely available. Steps could appropriately be taken through the technical assistance programme of the United Nations and the specialized agencies by the organization of seminars and training courses. Use could also be made of the experience gained by the leaders of agricultural workers' trade unions.

20. The IFCTU felt that the United Nations and the specialized agencies should keep the question of agrarian reform under continuous study. The well-documented reports which they published were of great assistance to countries concerned with the improvement of agriculture as part of their general programmes of economic development. The periodical reports might perhaps be issued at greater intervals but their publication should certainly not be discontinued.

21. With regard to co-operative organizations, which could be extremely useful in many economic and social activities, the IFCTU realized that in most under-developed countries co-operatives could not be established without initial government assistance, but felt that it should be stressed that co-operatives must remain independent. Continued government control might prove detrimental to the principle of co-operation.

22. He noted with satisfaction that the role which organizations such as trade unions could play in disseminating co-operative ideas was now realized. A number of Christian trade unions had promoted the establishment of co-operatives of various types in both agriculture and industry and the IFCTU unreservedly endorsed the observations in paragraphs 34 and 58 of the report by the Secretary-General (E/2950).

23. Finally, supporting the conclusion in paragraph 148 of the report, he stressed that membership in non-governmental organizations such as co-operatives and trade unions constituted valuable training in democracy. The active co-operation of such voluntary organizations in the planning and implementation of development programmes would help to make the programmes a means of more completely satisfying man's material and spiritual needs.

24. Mr. GREZ (Observer from Chile) said that international co-operation and the co-ordinated implementation of programmes of industrialization and productivity were of vital importance to the development of his country and he accordingly regretted that the Secretariat's report on the subject (E/2958) was less complete than the reports on agrarian reform and co-operatives.

25. The Chilean Government was carrying out a pilot agricultural development plan with the co-operation of FAO under the Expanded Programme of Technical Assistance and had taken steps to promote industrialization and increased productivity. The Government was not losing sight of international plans and programmes in that field but was concentrating more particularly on domestic action to create economic conditions in Chile which would encourage the investments of international capital essential for the country's economic development.

26. In 1955 inflationary pressures had grown to alarming proportions in Chile. Wages had risen by 80 per cent and the dollar exchange rate had climbed to 800 pesos. It had been found necessary to carry out a stabilization programme involving the readjustment of wages, fiscal measures and an expansion of credit. Some of the measures caused hardship and were unpopular but the substantial progress made during 1956 had been encouraging and the Government intended to continue to apply them. The rise in the cost of living had been 50 per cent less than in the preceding year; the price index had risen by only 47 per cent (31 per cent for domestic goods and 76.3 per cent for imports) and the dollar exchange rate had fallen from 656 at the end of December 1955 to 596 in December 1956, representing a notable increase in the value of the national currency.

27. The Development Corporation had made large investments with a view to the development of the country's agricultural, mineral and industrial resources. The International Bank for Reconstruction and Development proposed to continue its studies in connexion with loans for the development of power resources and the improvement of transport facilities. Capital for electrification and mining had been obtained with a government guarantee. Plans had been prepared for the improvement of the railway system, the construction and improvement of roads and the improvement of the country's major ports. The Corporation hoped that the preliminary work done by the planning service would enable it to submit an integrated plan to the Government in the second half of 1958 covering agriculture, industry, transport and power. The Government would thus be able to pursue an investment and credit policy designed to raise the level of living of the population.

28. The Corporation had accomplished much in the industrial field. A tractor factory and two paper mills had been established. The pulp and pulp products industry and the chemical industry had been developed

and it was planned to begin the manufacture of alkalis. The fishing industry had been encouraged.

29. In addition, the national electricity undertaking had built eight power-stations with a capacity of 207,221 kilowatts and had constructed a large transmission system. The hotel industry had been developed and modernized. New vessels had been added to the merchant fleet. The sugar industry had been considerably expanded. The mineral prospecting programme had been continued. It was proposed to build a copper smelting plant, and a sulphuric acid factory had gone into production in 1956. Prospecting for sub-surface water had been begun. Funds had been made available for the expansion of coal and oil production.

