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President: Mr. George DAVIDSON (Canada).

Present:

The representatives of the following States: Brazil, Canada, Chile, China, Costa Rica, Finland, France, Greece, Indonesia, Mexico, Netherlands, Pakistan, Poland, Sudan, Union of Soviet Socialist Republics, United Kingdom of Great Britain and Northern Ireland, United States of America, Yugoslavia.

Observers from the following States: Albania, Argentina, Bulgaria, Colombia, Ethiopia, Ghana, Haiti, Hungary, India, Italy, Liberia, Morocco, New Zealand, Philippines, Portugal, Spain, Tunisia, United Arab Republic.

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; International Monetary Fund; World Health Organization.

The representative of the International Atomic Energy Agency.

AGENDA ITEM 6

Consideration of the establishment of an Economic Commission for Africa (E/3052, E/3086 and Add.1, E/3093, E/3095, E/L.780) (continued)

1. Mr. SERRANO (Chile) said that the Chilean delegation, which was in a particularly good position to appreciate the value of the regional economic commissions, had taken a continuing interest in the question of establishing an Economic Commission for Africa and considered it to be the most important item on the agenda for the session.

2. He had noted with satisfaction that despite the diversity of interests involved all delegations were desirous of settling the matter speedily and satisfactorily. In that connexion the understanding shown by the representative of the United Kingdom deserved special mention. In any case, the points of difference, which the Council should endeavour to eliminate, were few in number. It should also be noted that all delegations had recognized the urgency of the matter and that a number of representatives had expressed the view that the Commission might meet in 1958.

3. The Commission would have a tremendous task before it. The Council should therefore endeavour to

give it simple terms of reference that were sufficiently flexible to enable it to cope with any practical difficulties it might encounter. It was particularly important to prevent the Commission from becoming a forum for political controversy and to make it a strictly technical and economic organ, which would not, of course, neglect the social aspects of economic development. Attention should also be given to the financial implications of establishing the new regional commission, which would be an additional burden on the United Nations budget at a time when there was a trend towards the reduction of certain contributions.

4. The list of countries to participate in the Commission's work should, he thought, be drawn up immediately, without any attempt to define categories. In his delegation's opinion the United States decision not to participate, despite its many interests in Africa; was a praiseworthy gesture. If the United States maintained its position, other Member States outside Africa could not be asked to assume membership in the Commission.

5. The Chilean delegation had carefully studied the two drafts of terms of reference before the Council (E/3093, E/3095). Notwithstanding its full sympathy for the African States, whose historical development was similar to that of Latin America, it found it difficult to accept certain provisions. For example, the distinction made between African States and non-African countries was contrary to the principle of the legal equality of all States which Chile had consistently defended and which contributed to the stability of the United Nations.

6. After thorough study, he considered that the right to vote should not be denied to representatives of Non-Self-Governing Territories working with the other members of the Commission. While there were a number of such territories, many had attained a certain measure of internal autonomy and were gradually progressing towards independence. It would be contrary to their interests to deny them genuine participation in the work of the Commission, and it would be wrong, in the circumstances, to succumb to the majority complex, which had already done so much harm to the United Nations. Furthermore, arrangements for consultation should not extend to non-governmental organizations which did not enjoy consultative status. Lastly, the administrative staff of the Commission's secretariat, at all levels, should be recruited principally in African countries.

7. Those were the practical observations which he wished to make in the general debate; he reserved the right to speak again at a later stage.

8. The PRESIDENT declared the general debate closed and asked the Council to decide what procedure it wished to adopt in considering the various texts before it.

9. Mr. COSIO VILLEGAS (Mexico) said that his delegation had no preference for either text, but was

anxious for the Council to complete the task entrusted to it at the current session.

10. Mr. MICHALOWSKI (Poland) emphasized the interest taken by all members of the Council in the establishment of an Economic Commission for Africa. The differences of opinion were few but important and it would therefore seem wiser to try to reconcile them in plenary meeting, although it might be necessary to set up small working groups to deal with specific points.

11. Mr. FARUQI (Pakistan) was inclined to favour the establishment of a committee of the whole, but felt that the matter should be left for the African countries, which were most directly concerned, to decide.

12. Mr. OSMAN (Sudan) felt that the discussion had taken a satisfactory course. However, suspension of the debate might enable delegations to eliminate the few points of difference that remained.

13. Mr. NINCIC (Yugoslavia) thought it would be better to continue to the discussion in plenary meeting.

14. Mr. ARKADEV (Union of Soviet Socialist Republics) also thought that the important amendments submitted should be examined in detail by the Council itself.

15. The PRESIDENT proposed that consideration of the establishment of an Economic Commission for Africa should be resumed in plenary meeting, after a few days' adjournment.

It was so decided.

AGENDA ITEM 5

Economic development of under-developed countries

INDUSTRIALIZATION (E/3078, E/3079)

16. Mr. LUNS (Netherlands) welcomed the moderate size of the progress report of the Secretary-General on implementation of the programme of work on industrialization and productivity (E/3078) and made some comments on various projects described in it.

17. The investigation of the general problem of capital intensity demonstrated its complexity. It was essential that practical research on the problem of alternative techniques should be continued in order to arrive at uniform conclusions useful to the under-developed countries. It was also important to establish uniform definitions of various concepts, beginning with the term "capital intensity". Fortunately, those problems were finding increasing recognition; private institutions such as the Massachusetts Institute of Technology and the Division for Balanced Economic Growth of the Netherlands Economic Institute were also making studies in that field.

