



**ECONOMIC AND SOCIAL COUNCIL**

Wednesday, 23 February 1966,  
at 3.25 p.m.

**Fortieth Session  
OFFICIAL RECORDS**

**NEW YORK**

C O N T E N T S

	Page
<i>Agenda item 1:</i> <i>Election of President and Vice-Presidents for 1966 (concluded) . . . . .</i>	3
<i>Agenda item 5:</i> <i>Report of the Secretary-General on the activities of the Centre for Industrial Development pursuant to the recommendations of the United Nations Conference on Trade and Development . . . . .</i>	3
<i>Agenda item 13:</i> <i>Non-governmental organizations . . . . .</i>	5

*President:* Mr. Tewfik BOUATTOURA (Algeria).

*Present:*

Representatives of the following States: Algeria, Cameroon, Canada, Chile, Czechoslovakia, Dahomey, Ecuador, France, Gabon, Greece, India, Iran, Iraq, Luxembourg, Morocco, Pakistan, Panama, Peru, Philippines, Romania, Sierra Leone, Sweden, Union of Soviet Socialist Republics, United Kingdom of Great Britain and Northern Ireland, United Republic of Tanzania, United States of America, Venezuela.

Observers for the following Member States: Argentina, Austria, Byelorussian Soviet Socialist Republic, Costa Rica, Denmark, Hungary, Ireland, Italy, Japan, Malawi, Mauritania, Mexico, Nigeria, Senegal, Somalia, Spain, Sudan, Trinidad and Tobago, Tunisia, Turkey, Ukrainian Soviet Socialist Republic, Yugoslavia.

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

Representatives of the following specialized agencies: International Labour Organisation; Food and Agriculture Organization of the United Nations; United Nations Educational, Scientific and Cultural Organization; World Health Organization; International Bank for Reconstruction and Development; International Monetary Fund.

The representative of the International Atomic Energy Agency.

**AGENDA ITEM 1**

**Election of President and Vice-Presidents for 1966 (concluded)**

1. Mr. KLUSAK (Czechoslovakia) nominated Mr. Murgescu (Romania) for the post of first Vice-President.
2. Mr. SEYDOUX (France), Mr. IGNACIO-PINTO (Dahomey), Mr. SIDI BABA (Morocco) and Mr. FERNANDINI (Peru) supported the nomination.

*Mr. Murgescu (Romania) was elected first Vice-President by acclamation.*

3. Mr. POLIT-ORTIZ (Ecuador) nominated Mr. Fernandini (Peru) for the post of second Vice-President.

4. Mr. ROOSEVELT (United States of America), Mr. PITHER (Gabon) and Mr. MAKEEV (Union of Soviet Socialist Republics) supported the nomination.

*Mr. Fernandini (Peru) was elected second Vice-President by acclamation.*

5. The PRESIDENT suggested that, in keeping with past tradition, the first Vice-President should preside over the Economic Committee and the second Vice-President over the Social Committee.

*It was so decided.*

**AGENDA ITEM 5**

Report of the Secretary-General on the activities of the Centre for Industrial Development pursuant to the recommendations of the United Nations Conference on Trade and Development (E/4131 and Corr.1)

6. Mr. ABDEL-RAHMAN (Commissioner for Industrial Development) said that the projects described in the report of the Secretary-General (E/4131 and Corr.1) were the follow-up of the preparatory work done by the Centre for Industrial Development for the first session of the United Nations Conference on Trade and Development (UNCTAD). The Centre had been co-operating closely with UNCTAD on questions related to the promotion of exports of manufactures and semi-manufactures of developing countries. In particular, a close working relationship had been established with the UNCTAD secretariat on all matters in which the Committee for Industrial Development and the Committee on Manufactures of UNCTAD had a common interest. UNCTAD was represented at the conferences and symposia on industrial development and the Centre was represented at meetings of the Committee on Manufactures. The UNCTAD secretariat had also been invited to co-operate in the International Symposium on Industrial Development which was to be held in 1967. It was hoped that existing arrangements offered a sound basis for continued close co-operation, which could be further strengthened as the work of the Committee on Manufactures and the Centre developed in the directions recommended by their governing bodies.