30. In view of the efforts it had made, Chile felt that it was entitled to emphasize to the Council the need for granting more effective and practical assistance to the under-developed countries to enable them to attain the objectives of the United Nations, in particular to promote higher standards of living, to strengthen democratic institutions and to increase the under-developed countries' contribution to world peace and prosperity.

31. Mr. BAKER (United States of America) stressed the importance of land problems and the interest which the United States had always taken in them. In most countries of the world agriculture was one of the mainstays of the economy and, in many of the under-developed countries in particular, economic and social progress depended on agricultural development. For that reason, the United States had supported and would continue to support the efforts made by the United Nations and the specialized agencies in the field of land reform. In recent years the United States had also provided direct technical and financial assistance in connexion with the development of agricultural institutions to countries which needed it and it was resolved to continue that policy and to give all appropriate encouragement and assistance to programmes which promised to enhance the role of agriculture in national economies and bring benefits to farm people.

32. The second report of the Secretary-General on *Progress in Land Reform* (E/2930) reflected clearly the various aspects of the problem, and showed particularly that the redistribution of land was only one of those aspects. Those various aspects had been embodied in previous resolutions. While it was important to give farmers the opportunity to own their land, it was equally important to make adequate credit available to them at reasonable rates, to improve marketing methods, to encourage agricultural research, to set up educational services and to promote the establishment of co-operatives. As the Netherlands representative had pointed out (960th meeting), a co-operative should be an organization of private individuals acting on their own initiative. Governments could and should encourage the formation of co-operatives but the co-operatives should manage their own affairs. The term "co-operative" was sometimes misapplied to organizations set up and controlled by the State, for the purposes of the State rather than the members. Such organizations were more properly termed "collectives".

33. Commenting on the report (E/2930) in detail, he was glad to note that programmes for encouraging land ownership in most countries were directed towards the establishment of family holdings of economic size. That had long been the objective of United States land policy, and experience showed that that system tended to assure a steady supply of products even in



adverse economic conditions. The size of such holdings depended, of course, on the productivity of the land and the type of agriculture practised.

34. He was pleased to note that most of the countries concerned had managed to carry out a redistribution of land without placing too heavy a burden on the recipients. Experience had shown that a landowner who was heavily in debt was often less well off than a farmer operating as a tenant.

35. The development of unused land was a problem which varied from country to country: in heavily populated countries, the area of potentially exploitable land might be extremely limited; in other countries, however, recent technical advances might make possible the development of vast areas that had been unused.

36. The United States was aware of the problems arising from the tenure system but did not consider them insurmountable. It agreed with the compilers of the report that insecurity of tenure and excessive rentals were major obstacles to economic development. Security of tenure was particularly important in the case of the most productive land since it was there that the tenancy system tended to be most widespread. The United States delegation was pleased to note from the report that several Governments had taken steps to protect tenant farmers and encourage them to improve their land. It hoped that other countries would follow that example.

37. The United States delegation also considered that every effort should be made to eliminate the obstacles which impeded the expansion of agricultural credit and the creation of farm holdings of economic size in under-developed countries.

38. The report showed that notable achievements had been made in land reform in recent years and further progress might be expected. The two principal obstacles were the rigidity of institutions and the illiteracy of the agricultural population, which were largely internal problems of the countries concerned. Once those obstacles had been eliminated, it would be easier to obtain the full benefit from the development of transport and communication facilities, the training of personnel, and the provision of financing.

39. In conclusion, he outlined certain fundamental principles which should govern the implementation of land reform programmes: such programmes should be directly related to the real needs of the population and their success would depend upon the efforts of the people themselves. Assistance rendered by the United Nations and the specialized agencies could only supplement such efforts. Land reform programmes should be adapted to conditions in each country and should form part of general programmes of economic development. Land reform problems were difficult and complex, but the stability of nations, and consequently world peace, depended on their solution.

