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**SECOND COMMITTEE, 998th  
MEETING**

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**Chairman:** Mr. Pierre FORTHOMME  
(Belgium).

## AGENDA ITEM 40

Activities in the field of industrial development  
(continued)\* (A/5775 and Add.1, A/5835, A/6070/  
Rev.1, A/6092; E/3921 and Add.1-3; E/C.5/62/  
Add.1; A/C.2/L.794, L.805/Rev.1 and Corr.1, L.809/  
Rev.1):

- (a) Reports of the Committee for Industrial Develop-  
ment on its fourth and fifth sessions (E/3869,  
E/4065);
- (b) Report of the Secretary-General (A/5826, A/6091)

1. Mr. FERNANDINI (Peru), introduced the fifty-  
Power draft resolution (A/C.2/L.805/Rev.1, and  
Corr.1). The revised text was an endeavour to take  
into account all the points of view expressed during  
the debate and he therefore hoped that the developed  
countries would support it.

2. The purpose of the changes in the preamble was  
to make all the references more precise. The new  
organization for industrial development proposed in  
operative paragraph 1 had the great advantage of  
being flexible and its establishment would imply no  
commitment with regard to the form of the final  
permanent institution; the proposal that it should be  
financed from both the regular budget and the United  
Nations Development Programme should commend  
it to delegations which had expressed concern on that  
point. The preparatory committee was requested, in  
operative paragraph 4, to submit its report to the  
Economic and Social Council, rather than directly to  
the General Assembly. The sponsors had decided not  
to change operative paragraph 5 in order to allow for  
the possibility that the proposals in the four-Power  
draft resolution (A/C.2/L.809/Rev.1) might be in-  
corporated in that paragraph.

3. Mr. ALLANA (Pakistan) thanked the sponsors  
of the original draft resolution (A/C.2/L.805), on  
behalf of a number of the co-sponsors of the revised  
document, for the efforts made to take their views  
into account in the new text. His delegation had been  
in favour of the establishment of a specialized  
agency since it was first proposed and considered it  
regrettable that a number of economically advanced  
countries were still opposed to such an agency, despite  
the fact that it had been approved by the General  
Assembly, the Economic and Social Council, the  
Committee for Industrial Development and the United  
Nations Conference on Trade and Development. His  
delegation appealed to the developed countries not to  
seek to monopolize the benefits of science and  
technology but to join the developing countries in their  
efforts to save mankind from poverty, hunger and  
disease.

4. He drew attention to the fact that the fifth pre-  
ambular paragraph of draft resolution A/C.2/L.809/  
Rev.1, in which the Assembly expressed its satisfac-  
tion at the proposals for strengthening the Centre for  
Industrial Development, contradicted not only operative  
paragraph 5 (a) of the fifty-Power draft resolution but  
its own operative paragraph 1 to the effect that there  
was scope for additional operational activities by the  
Centre. Moreover, operative paragraph 3 did not in-  
dicate when the "initial experimental period" of two  
years was to begin, which made it unlikely that the pro-  
posed voluntary contributions could be made available  
before 1967-1968. If it was true, as the representative of  
Liberia had said at the 994th meeting, that there was  
no conflict between the different groups on objectives  
but only on methods of approach, it was to be hoped  
that the changes incorporated in the fifty-Power  
draft resolution would make it possible for the  
sponsors of document A/C.2/L.809/Rev.1 to bring  
their proposals into line with those which had the  
overwhelming support of the developing countries.

5. Mr. KANO (Nigeria) said that the two draft reso-  
lutions before the Committee were complementary,  
since each proposed means through which the industrial  
development work of the United Nations could be  
expanded. The "special industrial services", mentioned  
in draft resolution A/C.2/L.809/Rev.1, could comple-  
ment the activities of the new autonomous organization  
proposed in the fifty-Power draft resolution and would,  
indeed, be very valuable in the period prior to the  
establishment of the final institutional framework for  
industrialization. His delegation was in favour of a  
new specialized agency and believed that existing  
agencies, such as FAO and the ILO, should continue  
their valuable industrial activities within the frame-  
work of the proposed new organization.

\*Resumed from the 994th meeting.

