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President: Mr. Foss SHANAHAN (New Zealand).

Present:

Representatives of the following States: Afghanistan, Brazil, Bulgaria, Denmark, El Salvador, Ethiopia, France, Italy, Japan, Jordan, New Zealand, Poland, Spain, Union of Soviet Socialist Republics, United Kingdom of Great Britain and Northern Ireland, United States of America, Uruguay, Venezuela.

Observers for the following Member States: Argentina, Austria, Canada, Czechoslovakia, India, Indonesia, Netherlands, Pakistan, Peru, Philippines, Romania, Yugoslavia.

The observer for the following non-member State: Holy See.

Representatives of the following specialized agencies: Food and Agriculture Organization of the United Nations; United Nations Educational, Scientific and Cultural Organization; World Health Organization; World Meteorological Organization.

The representative of the International Atomic Energy Agency.

AGENDA ITEM 5

Economic development of under-developed countries
(E/3446 and Corr.1, E/3476/Rev.1; E/L.903) *(continued)*

1. Mr. FRANZI (Italy) said that, unlike all the other members of the Council his delegation had been able to take part only in the last meeting of the Committee for Industrial Development. He had nevertheless followed the Committee's activities in the plenary meetings and considered that it had accomplished a very useful task at its first session. He would therefore vote in favour of the draft resolution submitted by Brazil and the United Kingdom (E/L.903).
2. It seemed to him that the programme of work envisaged for the Secretariat under the Council's recommendations was too heavy to be carried out properly, especially in 1961. In view of the Secretariat's considerably increased work load, his delegation supported the proposed additions to the Secretariat staff as indicated in annex IV to the Committee's report (E/3476/Rev.1).
3. In paragraph 136 of its report, the Committee had stressed the need for ensuring that the *Bulletin on Industrialization and Productivity* and other materials published by the United Nations reached those directly concerned with industrial development in under-developed countries. In that connexion, he wished to know what

provision had been made for dissemination of such publications in those countries which did not yet have sales agents for United Nations publications, as many of those countries were in the under-developed category.

4. Mr. HESSELLUND-JENSEN (Denmark) emphasized that the Committee for Industrial Development had a long-term task to perform. The Committee, at its first session, had established a solid foundation for its future work by considering the fields of training and management, planning and programming, and financing. His delegation would co-operate whole-heartedly in its activities.

5. A main feature of the industrialization process in its modern form was the application of scientific methods to the development of economic enterprises. His country had found that industrialization of the agricultural sector was at least as important as that of the industrial sector. Only by developing agriculture along with industry could a sound basis for economic progress be created in the under-developed countries and the food requirements of their growing populations be met.

6. Moreover, in the final stages of many countries' development there was no clear distinction between agricultural and industrial production. Canned and frozen goods might very well be termed industrial products. Many developing countries might find it profitable, in their industrialization, to follow the course adopted by Denmark, whose experience had been referred to in flattering terms by the President of the International Bank for Reconstruction and Development at the 1140th meeting of the Council.

7. A supply of capital and technical assistance was not sufficient to promote industrialization of the less developed countries. The latter also required stable and reasonable prices for their primary commodities, and increased foreign trade in order to develop a self-contained economy. They also needed to establish a social structure which permitted reliable and effective legislation and administration. They therefore required a greater amount of well-planned and co-ordinated foreign aid without political strings attached.

8. His Government's total assistance to the developing countries at present amounted to between \$3 million and \$4 million annually and it had been gratifying to note in Denmark an increasing popular interest in and mounting spirit of generosity towards those countries. Indifference to the task of development could be fatal, but, at the same time, exaggeration of the results which could be achieved was also harmful.

9. One of the major difficulties to be overcome was the shortage of qualified technical experts, and his own country already envisaged a need to expand its educational facilities in order to receive more fellows from abroad and to provide sufficient Danish experts for dispatch to requesting countries.

10. He hoped that, as a result of action taken within the framework of the Nordic Council, provision by the Nordic countries of joint assistance to the less developed countries could be achieved.