40. Mr. KEMSLEY (International Confederation of Free Trade Unions) stated that the International Confederation of Free Trade Unions (ICFTU) was keenly aware of the arduous economic and social problems confronting the peoples of under-developed countries. Those problems were of concern to the whole world and should be solved by the common efforts of all nations. There was too great a disparity between levels of living in developed countries and in under-developed countries. That should not be so; ways and means should be found to ensure that countries which were

under-developed should progressively benefit from all the advantages of technical advancement. Since the greatest obstacle to economic development was a lack of capital, it was to be hoped that the International Finance Corporation would succeed in its task and that the Special United Nations Fund for Economic Development would be established in the near future.

41. The ICFTU, which had always attached great importance to technical assistance programmes, appreciated the contributions that the United Nations Technical Assistance Administration (TAA), various Governments and private organizations and foundations had made in that field. The project of training 200 young engineers from India, under the auspices of the Ford Foundation, had been worked out with the co-operation of the free trade unions in India and the United States of America. The free trade unions also made a notable contribution in both explaining the needs of under-developed countries to the people of the large industrial countries and preparing people in the under-developed regions to receive and utilize the assistance offered to them. Trade unions could also contribute much in the matter of productivity, for it should be borne in mind that increased productivity could be of real value only if accompanied by a general rise in levels of living.

42. At a conference held by the Asian Regional Organization of the ICFTU from 30 March to 4 April 1957, the question of rationalization and increased productivity had been discussed at length. The conference had adopted a resolution stating, *inter alia*, that mechanization in under-developed countries was sometimes apt to result in restricting the volume of employment and that any efforts to attain higher productivity should pay due regard to the utilization of the region's manpower resources. The resolution emphasized that full employment should be the primary objective of economic and industrial policies of Asian countries, that higher productivity should be the secondary objective and that free trade unions should be consulted in the framing of such policies. In view of the well-defined attitude of the free trade unions on the subject, the Secretariat should give the question careful consideration in dealing with project 5 (Summary and evaluation of the experience gained under the technical assistance programme on problems of industrial management in under-developed countries). The co-operation of the free trade unions seemed to be indispensable in that field. The ICFTU hoped, too, that the United Nations Secretariat would consider the activities of free trade unions when it dealt with project 9 (Publication of a bulletin on industrialization and productivity). The European Productivity Agency of the Organization for European Economic Co-operation, with which the ICFTU had consultative status, had gained much experience in the field of productivity. An example of a joint project of that agency and the free trade unions was the seminar held in London in May 1956.

43. The ICFTU was also interested in the peaceful uses of atomic energy; it was in favour of the establishment of the International Atomic Energy Agency and hoped that all Governments would lend it their full support. Nuclear energy and automation had brought about a second industrial revolution in the world. Hundreds of millions of people would soon have to adapt themselves to a new way of life. Both collectively and individually they would have to face great

and confusing problems. That was yet another reason for stressing the importance of training workers.

44. With regard to the question of "Land reform", under item 5 of the agenda, the ICFTU was particularly interested in part II, chapter 4, of the second report on *Progress in Land Reform* (E/2930), entitled "Hired workers and rural employment". It was only when agricultural workers were organized in unions that their wages came at all close to those of their comrades in industry. For that reason the ICFTU had set up a special Plantations Workers Organizing Committee, which was tackling the difficult task of organizing agricultural workers, with special emphasis on the less developed parts of the world.

45. Among the activities of the ICFTU was the annual international seminar, which would be held in Canada early in September 1957. Some eighty leaders of the free trade unions in more than thirty countries were expected to attend. The subjects to be discussed would include the economic needs of the less developed countries, economic aid and technical assistance programmes, the role of the United Nations in economic aid and technical assistance, and the industrial and social implications of nuclear energy and automation. That was but a further indication that the question which the Council was considering was of interest not only to Governments but also to the organized workers of the world.

46. Mr. SCOTT FOX (United Kingdom) said that the general attitude of the United Kingdom Government towards industrialization and towards the Secretary-General's programme of work in that field had been made clear in the past few years.

47. The report submitted to the Council was essentially a progress report and the work was not very far advanced. The important projects enumerated had been speedily put into operation and they would go far towards filling the gaps in the work of international organizations in the field of industrialization.