6. Mr. SEKULIC (Yugoslavia) believed that the proposals in draft resolution A/C.2/L.805/Rev.1 represented the only satisfactory way of establishing an institutional framework capable of promoting industrial development in the developing countries. No amount of co-ordination and expansion of existing bodies could provide an adequate substitute for an institution which would devote all its energies to the specific problems of industrialization. The flexibility of the revised draft resolution should make it easier for the General Assembly to decide on suitable institutional machinery for industrial development and for the Secretariat to provide the necessary facilities for the work of the proposed preparatory committee. The proposals for the intensification of the Centre's activities, in operative paragraphs 5, 7 and 8, should enable the Centre to improve its industrial planning information services. Future research by the Centre should be confined to aspects which were essential for supporting its operational activities. Moreover, the developing countries considered it essential that the Centre should devote greater attention to the evaluation of projects, since they required as much information as possible on the value of a project before it was initiated.

7. Mr. NAJA (Lebanon) observed that the continuing opposition to the setting up of a specialized agency might be due to the fact that it was not sufficiently realized that the benefits of the industrialization in question would not be confined to the developing countries alone. The promotion of manufacturing industries, for example, would increase national incomes in the latter countries and thus provide better markets for the developed countries. Acknowledgement of the mutual advantages of industrialization, however, was not enough; the developing countries needed to embark on industrialization programmes without further delay. For that reason, his delegation would vote against draft resolution A/C.2/L.809/Rev.1, which favoured the strengthening of the Centre for Industrial Development at the cost of postponing the establishment of an autonomous organization for the promotion of industrial development. The proposals in draft resolution A/C.2/L.805/Rev.1, on the other hand, were the logical outcome of the practical steps taken to foster industrial development in the developing nations and would do for industrial development what FAO and the United Nations Conference on Trade and Development were doing for agriculture and trade.

8. Mr. POLIT ORTIZ (Ecuador) endorsed the appeals addressed to the industrialized countries to support draft resolution A/C.2/L.805/Rev.1 which was now co-sponsored by an impressive number of delegations. He recalled that the Economic and Social Council would have before it, at its resumed thirty-ninth session, the question on the membership of the Committee for Industrial Development (E/L.1094, para. 4); a decision on that matter would not be taken by the Council until the Second Committee had adopted a draft resolution on industrial development.

9. It was paradoxical that the United Nations recognized the vital importance of industrialization for developing countries yet was unwilling to establish appropriate machinery or allocate adequate resources for the purpose. There was sufficient support within

the Committee for the adoption of draft resolution A/C.2/L.805/Rev.1, but the sponsors were not seeking a mere majority vote; they needed the support of the industrialized nations.

10. In 1965—International Co-operation Year and the twentieth anniversary of the founding of the United Nations—it might be asked whether the advanced countries were doing everything in their power to help the developing countries overcome their perennial difficulties of poverty, exploitation, fluctuating commodity prices, exclusion from world markets and trade discrimination. It was only through industrialization that the developing countries could improve their trading position, increase their technical knowledge, generate resources to expand their agricultural production, and compete with the developed countries with greater prospects of success. It was to meet that objective that an autonomous organization should be set up within the United Nations system and endowed with the necessary resources.

11. Mr. DELGADO (Senegal) said that his delegation accepted the general principle that the establishment of a specialized agency for industrial development should be the ultimate aim. However, any institution which was to be set up must be the result of a common desire and not merely of a majority vote. Thus, he welcomed both the draft resolutions, considering them to be two different stages along the path which all countries were following. Both texts contained positive elements and both represented a serious effort to further the aims of the United Nations in the field of industrial development. They were complementary rather than contradictory.

12. Mr. ROOSEVELT (United States of America) expressed the hope that the sponsors of the two draft resolutions, and other interested delegations, could meet as soon as possible in order to see whether an acceptable solution could be reached. The developed countries had just as big a stake in the adoption of the right decision as the developing countries. He therefore hoped that no hasty vote would be taken but that further time would be spent on continued negotiations.