7. With regard to the preliminary discussion of General Assembly resolution 2089 (XX) of 20 December 1965, the views expressed by the members of the Council would be transmitted to the Ad Hoc Committee on the United Nations Organization for Industrial Development, established under paragraph 6 of the resolution. The Secretariat intended to issue

a paper briefly reviewing the information contained in the various sources mentioned in that paragraph and systematically describing the background of the issues with which the Committee would deal. Such a document would facilitate the task of the Ad Hoc Committee without in any way affecting its freedom of action. The views expressed in the Council on the important matters to be dealt with by the Ad Hoc Committee would provide valuable guidance.

8. Mr. ADIL (Pakistan) said that he was glad to note that the Secretary-General's report was generally in line with what the Council had envisaged when it had adopted resolution 1081 C (XXXIX) of 30 July 1965. Most developing countries were making valiant efforts to accelerate the growth of their industrial base, and to widen it. In Pakistan, during the period of the Second Five-Year Plan (1960-1965), the annual growth rate in industry had been 8.6 per cent, as against 3.5 per cent for agriculture. When compared with the figures for the 1950's, those statistics revealed an improved balance between agricultural and industrial development; that was important since the continued development of the industrial sector was dependent upon a healthy agricultural sector. During the period of the Second Plan, Pakistan had embarked on a vigorous export drive and the annual rate of increase in exports had been twice as high as forecast in the Plan. Foreign exchange had been available for development imports and the country's dependence on foreign assistance had been significantly lower than forecast in the Plan; such assistance had financed only 36 per cent of expenditure under the Plan, instead of the 50 percent anticipated.

9. The Third Five-Year Plan allocated 26.1 per cent of the total outlay to the industrial sector. Under that Plan, there would be a decisive shift from consumer goods to the establishment of basic capital and producer goods industries. Besides traditional manufactures such as jute and cotton textiles, attention would be given to the development of a number of other export-potential industries. It was expected that during 1966 export earnings would increase by about \$85 million over the 1965 level, and that a substantial part of that increase would be accounted for by industrial goods.

10. Pakistan had frequently urged the establishment of international arrangements which would ensure ready access for manufactures and semi-manufactures from developing countries to markets in the developed countries. Otherwise the developing countries could never repay the debts they had incurred in promoting economic development. Exports of primary products were hindered by adverse movements in the terms of trade and the slow growth in demand. Attention should therefore be given to finding ways of increasing exports of manufactures from developing countries to developed countries. Initially, those manufactures would not be of the more sophisticated kind.

11. He particularly welcomed the decision of the Centre to study the possibilities of promoting exports and developing export industries on the basis of regional co-operation. Under the scheme entitled "Regional Co-operation for Development" (RCD), Iran, Pakistan and Turkey had identified twenty-two groups of industries for development on a co-operative

basis. In respect of the petrochemical industries, satisfactory arrangements had already been agreed upon involving the establishment of large petrochemical complexes able to take advantage of the combined market of some 150 million people. The Commissioner for Industrial Development would undoubtedly find it useful to study what was being done under RCD.

12. The Commissioner was to be complimented on the progress which the Centre had made under his guidance, despite limitations of resources and personnel.

13. He was not sure what the Council could contribute by a discussion of General Assembly resolution 2089 (XX) on the establishment of the United Nations Organization for Industrial Development, the resolution itself having set up an Ad Hoc Committee to prepare administrative procedures and operating arrangements. The idea of an organization for industrial development had been put forward by Pakistan many years ago, and he was glad that it was finally reaching the stage of practical realization.

14. Mr. VAKIL (Iran) said that the decision to establish the United Nations Organization for Industrial Development was an encouraging step towards assisting developing countries in their industrialization efforts, even though it fell somewhat short of the hopes of the developing countries for a specialized agency for industrial development. Its usefulness would of course be dependent on the organization's receiving sufficient financial support from member States.

15. Referring to the Secretary-General's report (E/4131 and Corr.1), he welcomed the study begun by the Centre for the purpose of identifying those metal-transforming industries in which exports could be developed. With regard to the pattern of export-propelled industrialization, he could report that Iran had not confined itself to import substitution, but was paying special attention to export industries in cases where factor endowments had been favourable. It would be desirable if the study initiated by the Centre could cover not only the production potential of the developing countries with regard to export products but also the export potential of such products in the world market.

16. He suggested that in studying the question of foreign investment in developing countries consideration should be given to the impact of such investment on foreign exchange savings and their implications for the future expansion of industries. Foreign investment in plants oriented principally towards use of materials from the investing country should be examined carefully to see how much it benefited the country where the investment took place.

