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*Chairman:* Mr. Jorge Pablo FERNANDINI  
(Peru).

### AGENDA ITEM 39

United Nations Industrial Development Organization:  
report of the Industrial Development Board (*continued*)\* (A/6703 and Corr.1, chap. IX; A/6715/  
Rev.1, A/6800, A/6808)

1. Mr. BOIKO (Ukrainian Soviet Socialist Republic) said that the International Symposium on Industrial Development had aroused great interest in his country; many Ukrainian experts had contributed to the preparation of papers for the Symposium. Nevertheless, in view of recent events in Greece, his Government would not send representatives to the Symposium if it were to be held in Athens. He believed that the Symposium would gain by being held in Vienna, particularly since the headquarters of the United Nations Industrial Development Organization (UNIDO) had been transferred to that city and the UNIDO secretariat had already begun to work there. The holding of the Symposium at Vienna was bound to increase its authority and would benefit the preparations for the second session of the United Nations Conference on Trade and Development (UNCTAD).

2. Mr. HOO (China) said that his Government, which had participated actively in the regional symposium organized by the Economic Commission for Asia and the Far East attached great importance to the forthcoming International Symposium on Industrial Development. In 1966 the General Assembly, in resolution 2178 (XXI), had endorsed the decision of the Economic and Social Council to convene the International Symposium at Athens in December 1967. In his delegation's opinion, to transfer the Symposium would, in effect, mean postponing it, which, as the representative of Austria had pointed out (1116th meeting), would be damaging to UNIDO. It was therefore essential that the Symposium should be held in Athens on the date scheduled.

3. Mr. MARDOVICH (Byelorussian Soviet Socialist Republic) said that his country's scientific community had welcomed the General Assembly's decision to organize an international symposium on industrialization. Because of events of which everyone was aware,

however, Byelorussian scientists, who had prepared a series of papers on current industrial development problems, would not take part in the work of the Symposium if it was held at Athens. On the other hand, the selection of another city, such as Vienna or Geneva, would enable every country concerned to make its contribution to the work of the Symposium, which was one of the essential requirements for its success.

4. Mr. BAKONYI-SEBESTYEN (Hungary) said that his delegation's chief concern was to ensure the success of the Symposium. One of the most important conditions for that was the participation of all interested countries, particularly the socialist countries, which had acquired valuable experience of industrialization. He shared the view of the Soviet Union and other countries which had declared that they would be unable to attend the Symposium if it were to be held in Athens. He hoped that after consultations the current difficulties would be overcome and that the Symposium would be transferred to another city.

5. Mr. SZABLEWSKI (Poland) said that the existing arrangements would not ensure the success of the International Symposium on Industrial Development. The General Assembly had, in resolution 2178 (XXI), expressed the hope that the recommendations of the Symposium would give an added impetus to international co-operative efforts aimed, in particular, at achieving the accelerated industrialization of the developing countries. It was therefore essential that there should be the widest possible measure of international co-operation, and, to that end, that a solution should be found which would enable all interested countries to take part in the work of the Symposium.

6. He stated that his country had from the very beginning, actively supported the creation of UNIDO. It had looked upon the International Symposium on Industrial Development as a world-wide concerted action to elaborate the necessary guide-lines for UNIDO's activities in the field of industrial development. A special committee was set up to prepare Poland's participation in that Symposium.

7. Unfortunately, the present arrangements for holding the Symposium in Athens created a situation where not all countries would be able to participate in it. Poland was among those countries.

8. The Polish Delegation stated, in that connexion, that only the full participation of all countries could assure successful and fruitful results of the International Symposium on Industrial Development.

9. The note by the Executive Director of UNIDO (A/6808) stated in that regard that the secretariat had proceeded with the preparations for the Symposium

\*Resumed from the 1118th meeting.

bearing in mind the recommendations and deliberations of the various legislative bodies on the matter, including the discussions at the forty-third session of the Economic and Social Council. But as everyone knew, the subject of those discussions had been the venue of the Symposium, and he expressed the hope that the Executive Director would, as a matter of urgency, take the necessary steps to allow the Symposium to be held at Vienna on the appointed date in order to allow the participation of all countries.

