



Chairman: Mr. Narciso G. REYES (Philippines).

AGENDA ITEM 42

United Nations Industrial Development Organization (*concluded*) (A/8385, A/8403, chap. XIV):

- (a) Report of the Industrial Development Board (A/8416 and Cor.1);
- (b) Report of the Special International Conference of the United Nations Industrial Development Organization (A/8341 and Corr.1 and Add.1: A/C.2/L.1183/Rev.5, A/C.2/L.1191, A/C.2/L.1207)

1. Mr. CAVAGLIERI (ITALY) said that his delegation attached considerable importance to the consensus on long-range strategy, structure and financing of UNIDO (see A/8341, para. 46), and therefore had strong reservations concerning the paragraphs of draft resolution A/C.2/L.1183/Rev.5 which constituted a modification of that consensus. In particular, although it welcomed the agreement which had been reached on the substantive question relating to paragraph 8 of the consensus, it deplored the procedure of issuing a corrigendum such as that referred to in operative paragraph 1 of the draft resolution.

2. Although his delegation appreciated the efforts of the sponsors to prepare a more acceptable version of operative paragraph 11, it believed that a new intergovernmental body would hamper the efficiency of UNIDO, particularly in the light of the country programming system being applied by UNDP, and that co-ordination between the two bodies could more than adequately be assured through contacts between their respective executive organs.

3. Mr. RANKIN (Canada) and Mr. O'RIORDAN (Ireland) associated their delegations with the views expressed by the representative of Italy.

4. Mr. MAKEEV (Union of Soviet Socialist Republics) said it was regrettable that during the concluding stages of the debate not all delegations which had wished to take the floor had had the opportunity to do so.

5. Although his delegation agreed that a detailed examination of all aspects of UNDP-UNIDO co-operation was desirable, a simpler and less costly procedure than that proposed in paragraph 11 would have been more appropriate. Co-ordination questions could easily be discussed in the Governing Council of UNDP, the Industrial Development Board, the Co-ordination Committee of the Economic and Social Council and the Council itself, without encroaching on the competence of any of those bodies. It would be preferable if paragraph 11 began with the words

"Requests the Secretary-General", rather than "Decides", in order to emphasize the provisional nature of the proposed *ad hoc* intergovernmental committee.

6. His delegation also had reservations concerning operative paragraph 15—on which it requested a separate vote—because the paragraph implied that UNIDO did not provide sufficient co-ordination in the field of industrial development. It would therefore abstain on operative paragraphs 11 and 15.

7. He would vote in favour of the draft resolution as a whole, on the understanding that it would be implemented within the existing budgetary allocations for UNIDO and funds now available to UNDP. Furthermore, it believed that the statement of financial implications (A/C.2/L.1191)—which were indeed substantial—was incomplete.

8. Mr. RUTTEN (Netherlands) said that his delegation would vote in favour of the draft resolution as a whole because it believed that the General Assembly should endorse the recommendations adopted by the Special International Conference of UNIDO. However, it wished to reiterate its reservations concerning the procedure followed in correcting paragraph 8 of the consensus. He would abstain in the vote on operative paragraph 11 if it was voted on separately because he considered the proposed *ad hoc* intergovernmental committee unnecessary and believed that the mandate given to that body was in contradiction with the decision by UNDP to apply the system of country programming.

9. The CHAIRMAN invited the Committee to vote on the amendment contained in document A/C.2/L.1207, which now applied to operative paragraphs 11 and 12 of draft resolution A/C.2/L.1183/Rev.5.

The amendment contained in document A/C.2/L.1207 was rejected by 41 votes to 24, with 17 abstentions.

10. Mr. ILONIEMI (Finland) requested that a single separate vote should be taken on operative paragraphs 11 and 12.

Paragraphs 11 and 12 were adopted by 57 votes to none, with 32 abstentions.

Paragraph 15 was adopted by 82 votes to none, with 10 abstentions.

The draft resolution as a whole was adopted by 97 votes to none.

11. Mr. ILONIEMI (Finland) expressed his gratitude to the sponsors for their willingness to accommodate the views

of a number of delegations. The final version of paragraph 11 was less controversial than its earlier versions; however, his delegation believed that co-ordination questions should be discussed by the executive heads of the bodies concerned and that the establishment of the intergovernmental committee constituted an unfortunate precedent. Nevertheless, it had voted in favour of the draft resolution as a whole, because the remaining provisions were acceptable to it.

12. Mr. FLEMING (Argentina) said he had voted in favour of amendment A/C.2/L.1207 because the procedure proposed therein would have been more expeditious; he had abstained in the vote on operative paragraphs 11 and 12 because the proposed arrangements would not provide the desired efficiency. His delegation's vote in favour of the draft resolution as a whole was a reflection of the importance which it attached to industrial development.