17. The planned survey of export promotion policies should not be limited to policies but should cover also mechanisms and measures for the implementation of those policies. With regard to regional co-operation, Iran, Pakistan and Turkey were already co-operating with the aim of developing regional export industries.

18. The Centre was to be commended for the project in Mexico described in paragraph 5 of the report. He

would like to see the new United Nations Organization for Industrial Development provide similar assistance for the promotion of industries in all developing countries.

19. The work done by the Centre had been most useful, particularly its efforts in organizing symposia and seminars. It was to be hoped that the studies which were to be made of the problems of industrial development would produce solutions and lead to tangible results. The Council had a major role to play in finding ways and means of implementing proposals made for solving the industrialization problems of developing countries.

20. Mr. WURTH (Luxembourg) said that the Secretary-General's report and the statement of the Commissioner for Industrial Development confirmed the welcome trend towards a practical approach in activities in the field of industrial development.

21. The Ad Hoc Committee on the United Nations Organization for Industrial Development would soon be meeting, and meanwhile the Centre for Industrial Development was continuing to function satisfactorily. It was partly due to the Commissioner and his staff that the vital role of industrial development for the economic future of the developing countries had become so widely recognized.

22. He had been particularly interested in the reference in the Secretary-General's report to the close co-operation between the Centre and UNCTAD in the carrying out of studies. The problems of under-development undoubtedly required concerted action for their solution. The studies described in the report had the full support of his delegation. In particular, he noted that the Centre was convinced of the important role which could be played by regional co-operation among developing countries. Industrial development was the most effective means for the developing countries of remedying an excessive dependence on a single product. In some cases, however, industrialization oriented too exclusively towards exports could lead to an equally dangerous situation in that industries would be too much affected by fluctuations in export markets. Experience showed that domestic markets and integrated regional markets were important alongside export markets. Luxembourg was well aware of the value of regional co-operation and integration, and his delegation hoped that the study of that aspect of the process of industrial development would be energetically pursued by United Nations bodies.

23. In his delegation's view, the Centre and the new Organization for Industrial Development should pay close attention to the advantages to be derived from close co-ordination with the United Nations Development Programme. Indeed, the studies already initiated by the Centre were in reality pre-investment projects. He recalled that the General Assembly, in its resolution on the subject (2089 (XX)), envisaged participation by the new organization in the United Nations Development Programme as an executing agency.

24. Mr. BESA (Chile) said that GATT had recently established a Centre to deal with industrial development questions. He wondered whether the Commissioner for Industrial Development had had any contact

with the Centre, which could probably be useful in providing information regarding market possibilities, especially in developed countries, for certain manufactures.

25. Mr. SIDI BABA (Morocco) noted that the report, in paragraph 2, referred to the limitations of "severely restricted staff and other resources". He wondered whether the Commissioner felt that the situation described there was compatible with the resolutions of the Council and of the General Assembly.

26. Mr. ABDEL-RAHMAN (Commissioner for Industrial Development) agreed with the representative of Chile that the information which might be provided by competent units of GATT might well prove useful, particularly in connexion with studies of the type mentioned in paragraph 5 of the report. The Centre looked forward to co-operation with any bodies which could provide information in that field, including bodies established by UNCTAD and GATT.

27. Replying to the Moroccan representative's query, he observed that it had been possible, as a result of the increase in the Centre's budget, to establish a small section on problems concerning exports of manufactures. He hoped that it would be possible to increase the staff of that section from two to seven and to expand its activities.

#### AGENDA ITEM 13

##### Non-governmental organizations (E/4136)

28. Mr. MAKEEV (Union of Soviet Socialist Republics) said that his delegation attached great importance to the participation of non-governmental organizations in the Economic and Social Council and its subsidiary bodies. Although the document before the Council (E/4136) was headed "Report of the Council Committee on Non-Governmental Organizations", it contained no information on the discussions in the Committee, nor did it reflect the views which had been put forward by delegations. The document could therefore in no way be regarded as a genuine report. Moreover, it raised a number of questions regarding the whole work of the Committee. That body, which had been set up in 1950, was one of the most unrepresentative in the United Nations, and its membership was far too limited. The Committee's work was done in closed meetings and the normal methods of United Nations bodies were not applied.