11. His delegation appreciated the importance which the Committee had attached to training and education, and it had noted that representatives of the developing countries had always pressed for foreign educational assistance to be directed towards providing specialized rather than general knowledge.

12. His delegation endorsed in particular the recommendations made by the Committee in paragraphs 132 and 133 of its report (E/3476/Rev.1).

13. Mr. CARRILLO (El Salvador) commended the Committee for its efficient performance of the task assigned to it.

14. An industrial development centre within the United Nations Secretariat and an intersessional working group, as recommended by the Committee, would prove most useful and mutually complementary. His delegation supported the draft resolution before the Council.

15. Mr. ZAPOTOCKY (Czechoslovakia) welcomed the establishment of the Committee for Industrial Development, which filled a gap among the various organs of the United Nations. The Committee, at its first session, had established a sound basis for its future work and had rightly recognized that industrialization of the less developed countries would require long-term planning. His delegation endorsed in particular the view, quoted in paragraph 51 of the Committee's report, that no accelerated industrialization was possible without direct intervention of the State and that use should be made of state planning to that end.

16. He was glad to note the Committee's concurrence in the belief expressed in the fourth preambular paragraph of General Assembly resolution 1524 (XV), and its suggestion that every effort should be made to promote trade in primary products. His delegation considered that the Committee should pay particular attention to measures the less developed countries might take to increase their foreign trade with a view to applying the resultant income for purposes of industrialization. His delegation endorsed the Committee's recommendations for international agencies contained in paragraphs 122 to 124 of the report and felt that particular emphasis should be placed on the point raised in paragraph 122 (c).

17. The PRESIDENT gave the floor to the representative of the World Federation of Trade Unions.

18. Mr. CONNELLY (World Federation of Trade Unions) said that the WFTU believed that only rapid industrialization would enable the less developed countries to improve the standard of living of their rapidly expanding populations. Throughout the world, its affiliated unions were contributing their full share to the rapid achievement of industrial growth in their respective countries.

19. The greatest obstacles to economic development and industrialization in the under-developed countries were the lingering remnants of colonialism and continued economic domination by the imperialist Powers. Control of large sectors of the economy of under-developed countries by foreign monopoly capital meant that nominally independent States were subject to pressures which hampered many of the vital transformations recommended by the Committee for Industrial Development in its report.

20. The WFTU attached particular importance to the Committee's view expressed in paragraph 117 of the report that the formation and mobilization of domestic resources should constitute the primary source of financing for development and to the recommendation

in paragraph 121 that foreign financing of economic development, both public and private, should be treated as an additional source of raising capital to supplement domestic resources and promote internal capital formation.

21. Fully approving of the provisions of operative paragraph 4 (d) of General Assembly resolution 1515 (XV), the WFTU deplored the fact that several recent International Monetary Fund loans to Latin American countries had been made conditional upon the introduction of austerity programmes. One result had been a drop of more than 20 per cent in real wages in Argentina from 1958 to 1960. In Uruguay and some other countries, the Fund had insisted on currency devaluation which had raised the cost of imports of capital goods needed for industrialization.

22. As the Committee's report pointed out in paragraph 52, successful industrialization depended to a large extent on the human factor in the production process. The role of the trade unions was most important in that connexion.

23. The WFTU associated itself with the favourable comments which had already been made regarding the Committee's report.

24. The PRESIDENT invited the Council to vote on the draft resolution submitted by Brazil and the United Kingdom (E/L.903).

The draft resolution was adopted unanimously.

AGENDA ITEM 15

Question of meetings of the Council at the ministerial level (E/3454; E/L.904)

25. Mr. LEWANDOWSKI (Poland) stated that careful study of the results of the first meeting of the Council at the ministerial level during the thirtieth session and of the replies of Governments (E/3454) to the Secretariat's inquiry had led his delegation to the conclusion that all members of the Council were agreed on the usefulness of such meetings, although there were some differences of opinion on how often they should be held and what subjects should be discussed. His delegation concurred in the judgement of the then President of the Council that the first such meeting had yielded constructive results, and it had therefore submitted the draft resolution (E/L.904) before the Council.