48. The United Kingdom was pleased to note that the Secretary-General was co-operating closely with the regional economic commissions and the specialized agencies on a number of projects. That would prevent overlapping in a field in which so many organizations were already working.

49. He considered the report on *Progress in Land Reform* (E/2930) a very useful work of reference. The replies submitted by Governments were, however, presented by regions, under the headings of the questionnaire, and it was consequently difficult, without a good deal of research, to gain a comprehensive view of a single country or to make an assessment of a single problem from the way in which it was handled in several countries.

50. He agreed with the representative of the Netherlands that land reform was part and parcel of the whole process of economic and social development. In territories dependent on the United Kingdom, that development was the subject of comprehensive plans. Financial assistance was provided under the Colonial Development and Welfare Act and the United Nations was providing technical assistance under the Expanded Programme of Technical Assistance. Since land reform was a slow evolutionary process, he suggested that the interval between reports on the subject might with advantage be lengthened. The Secretary-General might even be asked to do no more in the immediate future

than hold a watching brief, leaving the main responsibility for further work in that field to the Food and Agriculture Organization, which might, for instance, study specific aspects of the problems covered in the report in co-operation with the other specialized agencies concerned, and keep the Council duly informed.

51. The question of co-operatives was closely connected with the whole process of land reform. In territories dependent on the United Kingdom, the co-operative movements had generally required, and received, governmental advice and assistance in their early days. In territories where there was a co-operative movement, there were Co-operative Departments to continue that advice, assistance and training. Similar services were provided in the United Kingdom and training courses for people from the territories concerned were held there. Other training courses had been given in Africa and at the Co-operative College in Malaya.

52. He did not think that co-operatives could function satisfactorily without supervision and audit after a few years: the experience of Ceylon and India seemed to testify to that.

53. He regretted that chapter 2 of the report of the Secretary-General on co-operatives (E/2950) dealt to a considerable extent with theory rather than with practice. He was pleased to note, however, that an attempt was made in the last chapter to determine how far co-operatives could contribute to material and cultural progress.

54. He agreed with the view expressed by the Netherlands representative (960th meeting) that it was necessary to take stock of the situation before embarking on further studies covering the general field of co-operatives.

55. Mr. WOODCOCK (International Co-operative Alliance) pointed out that the conditions in which the co-operative movement had developed in Western countries differed from those which had attended its establishment in the under-developed countries. As far as the latter were concerned, the International Co-operative Alliance (ICA) was especially concerned with the problem of State participation, and in particular with the way in which that participation could be gradually withdrawn without endangering the smooth functioning of the co-operatives. It was to contribute to the solution of that problem that the ICA had decided at its 1954 Congress in Paris to establish a fund and to draw up a programme of technical assistance. To that end an expert in co-operatives had made a survey in the countries of the Near and Far East. The programme would be considered at the Congress to be held in Stockholm that summer; should it be adopted, the ICA would set up a local office in the Far East to arrange for it to be put into effect.

56. In undertaking that work the ICA would take into account two fundamental considerations: the need to educate the people, which in the past had often been neglected, and the fact that advisers on the co-operative question should be business men with considerable experience in the management of co-operatives rather than economists or sociologists.

57. The ICA would be careful to avoid any overlapping or duplication of its activities with those of TAA, the specialized agencies or Governments. It would endeavour to find experts and without encroaching on the work of the United Nations, the specialized

agencies or Governments, to create a favourable atmosphere for the development of co-operatives. It was in that spirit that it had organized, at the request of the United Nations Educational, Scientific and Cultural Organization, a regional seminar on co-operatives, which had been held in Jamaica in 1955 and in which students from fourteen countries had participated.

58. He thought that the stage of general studies had been passed and that the time had come to concentrate

on certain special aspects of the problem. It would be useful, for instance, to take advantage of the experience gained by the various countries which had had technical assistance programmes in the co-operative field. The reports on those programmes would provide invaluable information on many aspects of the problem, such as agricultural credit, low-cost housing, co-operative dairies in tropical countries and handicrafts.

The meeting rose at 1 p.m.