13. Miss DARLING (United Kingdom) thanked the sponsors for the spirit of co-operation they had displayed. Although her delegation had been glad to vote in favour of the draft resolution as a whole, it wished to reiterate its objection in principle to tampering with the text of the consensus agreed upon at the Special International Conference. It endorsed that text as it was originally introduced in document ID/SCU/Res.1 and reserved its position on the extent of the financial implications in document A/C.2/L.1191.

14. Mr. PRAGUE (France) said that his delegation had voted in favour of amendment A/C.2/L.1207 because it did not consider it necessary to set up new institutional machinery to ensure co-ordination between UNDP and UNIDO. It had also voted in favour of paragraph 11, in tribute to the spirit of co-operation shown by the sponsors in drafting a more acceptable version of that paragraph. His delegation's affirmative vote for the draft resolution as a whole should in no way be construed as acceptance of the financial implications, outlined in document A/C.2/L.1191, which were excessive. In particular, there was no need for temporary consultants to assist the very amply financed information clearing-house, and the expert group should have fewer than 18 members. Moreover, a number of the points raised by his delegation had not been answered by the Secretariat.

15. Lastly, he hoped that when the financial implications were considered in the competent organs, they would be reduced to a more reasonable level.

16. Mr. KITCHEN (United States of America) said that the inclusion by the sponsors of a number of amendments had enabled his delegation to vote in favour of the draft resolution as a whole. It had reservations, however, regarding paragraph 3, inasmuch as substantial funds were being requested to perform what was essentially a drafting exercise based on work which had already been carried out at the Special International Conference. He also agreed with the representative of France that excessive funds had been allocated for the information clearing-house. His delegation would welcome a revised statement of the financial applications before taking a final position on them in the Fifth Committee. Lastly, although it had preferred amendment A/C.2/L.1207, it had still voted in favour of paragraph 11.

17. Mr. CARANICAS (Greece) said that his delegation fully associated itself with the explanations of vote of the representatives of the United Kingdom, France, Finland and United States.

18. Mr. BUTLER (Australia) said that his delegation had voted in favour of the draft resolution as a whole because it considered it appropriate for the General Assembly to adopt such a text following the Special International Conference. His delegation had voted in favour of amendment A/C.2/L.1207 because it believed that the establishment of the *ad hoc* intergovernmental committee would be a retrogressive step. The action that was needed now should take place at the level of the two secretariats. It had abstained on paragraphs 11 and 12 in recognition of the fact that the sponsors had amended them to take into account many views expressed. He wished to record his delegation's reservations regarding paragraph 3; it had not been satisfied by the statement of financial implications nor by the oral explanations offered by the Secretariat. Although he considered the task of the expert group important, there was no need to appoint as many as 18 members to that body; moreover, paragraphs 7 and 8 of the statement of financial implications were inconsistent.

19. Lastly, his delegation had been reassured to learn that the Second Committee was not competent to alter the UNIDO consensus and it did not consider the circulation of the corrigendum referred to in paragraph 1 as constituting a precedent or as being binding.

20. Mr. ARVESEN (Norway) said that in a spirit of co-operation his delegation had voted in favour of the draft resolution as a whole. It reserved its right to refer to the financial implications in the Fifth Committee, since it was not satisfied with the replies to the questions it had raised.

21. His delegation had abstained on paragraphs 11 and 12 because paragraph 11 went beyond the consensus on UNIDO and was not in accordance with the country programming system now being implemented by UNDP.

22. Mr. ALULA (Ethiopia) said that the present version of the resolution was more balanced, particularly since it referred to the needs of the least developed among the developing countries. His delegation welcomed the assurance provided at the preceding meeting by the Director of the New York Liaison Office of UNIDO that the needs of those countries would be discussed at the forthcoming session of the Industrial Development Board. The Director had implied that resolution 63 (IX) of the Trade and Development Board of UNCTAD would not affect UNIDO; however, on the basis of that resolution, the General Assembly had adopted resolution 2564 (XXIV), which was applicable to the entire United Nations system. His delegation regretted that its remarks had not been adequately reflected in the records of the Industrial Development Board and hoped that the views it had expressed in the Second Committee, together with the replies by the Director of the New York Liaison Office of UNIDO, would be fully reflected in the Committee's report to the General Assembly.

23. Lastly, the group of high-level experts should be appointed not only on the basis of equitable geographical

distribution, but also taking into account the stage of development of the various geographical areas.

24. Mr. RUIZ MORALES (Spain) said that the views expressed by his delegation on the previous version of the draft resolution had determined its vote.

25. Mr. ARUEDE (Nigeria) said that his delegation had regrettably been absent when the vote was taken but would have voted in favour had it been present.