26. His delegation felt, however, that the discussion at the first ministerial meeting had been too general in scope. It was therefore providing, in operative paragraph 2 of its draft resolution, that attention should be concentrated at the next such meeting on the growing disproportion between commodity prices and the prices of industrial products, a question regarded as being of great importance. He hoped that the Council would approve the proposal and that the meeting of Ministers, which would have a specific item before it and two months in which to prepare for the discussion, would be able to reach fruitful conclusions on one of the world's major economic problems.

27. Mr. PENTEADO (Brazil) said that his delegation had been instructed to state the views of the Brazilian Government on the question before the Council, but had found itself unable to do so as a result of the pressure of work caused by the Secretariat's arbitrary and unreasonable establishment of time-tables and deadlines. His delegation regarded the problem as a serious one and intended to raise it formally at an appropriate time.

28. Mr. PAZHAWAK (Afghanistan) associated himself with those remarks.

29. Mr. SILVA SUCRE (Venezuela) said that his Government continued to attach importance to the periodic holding of meetings at the ministerial level. His delegation therefore supported the Polish draft resolution, although it was not sure that the agenda of the next such meeting should be as specific as operative paragraph 2 of the draft resolution would make it.

30. Mr. FRANZI (Italy) remarked that his delegation was in general sympathetic to the idea of holding meetings of the Council at the ministerial level, but it felt that such meetings should be carefully prepared and should deal with one or two specific items of the Council's agenda on which there was a likelihood that progress could be achieved, while remaining within the framework of the Council. He supported the Polish draft resolution in principle, but, while reserving the right to speak on it again, would suggest that a reference should be added, in its preambular part, to the replies of Governments contained in document E/3454, and that operative paragraph 2 should be amended to read "... concentrate upon international commodity problems." so as to reflect the title of the corresponding item in the provisional list of agenda items for the thirty-second session. He nevertheless thought that the choice of subject proposed by the Polish delegation could be regarded as sound in view of the importance attached by the less developed countries to the problem of the fluctuations in commodity prices.

31. Mr. PAZHAWAK (Afghanistan) associated his delegation with the ideas expressed in paragraph 11 of the Chilean reply to the Secretary-General's inquiry (E/3454), the third paragraph of the Danish reply and the last two paragraphs of the United States reply. However, it would not raise any objection to the adoption of the Polish draft resolution, if that was the desire of the majority; it would abstain if a vote was taken on the draft.

32. Mr. TCHOBANOV (Bulgaria) said that his delegation supported the holding of further meetings of the Council at the ministerial level but felt that, as his Government had pointed out in its reply, such meetings would be more useful if they had an official character and a previously established agenda covering the essential problems in the field of economic co-operation between the different countries of the world. Whatever deficiencies had appeared in the last such meeting should be taken not as a reflection on the usefulness of the method but as an indication of the need for better organization in the future. His delegation also agreed that the growing disproportion between commodity prices and the prices of industrial products was an important problem which could usefully be discussed at a ministerial meeting. For those reasons, it would support the Polish draft resolution.

33. Mr. WODAJO (Ethiopia) observed that his delegation had no objections of principle to the holding of meetings of the Council at the ministerial level, but had some reservations as regards the usefulness of such meetings. It seemed a law of diplomacy that the higher the level at which meetings were held the vaguer the resulting discussions would be. Moreover, the growing frequency of intergovernmental conferences was placing an undue burden on the higher officials of many underdeveloped countries, who were compelled to absent themselves from their posts more and more often. While the problem referred to in operative paragraph 2 of the Polish draft resolution was a basic malady of international trade, any solution to it could be achieved only gradually, through the patient exchange of views over a number of

years, rather than by a meeting of the kind envisaged. His delegation's attitude towards the Polish draft resolution would be determined by those considerations.