10. Mr. BRADLEY (Argentina) asked what the financial implications of transferring the Symposium to Vienna or Geneva would be.

11. Mr. ABDEL-RAHMAN (Executive Director, United Nations Industrial Development Organization) said that the cost of holding the Symposium at Geneva, Athens and Vienna would be, respectively, \$173,400, \$278,100 and \$245,600. The Government of Greece had undertaken to pay the additional costs up to a figure of \$77,400, and that sum should therefore be deducted from the corresponding amount. The figure given for Vienna did not include the cost of renting conference rooms.

12. Mr. VARELA (Panama) said that it was his delegation which had originally proposed that the Symposium should be held at Athens; and that proposal had been accepted by the Economic and Social Council and endorsed by the General Assembly. He drew the attention of the countries which had announced that they would not participate in the Symposium to the fact that the General Assembly had concluded an agreement in good and due form with the Government of Greece. To denounce that agreement the Assembly would have to adopt a special resolution, which would not add to the Organization's prestige. The fact of taking part in a technical meeting such as the Symposium in no way implied recognition of the Greek Government, and he hoped that the socialist countries would reconsider their position. The secretariat of UNIDO was in constant touch with the Greek authorities and had found that the Symposium could be held under satisfactory conditions as scheduled. Provided that the Greek Government continued to offer the same physical facilities and honoured the agreement concluded with the United Nations, there was no reason why the Symposium should not be held at Athens, and the Committee was not entitled to go back on that decision.

13. Mr. CHTOUROU (Tunisia) asked the Executive Director of UNIDO whether the estimates he had given were absolute figures or whether they took into account preparations already completed and expenditure already incurred.

14. Mr. ABDEL-RAHMAN (Executive Director, United Nations Industrial Development Organization) said that the estimates covered expenditure under five heads: consultant services, subsistence and travel costs of secretariat staff, conference services, information services and overheads. The expenditure so far incurred by the United Nations related to certain preparatory work, including that relating to documents. A transfer of the venue of the Symposium to Geneva or Vienna would not reduce the amount of those costs. Moreover, the organization of the Symposium would

not necessarily be equally easy in the three cities in question.

15. It would be remembered that an Industrial Promotion Service sponsored by UNIDO was to be arranged concurrently with the Symposium. The cost of the Service would not be the same if it were decided to change the venue of the Symposium from Athens.

16. From whatever point of view the matter was considered, a decision would have to be taken promptly, in view of the extensive preparations required.

17. Mr. MUZIK (Czechoslovakia) asked whether the figure quoted for Vienna allowed for the fact that, by the date of the Symposium, UNIDO would have transferred its operations to that city, which would obviously have the effect of reducing travel and subsistence costs. He also asked whether conference services could not be obtained free of charge. The Industrial Promotion Service was of interest mainly to representatives of industries, most of them belonging to the private sector. Such representatives would not make distinctions among the cities proposed as venues for the Symposium.

18. Mr. ABDEL-RAHMAN (Executive Director, United Nations Industrial Development Organization) replied that the estimate was dated 11 October and took full account of all the facilities and installations which UNIDO would have at Vienna. In that connexion, it should be noted that a large proportion of the staff, particularly that of the language services, had not yet arrived in Vienna. Furthermore, UNIDO's permanent staff was not large enough to service conferences such as the Symposium. He would study the suggestion which had been made regarding conference services. The Industrial Promotion Service was undoubtedly of great interest to representatives of both public and private industry. The discussion would cover not only financial questions but also a wide range of promotion activities. The aim was to bring together people who were interested not only in the work of the Symposium, but also in establishing contacts at various levels. In the interests of efficiency, the secretariat was considering the possibility of holding three meetings a day during the Symposium.

19. Mr. BRADLEY (Argentina) asked what the legal and financial consequences for the United Nations might be if it broke the agreement it signed with the Greek Government regarding the organization of the Symposium.