List of States eligible for membership of the Industrial Development Board

26. The CHAIRMAN said that since Bahrain, Bhutan, Oman and Qatar had been admitted to membership in the United Nations, they had become eligible for membership in the Industrial Development Board, and suggested that the Committee should adopt the following procedural draft resolution:

“The General Assembly,

“Recalling section II, paragraph 4, of its resolution 2152 (XXI) of 17 November 1966 on the United Nations Industrial Development Organization,

“Decides to include Bahrain, Bhutan, Oman and Qatar in list A of the annex to its resolution 2152 (XXI)”.

It was so decided.

AGENDA ITEM 41

United Nations Conference on Trade and Development (concluded):

(a) Report of the Trade and Development Board (A/8403/Add.1 (part II), A/8415/Rev.1; A/C.2/270 and Corr.1; A/C.2/L.1198/Rev.1)

27. Mr. SANTA-CRUZ (Chile), introducing draft resolution A/C.2/L.1198/Rev.1, said that the co-sponsors had tried as far as possible to take into account the amendments suggested to the previous version.

28. The Soviet representative had stressed the desirability of mentioning the importance of the transfer of technology not only from the developed to the developing countries but to all countries of the world. The co-sponsors had agreed to add a reference to General Assembly resolution 2658 (XXV) to the first preambular paragraph but had not found it possible to add similar references to the operative paragraphs, which were designed primarily to emphasize the need to close the technology gap between the developed and the developing countries.

29. The United States representative had suggested that the words “at all levels” be inserted after “decisive action is taken” in the third preambular paragraph, and the co-sponsors had agreed to that amendment. The United States representative had proposed to amend operative paragraph 2 by changing “its confidence” to “its hope”. That amendment had been accepted by the co-sponsors. The United States representative had also proposed to clarify the text concerning the three remaining vacancies in the

Group, and the co-sponsors had agreed to amend it to read “that the three remaining vacancies in the Group will be filled from among States listed in part B of the annex to Assembly resolution 1995 (XIX), before it holds its first substantive session”.

30. The Netherlands representative had proposed to amend operative paragraph 3 by changing “take action” to read “seek agreement on action”, and that amendment had been accepted by the co-sponsors. The Swedish representative had proposed two amendments to operative paragraph 3. The first had been to add the words “within its field of competence” after “Second United Nations Development Decade”, and that had been accepted by the co-sponsors. However, her proposal to add the words “in co-operation with other bodies” had been considered unnecessary, since agreement had already been reached on the part to be played by each body. The Cuban representative had proposed to add the words “including the transfer of specifications of the raw materials and technological processes utilized in production” at the end of operative paragraph 3, and the co-sponsors had acceded to that request.

31. The United States representative had suggested that operative paragraph 4 was unsuitably worded in that it urged international financing organizations and programmes to give “increasing economic assistance according to the priorities established by the developing countries, to meet their needs in the field of technology,” and that it would be preferable to amend “increasing” to read “high priority”. He had been unable to consult all the co-sponsors but could accept the amendment on behalf of his own delegation and that of Brazil.

32. Mr. SOMERHAUSEN (Belgium) proposed that in the third preambular paragraph the word “exponential” should be replaced by the word “growing”.

33. Mr. DENOT MEDEIROS (Brazil) and Mr. SANTA-CRUZ (Chile), speaking on behalf of the co-sponsors, accepted that amendment.

34. Mr. HEMANS (United Kingdom) welcomed the revised text, which had eliminated his delegation’s need to seek instructions on the draft resolution.

35. He proposed that the words “to be carried out jointly with and as part of the International Development Strategy” in operative paragraph 3 should be changed to “in accordance with the International Development Strategy”. With reference to paragraph 2, his delegation did not wish its vote on the draft resolution to be interpreted as prejudicing its position with regard to the Intergovernmental Group on Transfer of Technology.

36. Mr. SANTA-CRUZ (Chile) proposed that operative paragraph 3 be reworded to read “. . . as an integral part of and in conformity with the International Development Strategy . . .”.

37. Mr. MORENO (Cuba) wished to record his delegation’s reservations concerning the reference to the International Bank for Reconstruction and Development in operative paragraph 4, although it approved the rest of the text and would vote accordingly.

38. Mr. OSMAN (Sudan) said that the amendment to operative paragraph 3 suggested by the representative of the United Kingdom was unacceptable since the International Development Strategy was a plan of action and not a charter and action could not therefore be carried out in accordance with it. He agreed that the wording of paragraph 3 was clumsy and suggested that the first part of the amendment proposed by the representative of Chile would suffice, since, if the action to be taken was an integral part of the Strategy, it was bound to be in conformity with it.

39. The amendment to operative paragraph 4 suggested by the representative of the United States represented a substantive change which, as a co-sponsor, he could not accept.