34. Mr. KLUTZNICK (United States of America) said that he would not oppose the proposal before the Council if it met the wishes of the majority, although he shared the Ethiopian representative's doubts concerning the usefulness of meetings at the ministerial level. As far as he could see, the last such meeting had neither achieved any great results nor enhanced the prestige of the Council, and it was false to assume that the presence of Ministers or officials of ministerial rank could by itself have that effect. Indeed, the failure of such meetings to achieve significant results might well have the opposite effect. In any case, if such meetings were to be held, they should be carefully prepared, and the time remaining before the Council's thirty-second session would hardly allow of such preparation. It would therefore seem wiser, if a majority of the Council felt that such a meeting should be held, to schedule it for a later date.

35. Mr. KAKITSUBO (Japan) stated that, in his Government's opinion, the first meeting of the Council at the ministerial level had not been entirely satisfactory. However, the usefulness of such meetings could not be judged on the basis of that one experience alone, and his delegation was not opposed to a repetition in principle, although it felt that such meetings would be advisable only if careful preparations were made and there was reason to believe that significant results could be achieved.

36. Although the problem proposed for discussion in the Polish draft resolution was undoubtedly important, it lent itself rather to careful examination by such bodies as the Commission on International Commodity Trade than to discussion at a ministerial conference. Unless the Ministers concerned were given sufficient time to study such a question closely, no fruitful results could be expected. His delegation was therefore not inclined to support the draft resolution.

37. Mr. GREEN (New Zealand) said that he had been struck, in reading the replies of Governments (E/3454), by the number of reservations expressed. Only two States had given unqualified approval to the idea of further meetings, while many had stressed the need for adequate preparation and the selection of specific topics, with advance notice to the participants. His own Government continued to feel that the ministerial meeting at the last session had not significantly enhanced the Council's prestige, which had been its main purpose in the eyes of its proponents, and that such enhancement could best be achieved by making the membership of the Council more representative of that of the United Nations than it was at present.

38. It would be a mistake to attempt another Council meeting at the ministerial level so soon, and he accordingly suggested that the Polish delegation should not press its proposal and that a decision on the question should be left for 1962.

39. Mr. MAKEEV (Union of Soviet Socialist Republics) remarked that his delegation attached great importance to the work of the Council and favoured any measure designed to enhance its prestige as the basic economic organ of the United Nations. With that aim in view, the Soviet Union had consistently supported the idea of convening meetings of the Council at the ministerial level. A Minister from the Soviet Union had attended the thirtieth session of the Council and many other countries had sent Ministers or Deputy-Ministers.

40. He could not agree that that first meeting at the ministerial level had been unsatisfactory. Such a view contradicted the opinion expressed by the President of the thirtieth session, who had pointed out at the close of the general debate (1121st meeting) that the holding of Council meetings at the ministerial level marked an advance in the discharge of its responsibilities. In fact, the Ministers attending the thirtieth session had held fruitful discussions of a number of economic problems and had fully justified the continuation of such meetings, a view endorsed by most of the countries which had replied to the questionnaire.

41. There was no lack of topics for the Ministers to discuss. Such vital problems as the relationships between the highly industrialized and the under-developed countries as well as between countries with different economic and social structures, the world economic situation, the development of the under-developed countries, the fluctuations in commodity prices, were clamouring for solution. He could not agree with the Ethiopian representative that the higher level of representation lowered the quality of the debate. A ministerial meeting would, moreover, allow an opportunity for unofficial contacts and a useful exchange of views.

42. As the Japanese representative had pointed out, time was needed for the preparation of such meetings; but, in fact, all the preparatory work was now going on in the Council's subsidiary bodies. The Council would consider the results of the work at its summer session. For example, in the important field of commodity prices, the Council would have before it, at its thirty-second session, the report of the Commission on International Commodity Trade.

43. His delegation agreed with the statement in the United Kingdom's reply (E/3454) that such meetings could be valuable and instructive. Another ministerial meeting could produce useful decisions furthering economic development and co-operation throughout the world.

44. For all those reasons, he supported the Polish draft resolution.

45. Mr. MAÑUECO (Spain) pointed out that the results of the Council meeting held at the ministerial level during the thirtieth session had not justified the high hopes placed in it. The Ministers concerned had made a series of unrelated general statements which had yielded no practical results. While such meetings could afford useful contacts between countries, they could bear fruit only if they were carefully prepared at the technical level. At the moment, the conditions for holding another such meeting were not propitious and there were no studies which were at a sufficiently advanced stage to justify discussion by Ministers. For that reason, his delegation could not support the Polish draft resolution; but if it were adopted, Spain would co-operate in its implementation.