29. The draft resolution in document E/4136 was based on completely groundless premises and was quite unacceptable to his delegation, which rejected in particular the decision proposed in operative paragraph 5. The principal aims of the International Association of Democratic Lawyers were to facilitate contacts and exchanges of views between lawyers in all countries, to ensure common action by lawyers to maintain peace and security, to further the development of democratic rights and freedoms in national legislations, and to co-operate in the realization of the objectives of the United Nations Charter. Those aims were entirely consistent with the objectives of the United Nations and fully entitled the Association to Category B consultative status. The Women's International Democratic Federation, an organization with offices in seventy-one countries and a member-

ship of several million, was another body which could contribute to the work of the Economic and Social Council and was likewise entitled to that status.

30. He drew attention to a paradoxical situation: the International Association of Democratic Lawyers and the Women's International Democratic Federation both enjoyed Category C consultative status with the United Nations Educational, Scientific and Cultural Organization and co-operated closely with that body and other United Nations bodies, yet the Council was being asked by the Committee on Non-Governmental Organizations to reject their applications for Category B consultative status with the Council itself. It had been said in the Committee that those organizations followed the policies of a particular group of nations and were therefore not genuinely non-governmental, and that they were political organizations with specific political tendencies, but those allegations were completely groundless. Moreover, the views expressed by his delegation in the Committee had not been taken into account.

31. There was an urgent need to review the entire work of the Committee. In the opinion of his delegation, the best course would be to abolish the Committee entirely and to consider applications from non-governmental organizations directly in the Council itself. He understood, however, that there was some opposition to that procedure, and his delegation therefore suggested that the Council should increase the membership of the Committee on Non-Governmental Organizations to twelve, the members to be selected from the membership of the Council on a basis of equitable geographical representation. The enlarged Committee should hold open meetings and grant hearings, if necessary, to representatives of the organizations applying or reapplying for consultative status. If the Council decided to enlarge the Committee in that way, the applications referred to in document E/4136 could be referred back to the newly-constituted Committee, which could then report to the Council before the end of the current session.

32. The Soviet delegation believed that an abnormal situation had arisen, which must not be allowed to continue, and it was fully prepared to co-operate with all delegations which wished to see that situation rectified.

33. Mr. WALDRON-RAMSEY (United Republic of Tanzania) fully agreed with the Soviet representative that the document (E/4136) did not constitute a report. His delegation would treat it merely as a draft resolution submitted to the Council, disregarding for the present the text which preceded the draft resolution. He suggested that the draft resolution could be considered separately from the question of the reorganization of the Committee, and that its six operative paragraphs should be treated individually. He proposed that operative paragraph 6 should be deleted, and replaced by the words "Decides to grant the request of the United Towns Organization (UTO) for reclassification from Category B to Category A consultative status". That new operative paragraph could become operative paragraph 1, and the other paragraphs could be renumbered accordingly.

34. The lofty ideals of the United Towns Organization were well known, and the organization was well able to stand on its record as a non-political and non-discriminatory body dedicated to cultural economic and social purposes. Its membership included towns in more than sixty countries, and many eminent statesmen belonged to the organization. He was therefore confident that members of the Council would support his proposal.

35. Mr. DJOUDI (Algeria) said that he fully supported the proposal of the Tanzanian representative. His delegation shared the concern voiced by the Soviet and Tanzanian delegations regarding document E/4136 and the structure of the Committee itself, which should be expanded on the basis of equitable geographical distribution.

36. Mr. POLIT-ORTIZ (Ecuador) said that the document before the Council certainly left much to be desired, although that was a matter of form rather than substance. With regard to the more important criticism of the Committee itself, there was no doubt that, as constituted at present, it was not representative. He therefore suggested that the Council should take two steps at its current session. First, members of the Council who were not familiar with the Committee's work should be given an opportunity to acquaint themselves with its terms of reference, in order to see whether they should be amended. Secondly, the membership of the Committee should be increased to twelve, as had been suggested by the Soviet representative, or more. Meanwhile, discussion of the draft resolution should be suspended.

37. Mr. ADIL (Pakistan) said that he was in agreement with the views expressed by the delegations of the Soviet Union and Ecuador. He suggested that the Council should take a positive decision on operative paragraphs 2 and 4 of the draft resolution, which were not controversial, and should refer the other operative paragraphs back to the Committee, if the Council decided to reconstitute the latter.