13. Mr. MAKEEV (Union of Soviet Socialist Republics) said his delegation was prepared to support paragraph 1 of draft resolution A/C.2/L.805/Rev.1 on the understanding that the United Nations regular budget would be used only for the administrative expenses of the proposed organization and that all operational expenses would be met from the United Nations Development Programme. Also, membership in the new body must be universal.

14. His delegation could not support operative paragraph 2 because the terms of reference and draft statute of the proposed body should be prepared by the Committee for Industrial Development rather than a new preparatory committee. In that way, money would be saved and duplication avoided. The paragraph should read: "Requests the Committee for Industrial Development to define the terms of reference and prepare a draft statute of the said organization for Industrial Development". In operative paragraphs 3 and 4, the words "Committee for Industrial Development" should replace the words "preparatory committee".

15. With reference to operative paragraph 5, he saw no reason why the request already made to the Secretary-General by the Economic and Social Council at its thirty-ninth session should be reiterated. He also hoped that, in sub-paragraph (a), the sponsors would still consider the inclusion of a reference to paragraph 7 of Council resolution 1030 A (XXXVII) and of a recommendation that more funds should be given to the Commissioner for Industrial Development from both the regular budget and the United Nations Development Programme.

16. He was glad that the sponsors of draft resolution A/C.2/L.809/Rev.1 had accepted the USSR amendment to operative paragraph 5, but still felt that a new paragraph should be included requesting the Secretary-General to submit a report analysing the reasons why so few developing countries had submitted requests for technical assistance in industrial development. He also hoped that the sponsors would include a paragraph requesting the Secretary-General to continue the holding of regional seminars, using funds from the United Nations Development Programme.

17. Mr. RAMACHANDRAN (India) said there was hardly any disagreement within the Committee on the need for additional machinery to promote the industrial development of the developing countries. Views diverged only on the form of that machinery. Some representatives wanted to strengthen the Centre for Industrial Development; some wanted a body to be set up within the United Nations itself; others a fully fledged specialized agency. The long-term objective must be the establishment of a specialized agency, but his delegation had supported the alternative proposals, considering them stepping-stones to the final objective. It was with that understanding that his delegation would vote for draft resolution A/C.2/L.805/Rev.1, the first two operative paragraphs of which were flexible enough to command general support.

18. Mr. BARIGYE (Uganda) said he was glad that his amendments had been incorporated in draft resolution A/C.2/L.805/Rev.1. He would now be able to support it, but would have to abstain on draft resolution A/C.2/L.809/Rev.1 if it was put to the vote immediately. He proposed to delete the second part of the sixth preambular paragraph, beginning with the words "as envisaged", and to insert in the seventh preambular paragraph, the words "those sections of" after the words "Having considered"; and that, in operative paragraph 1, the words "without prejudice to a final decision on the future organizational structure of United Nations activities in the field of industrial development" should be inserted after the words "Concludes that".

19. Mr. WHYTE (United Kingdom) said that the debate had been devoted more to organizational matters than to the substantive question of assisting industrial development in the developing countries. The view had been put forward that the only solution was the establishment of a specialized agency, but it was significant that there were different opinions on the nature of such an agency, and that seemed to confirm his delegation's view that there was no basis for a consensus on the long-term solution. For that reason, his delegation had preferred to

concentrate on those points where progress could be made in the immediate future.

20. Following certain suggestions by the delegations of the United States, France, the USSR and Uganda, a revised version of the resolution of which his delegation was a co-sponsor had been prepared (A/C.2/L.809/Rev.1). The seventh preambular paragraph of the original text had been deleted, but the revised draft did not accede to the request of the USSR representative for an additional operative paragraph inviting the Secretary-General to submit a report on the reasons for that situation, because the purpose of the resolution was to enable the Centre for Industrial Development to deal with that very problem, rather than to invite a further report. With regard to the second suggestion of the USSR representative that regional symposia and seminars should be financed not only from the United Nations regular budget but also from the funds available under the United Nations Development Programme, his delegation was not convinced that those funds should necessarily be used for that purpose, unless it could be demonstrated that there was a close connexion between the symposia and the practical results desired, namely, the stimulation of industrial development in the developing countries. However, the possibility of delegations putting forward that suggestion to the Governing Council of the United Nations Development Programme was by no means excluded. His delegation would also be prepared to consider suggestions for further changes in the revised draft resolution, such as those just put forward by the representative of Uganda.