46. Mr. REVOL (France) observed that all members of the Council seemed to agree on the value of the idea behind the Polish draft resolution, but were somewhat perplexed at the difficulties involved. Such meetings should not be held as a routine procedure, but only when a specific need arose. The choice of subject also gave rise to practical difficulty: if topics were carefully prepared in advance by the appropriate technical organs, Ministers might do no more than endorse the measures recommended; on the other hand, if Ministers were to

reach specific decisions themselves, they might be handicapped by lack of technical knowledge.

47. As the New Zealand representative had suggested, it was essential to proceed with caution. The proposal to hold the thirtieth session at the ministerial level had been considered at the resumed twenty-eighth session; the time allowed by the Polish proposal seemed much too short in comparison.

48. The subject chosen by the Polish delegation also increased the Council's difficulties. As the Ethiopian representative had pointed out, the disproportion between commodity prices and the prices of industrial products was not a problem that could be solved at a single meeting of Ministers, but rather one that required a gradual solution. In any case, the Commission on International Commodity Trade was already dealing with that question and it would seem much better to discuss it in the Council when the Commission's work was more advanced.

49. Mr. DUDLEY (United Kingdom) felt that it was gratifying to see the representatives of Bulgaria, Poland and the Soviet Union embracing an idea which had been originally put forward by the Secretary-General.

50. The United Kingdom normally sent a Minister to the Council's summer session, because the character of the items under discussion warranted his presence, but it seemed unwise to establish the principle that Council meetings should be attended by Ministers and then try to find subjects which they could discuss. He agreed with the Ethiopian, French, Japanese and New Zealand representatives that, in any event, there was insufficient time for delegations to prepare for such a ministerial meeting at the thirty-second session of the Council. He was therefore unable to support the Polish draft resolution in its present form.

51. Mr. REGO MONTEIRO (Brazil) said his delegation agreed in principle with the idea of holding Council meetings at the ministerial level because they could play an important role in highlighting the important issues before the Council. It therefore hoped that such meetings would be held in the future. However, the Polish draft resolution did not list all the topics to be discussed. It would be preferable to ask the Secretary-General to prepare a provisional agenda for the ministerial meeting to be circulated for discussion at the resumed thirty-second session. A draft resolution might be considered at that time.

52. Mr. RIFA'I (Jordan) supported the principle underlying the Polish draft resolution, but had reservations concerning the date and the agenda of the ministerial meeting. He would therefore abstain.

53. Mr. RODRIGUEZ LARRETA (Uruguay) had no objection to the holding of Council meetings at the ministerial level, but felt they should be an exception and should consider strictly limited questions. They should also be carefully prepared so that Ministers could take practical decisions. He did not agree that the attendance of Ministers enhanced the Council's prestige; only the regular members could do that by their own perseverance.

54. His delegation endorsed the replies of the Governments of France and New Zealand (E/3454) and felt that meetings of the Council at the ministerial level should not be held regularly. In any case, it would be impossible to arrange for such a meeting at the thirty-second session. The topic suggested for discussion was already being dealt with in the Commission on International Commodity Trade. It might therefore be

advisable to postpone the ministerial meeting until that Commission had completed its work on the subject.

55. Mrs. WRIGHT (Denmark) pointed out that all members appeared to agree on the usefulness of holding ministerial meetings of the Council from time to time. She would suggest, however, that the Council should ask the Secretariat to send the Polish draft resolution to Member States to see whether they considered the subject recommended for discussion important enough for a ministerial meeting and how long they thought preparations for such a meeting would take. The question

could then be examined again at the resumed thirty-second session of the Council.

56. Mr. LEWANDOWSKI (Poland) said that his delegation was prepared to insert in the preamble of the draft resolution a paragraph referring to the replies of Member States. It would also take into account the other comments made and hoped to submit a revised text at the following meeting.

The meeting rose at 1.5 p.m.