38. Mr. SIDI BABA (Morocco) supported the suggestion of the representative of Ecuador. The possibility of enlarging the Committee should be considered; the new Committee might be able to make more pertinent and more authoritative decisions.

39. Mr. BESA (Chile) said that there were two separate problems: the organization of the Committee itself and the report before the Council. The Council needed more time and should have specific proposals before it relating to the first problem. With regard to the second, it would be difficult for the Council to alter the wording of the recommended resolution. A decision should be postponed until more information was available.

40. Mr. MAKEEV (Union of Soviet Socialist Republics) agreed that action should be deferred to allow time for informal consultations on the draft resolution. His delegation could accept the Tanzanian proposal that the United Towns Organization should be granted Category A status. However, it would be wrong to take decisions on individual cases; an attempt should be made to solve the whole problem.

41. Mr. VARELA (Panama) said that the goals of the Council would be realized only if non-governmental organizations participated actively in the efforts to achieve social progress and economic development. He agreed with the representative of Pakistan that the Council might proceed to vote on paragraphs 2 and 4 of the draft resolution. The report should have contained a brief summary of the reasons for the decisions recommended in the resolution. A study should be made of the possible enlargement of the Committee, and the requests on which no detailed information had been provided should be reconsidered.

42. Mr. VIAUD (France) said that there was indeed a case for enlarging the Committee in proportion to the recent enlargement of the Council. However, it might not be easy to find candidates for membership of an enlarged Committee; already the Committee's meetings were not attended by all members. Its activities should be mainly administrative in character and its membership should therefore be as small as was compatible with the requirements of geographical distribution and the desire of Council members to serve on the Committee. It was unfortunate that the Council had not been given the background information which would have enabled it to pass judgement on the validity of the requests made by the organizations. The Committee's recommendations should not be altered unless an opportunity was given to study the reasons underlying them. The Council should adopt operative paragraphs 2 and 4 of the draft resolution and postpone the discussion of the other recommendations of the Committee and of the question of its enlargement.

43. Mr. ROOSEVELT (United States of America), referring to the proposal of the representative of the United Republic of Tanzania, thought it would do violence to the criteria underlying the categories into which non-governmental organizations were divided. The amendment proposed by him would, moreover, have the effect of rejecting the request of the International Union of Local Authorities without, however, specifically mentioning that request. It would be unfair and discriminatory to grant the request of one organization in that field and not the other, unless there was some good reason for so doing. He agreed that the report of the Committee on Non-Governmental Organizations could usefully have been expanded so as to provide some background information to help the Council, but he called attention to the fact that the information necessary was in the papers before the Committee and in the summary records of its deliberations. His delegation viewed

sympathetically the request for consideration of the enlargement of the Committee but thought that the membership should not be too large in view of the difficulty the smaller committee had encountered in obtaining the attendance of its members. A decision on the matter should be postponed until later in the session.

44. Mr. ASTROM (Sweden) said that his delegation considered it appropriate to enlarge the Committee, since the Council itself had been enlarged. The new membership should be broadly representative of the different geographical regions. As to whether the permanent members of the Security Council should be members of the committees under the Economic and Social Council, his delegation thought that each case should be decided on its own merits. In the case under discussion it seemed, on balance, motivated for the permanent members of the Security Council to be members of the Committee. The report (E/4136) was admittedly brief, but the Council members could consult the summary records of the Committee's meetings. The Committee itself should be allowed to decide on its method of work. The Council might wish to approve paragraphs 2 and 4 of the draft resolution, on which the Committee had reached positive conclusions. A decision on the other matters pending might be postponed.

45. Mr. KITTANI (Secretary of the Council) saw no difficulty in the Council deferring action on the report of the Committee on Non-Governmental Organizations and on the question of possible enlargement of that Committee, provided that it agreed to suspend rule 86 of its rules of procedure in order that it might itself decide on requests for hearings from non-governmental organizations already in Category A.

46. Mr. KLUSAK (Czechoslovakia) said that consultations were clearly called for on some of the complex problems which had been raised. It therefore seemed wise to postpone discussion of the draft resolution recommended in document E/4136.

47. The CHAIRMAN proposed that the Council should decide to defer action on the report (E/4136) and on the proposal to enlarge the Committee on Non-Governmental Organizations, and meanwhile to suspend rule 86 of its rules of procedure so that requests for hearings from organizations in Category A could be granted by the Council itself.

*It was so decided.*

The meeting rose at 7 p.m.