20. Mr. STAVROPOULOS (Legal Counsel) said that following the adoption of Economic and Social Council resolution 1185 C (XLI) and General Assembly resolution 2178 (XXI), the Secretariat had on 14 April 1967 signed an agreement with Greece under which the Government of Greece had agreed to be host to the International Symposium on Industrial Development. If a dispute arose as to the application of that agreement, it would be settled by arbitration, in accordance with the relevant provisions. There was, however, no doubt that the General Assembly was free to change its decision. If it did, the Secretariat would have no alternative but to bow to the facts and take note that the provisions of the agreement with the Greek Government were no longer valid. The Government

could then claim the reimbursement of expenses already incurred.

21. Mr. CHTOUROU (Tunisia) asked whether there was any precedent for the present case.

22. Mr. STAVROPOULOS (Legal Counsel) replied that there was no precedent of comparable scale.

23. Mr. CARANICAS (Greece) felt that the discussion was somewhat out of order. The Committee had before it a decision of the General Assembly and a recommendation made by the Economic and Social Council at its forty-third session (see A/6703 and Corr.1, para. 373). Contrary to the Polish representative's statement, based on the note by the Executive-Director (A/6808, para. 4), the Committee was not considering a possible change in the venue of the Symposium, for no draft resolution or official proposal to that effect had been submitted to it. Furthermore, the Polish representative, in stating that his country would not participate in the Symposium, had inferred that the situation in Greece would not be conducive to the Symposium's success. What reasons could he adduce in support of that view? Certainly not the existence of discrimination regarding any country's participation. The Executive Director of UNIDO, could testify, with full knowledge of the facts, to the energy with which the Greek Government had hastened the preparations to ensure that the Symposium would take place in the best possible conditions. It would be regrettable, therefore, if the socialist countries, which were important industrial Powers, were to deprive the developing countries of the benefit of their experience.

24. As the representative of Panama had said, participation in the Symposium did not imply recognition of the Government of Greece, which in any case maintained normal diplomatic and trade relations with the socialist countries. Thus the only reason for the position taken by those countries could be a desire to demonstrate their disapproval of the present authorities, at the cost, regrettably, of politicizing what were purely technical and economic matters.

25. The representative of Tunisia had quite rightly raised the question of the financial implication of changing the venue of the Symposium. If necessary, the Government of Greece would, of course, submit a claim to the United Nations for reimbursement of the expenses incurred thus far, which amounted to \$980,000, excluding the cost of the building set aside for the Symposium. It was to be hoped that the situation would not reach that extreme.

26. Mr. CHTOUROU (Tunisia) said that the financial implications of changing the venue of the Symposium were only one of the elements that would dictate his Government's position.

27. Mr. AHMED (Pakistan) supported the decision to defer consideration of UNIDO's programme of work until the relevant documents had been circulated in all working languages, but felt that the Committee should proceed as soon as possible to consider resolution 2 (I) on financial questions adopted by the Industrial Development Board at its first session (see A/6715/Rev.1, annex VIII), which recommended the General Assembly to establish a separate section in part V of the United Nations budget to provide for the programme of technical assistance in industrial development.

28. Mr. GEORGE (France) said it was difficult to understand why the Committee should wish to go back on the decision it had taken two days earlier (1117th meeting). The financing of UNIDO should be considered in conjunction with that organization's programme of work. Furthermore, the question was not an urgent one, for it would be several weeks before the Fifth Committee took up part V of the budget. To postpone consideration of resolution 2 (I) would not, therefore, jeopardize its implementation, which in any case would not arise before 1 January 1968. However, his delegation would not object to the Committee's considering that resolution.

29. Mr. AHMED (Pakistan) felt that the question of financing was in no way linked to the programme of work of UNIDO for 1968; the action proposed, if approved, would be permanent.

30. Mr. BLAU (United States of America), supported by Miss DEAS (United Kingdom), questioned the Committee's competence to take a decision. The Fifth Committee alone was empowered to take decisions on budgetary matters. It was true that if the establishment of a separate section in the United Nations budget resulted from Fifth Committee consideration, the question of whether the Industrial Development Board or the Governing Council of the United Nations Development Programme should examine the programme of work of UNIDO was a Second Committee matter.

31. The CHAIRMAN suggested that at its next meeting the Committee should consider resolution 2 (I) of the Industrial Development Board, without prejudice to the question of its competence to deal with the substance.

*It was so decided.*

*The meeting rose at 5.10 p.m.*