40. Mr. VERCELES (Philippines) said that, as a co-sponsor of draft resolution A/C.2/L.1198/Rev.1, his delegation had no objection to the alternative suggested by the representative of Chile.

41. Mr. ZAGORIN (United States of America) regretted that the representative of the Sudan had rejected the United States proposal which would make the draft resolution more effective, reasonable and appropriate. Instruction could not be given to financial institutions to provide more money for assistance since that was only one part of a total programme. In his amendment, he had tried to return to the more careful wording of the original draft.

42. Mr. VIAUD (France) said that his delegation would support the draft resolution under consideration. However, he had two problems with regard to operative paragraphs 2 and 3. The first was of a practical nature. He wished to know whether Governments would be expected to send experts to take part in the Intergovernmental Group on Transfer of Technology. The second problem was that the Intergovernmental Group had not drawn up a programme of work on the transfer of technology and he was doubtful that any significant progress on that subject could be made at the third session of UNCTAD without a report from the Intergovernmental Group. Paragraphs 2 and 3 did not give a clear indication of the roles to be played by the Intergovernmental Group and the third United Nations Conference on Trade and Development with regard to work on the transfer of technology. Considerable preparation was needed for a clear and effective solution to be reached.

43. Mr. OSMAN (Sudan) said that priority should not be given to economic assistance at the expense of other vital sectors of development of the developing countries. The use of the words high priority might well lead to a distortion of the distribution of resources. However, his delegation would accept the amendment to operative paragraph 4 suggested by the representative of the United States if two commas were added to the text, to read as follows: "... to give high priority to economic assistance, according to the priorities established by developing countries, to meet their needs ...".

44. Mr. SANTA-CRUZ (Chile) agreed with the representative of the Sudan that the phrase "in conformity with" in operative paragraph 3 was superfluous if the phrase "as an integral part of" was to be used.

45. In answer to the question raised by the representative of France, he said that the developing countries were resolved to take all measures and make every effort to strengthen UNCTAD with regard to its work on the transfer of technology. Experts on the subject would be needed at the third session and the work of the Conference could strengthen the programme of the Intergovernmental Group.

46. Mr. VIAUD (France) thanked the representative of Chile for his clarification. He pointed out that it would be difficult for the Governments of more distant countries to provide experts to attend the Conference during the period of time envisaged. He was not opposed to the idea but would like to point out the risks to all countries of extending the Conference beyond the established five weeks. It would be difficult to discuss all the subjects on the agenda in detail in that time; common sense would be needed and it might be necessary to postpone the detailed study of certain subjects. He quoted the example of the second session of UNCTAD at New Delhi which had spent nine weeks instead of two or three discussing food aid. However, all countries should be prepared to discuss all the agenda items at the third session of the Conference and try to find reasonable solutions in a reasonable time.

47. Mr. ALULA (Ethiopia) said that the amendment suggested by the representative of the United States jeopardized the balance of assistance as a whole; however, since it had been accepted by the sponsors, his delegation would agree to it. He agreed with the representative of the Sudan that priority should not be given to economic assistance at the expense of other needs. He stressed the need for equitable distribution in the flow of transfer of technology to the developing countries, and expressed the hope that the organizations concerned would take that matter into consideration when receiving requests from the developing countries.

48. The CHAIRMAN read out the oral amendments made to draft resolution A/C.2/L.1198/Rev.1 during the meeting. In the third preambular paragraph the word "exponential" had been replaced by the word "growing". Paragraph 3 had been amended to read "... to be carried out as an integral part of the International Development Strategy ...", and the text of paragraph 4 now read "... and regional development banks, to give high priority to economic assistance, according to the priorities established by developing countries, to meet their needs ...". He then put the draft resolution to the vote.

Draft resolution A/C.2/L.1198/Rev.1 as amended was adopted without objection.

49. Mr. LISOV (Union of Soviet Socialist Republics) said that his delegation had supported the draft resolution on the understanding that paragraphs 1 and 3 would also take into account the following points: that in its activities to promote the transfer of technology UNCTAD would give due consideration to the interests of all countries, including trade flows and relations between countries with different social and economic systems; that such activities would be carried out with due regard for the work done in that field by many other international organizations and co-ordinated by the Economic and Social Council; that consideration of

such activities at the third Conference would not be restricted to the International Development Strategy but to all important substantive aspects of international co-operation in the transfer of technology.

50. Mr. SOMERHAUSEN (Belgium) said that his delegation had the same reservations on paragraph 2 as the delegation of the United Kingdom.

51. Mr. GUELEV (Bulgaria) regretted that the suggestion made by the Soviet representative for revising paragraphs 1 and 3 of the draft resolution had not been given greater attention, since the reference to Assembly resolution 2658 (XXV) in the first preambular paragraph should logically have been followed up in operative paragraphs 1 and 3.

The meeting rose at 1.05 p.m.