18. The project on the construction industry was a specific example of the value of choosing the right technique. In the next phase of the project, the Secretariat might wish to look into the experience of that industry in certain European countries and consider techniques which might be more readily adaptable to conditions in the under-developed countries.

19. The project on the choice of size of plant promised to be particularly interesting in view of the remarkable progress made in recent years with the economic

integration programme of the Central American Republics. He assumed that the study was not concerned only with size and location of plant but also with the inseparable problem of alternative techniques.

20. His delegation welcomed the long postponed initiation of the study in industrial planning, the importance of which had been stressed at the twenty-first session of the Council. He hoped that the study would include methods of economic planning in general as industrial planning was frequently weakened by the inadequacies of general economic planning. He noted also that work had begun on the problems of small-scale industries, to which his delegation also attached great importance. In studying marketing, consideration might well be given to the possibility of joint marketing, through co-operatives or otherwise. In that connexion he drew attention to the international course on small-scale industries given at the Delft Technical University in the Netherlands.

21. With regard to the project on the relationship of community development and co-operatives to the industrialization process, his delegation noted with gratification the willingness of the Government of Pakistan to co-operate with the United Nations in the first of a series of case studies.

22. The report of the Panel of Experts in Industrial Management in Under-developed Countries promised to be of great interest. In regard to the training of executives he was certain that the Secretariat would bear in mind the importance of co-ordinating its activities with those of the International Labour Organisation (ILO).

23. Financial and fiscal aspects of industrial development remained important, and his delegation would be interested to know what specific inquiries were contemplated under the heading "further investigation of the problem of industrial financing in under-developed countries" (E/3078, para. 28). In that connexion, it might be useful to study, in co-operation with the International Bank for Reconstruction and Development, the question of the organization of a formal capital market. The experience of industrial development corporations and banks might also be studied.

24. He had read with interest the comments on the social and democratic aspects of industrialization, and hoped that the work on internal migration would not proceed in isolation from that on urbanization. Problems of urbanization were of great importance and were being increasingly taken into account in programmes of industrialization. He looked forward to the results of the future work of the Bureau of Social Affairs in that field.

25. The first issue of the Bulletin on Industrialization and Productivity,^{1/} on which he complimented both the editors and the contributors of articles, was an excellent start. The Bulletin confirmed the policy of concentrating United Nations activities in the field of industrialization on practical problems.

26. Turning to the report on organizational and administrative machinery (E/3079), he recognized that the problem should be approached with caution and that two considerations should guide the future work of the Bureau of Economic Affairs, the need for widening co-operation with the regional commissions and the

^{1/} United Nations publication, Sales No.: 58.II.B.2.

responsibilities of the Bureau in regard to technical assistance activities. His delegation agreed with the Secretary-General's recommendation on increasing the permanent staff of the Industry Section. The question of setting up a special unit in the Industry Section to take care of the servicing of technical assistance operations might well be further studied. In particular, it would be interesting to know to what extent the proposal fitted in with a possible reorganization of the Technical Assistance Administration (TAA) and to hear the comments of the Director-General of TAA on that point. It was, of course, desirable that close co-operation should exist between the United Nations and the International Bank, which had had so much experience in the field of industrial development. Close contact with the ILO and the other specialized agencies and the International Atomic Energy Agency was also to be hoped for. His delegation shared the Secretary-General's view that no formal machinery for such co-operation with the specialized agencies was necessary.

27. He paid tribute to the contributions made by the regional economic commissions in the field of industrialization.

28. His delegation believed that the Secretary-General's suggestion for the setting up of an expert advisory committee to advise on the industrialization programme of the United Nations (E/3079, para. 13) was a constructive one. Consideration of the proposal should not be postponed until after the establishment of the Special Fund, since it was not yet clear what part the Special Fund would play in the field of industrialization. Moreover, the present programme of the United Nations in that field stood on its own and had reached a stage of development where an expert advisory committee could contribute effectively to its success.

29. Mr. COUILLARD (Canada) observed that the Council was required at its present session to evaluate the results of United Nations activities in the field of industrialization and to decide on the lines on which they should be directed. His delegation fully recognized the importance of theoretical studies on industrialization to sound economic development planning; it also recognized that industrialization was essential to ensure balanced economic growth and it gave full credit to the determined efforts that the under-developed countries were making to diversify their economies. It felt, however, that the Council's first concern should be to ensure that the Organization's activities were of direct utility to the under-developed countries and were co-ordinated with the work of other bodies to avoid duplication. His delegation believed that the best way of ensuring that industrialization projects were of a practical character was to link them closely with the technical assistance programmes.

30. He hoped that the representatives of under-developed countries would soon express their views on the various projects described in document E/3078. He noted the assurances given in document E/3079 concerning the establishment of close liaison between the Secretariat, the regional economic commissions and the specialized agencies concerned. His delegation attached particular importance to paragraph 6 of that document dealing with relations with the technical assistance services.

31. Until the scope and objectives of the United Nations programme of work in the field of industrialization were clearly defined, it would be preferable not to take any decision on the staffing and organization of the services required to carry it out. In particular, it would seem premature to set up an expert advisory committee at the present stage.

The meeting rose at 4.25 p.m.