21. With regard to the suggestion that the operative paragraphs of draft resolution A/C.2/L.805/Rev.1 might be incorporated into draft resolution A/C.2/L.809/Rev.1, there would have to be further changes in the former in that case. His delegation would like to participate in any informal meeting convened to discuss that matter, and was confident that progress could be made.

22. Mr. MAKEEV (Union of Soviet Socialist Republics) said that he was prepared to reword his second suggestion so that the Governing Council of the United Nations Development Programme would be requested to consider the question of using the funds of the Programme for holding regional symposia and seminars.

23. Mr. WHYTE (United Kingdom) thought that the question could be considered by the Governing Council of the Programme, if any delegation wished to bring it before that body. However, he was willing to give further consideration to the USSR representative's suggestion.

#### AGENDA ITEM 38

Accelerated flow of capital and technical assistance to the developing countries: reports of the Secretary-General (*continued*) (A/5732, A/5767, A/6085; E/3905 and Add.1, E/3917/Rev.1, E/4038 and Add.1, E/4079 and Add.1; A/C.2/L.822/Rev.1 and Corr.1, L.825/Rev.1)

24. Mr. RAMACHANDRAN (India), introducing draft resolution A/C.2/L.825/Rev.1 of which he was co-sponsor, said that a wide measure of understanding had

been reached in the consultations between the various groups concerned. Following those consultations some further amendments had been accepted. In operative paragraph 1, the word "halting" should be replaced by the word "retarding". In operative paragraph 3, the words "to meet the objectives" should be replaced by the words "to bear in mind the objectives". At the suggestion of Japan, the words "the competent United Nations bodies and other international financial institutions" in operative paragraph 4 should be replaced by the words "the competent United Nations bodies and/or other international financial institutions". Finally, the word "final" should be deleted from operative paragraph 5.

25. He hoped that the Committee would demonstrate its genuine concern for the noble ideal of raising the levels of living in the developing countries by adopting the draft resolution by an overwhelming majority.

26. Mr. WHYTE (United Kingdom) asked for a separate vote on the third preambular paragraph and operative paragraph 3, taken together.

27. Mr. RENAUD (France) requested a separate vote on preambular paragraph 4 and operative paragraph 4, taken together. In response to the appeal of the representative of India, his delegation would vote in favour of the amended draft resolution as a whole, but would abstain in the separate votes on the third preambular paragraph and operative paragraph 3, as well as on the fourth preambular paragraph and operative paragraph 4. In fact, the reservations of his delegation concerning the recommendations A.IV.4 and A.IV.5 of the United Nations Conference on Trade and Development were still valid.

28. Mr. M'BAYE (Guinea) requested that Guinea should be added to the list of sponsors of the draft resolution.

29. The CHAIRMAN put draft resolution A/C.2/L.825/Rev.1, as amended, to the vote.

*The third preambular paragraph and operative paragraph 3 were adopted by 63 votes to none, with 25 abstentions.*

*The fourth preambular paragraph and operative paragraph 4 were adopted by 74 votes to none, with 13 abstentions.*

*The draft resolution as a whole, as amended, was adopted by 78 votes to none, with 12 abstentions.*

30. Mr. PETERS (Dahomey), said that following consultations two changes had been made in the three-Power draft resolution (A/C.2/L.822/Rev.1 and Corr.1). In the last preambular paragraph, the words "where such investments are made in terms that are satisfactory both to the capital exporting and the capital importing countries" should be added. In operative paragraph 2, the words "and the need of respect for the sovereignty of those countries" should be added on the basis of the suggestion by the representative of Mexico.

31. Mr. MOLLER (Sweden) requested a separate vote on operative paragraphs 1 and 2.

32. The CHAIRMAN put draft resolution A/C.2/L.822/Rev.1 and Corr.1, as amended, to the vote.

*Operative paragraph 1 and paragraph 2, as amended, were adopted by 56 votes to none, with 28 abstentions.*

*The draft resolution as a whole, as amended, was adopted by 65 votes to none, with 24 abstentions.*

The meeting rose at 6.40 p.m.