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President: Mr. PÉREZ GUERRERO (Venezuela).

AGENDA ITEM 5

Population and its relation to economic
and social development

REPORT OF THE ECONOMIC COMMITTEE (E/4564)

1. The PRESIDENT invited the Council to consider the Economic Committee's report on agenda item 5 (E/4564), and to vote on the draft resolution contained in paragraph 12.

2. Mr. McDONALD (United States of America) reminded the Council that his country and Sweden had sponsored the draft resolution which, with the exception of operative paragraph 3, had been approved unanimously by the Committee. The draft resolution was the result of several days of informal consultation and therefore exactly reflected the views of the members of the Committee.

3. Mr. BRILLANTES (Philippines) proposed that the words "and the United Nations Economic and Social Office in Beirut" should be inserted in operative paragraph 6, after the words "the regional economic commissions".

It was so decided.

4. Mr. ZORILLA (Mexico) requested a separate vote on operative paragraph 3.

Operative paragraph 3 was adopted by 12 votes to 7, with 4 abstentions.

The draft resolution, as a whole and as amended, was adopted unanimously.

5. Mr. VIAUD (France) explained that he had voted against operative paragraph 3 in conformity with the position taken by the French delegation in the Governing Council of UNDP and the Economic and Social Council. The resources of UNDP were too limited for part of them to be devoted to a small group of countries whose problems, though undoubtedly acute, were not universal.

Moreover, the question dealt with in that paragraph was still at issue among United Nations Members and it was not in the interests of UNDP to involve that body in controversial undertakings. The countries concerned would do better to make more use of the United Nations Trust Fund for Population Activities. France would continue to oppose the approval of projects in that field in the Governing Council of UNDP.

6. Mr. FIGUEREDO PLANCHART (Venezuela) said he had voted for operative paragraph 3 of the draft resolution because he interpreted its provisions in the same way as had the Director of the Population Division in the Economic Committee (463rd meeting). What was involved was assistance by UNDP to countries upon request on demographic problems in general. Undoubtedly, the population explosion constituted one such problem but there were also others to which Venezuela had drawn attention in various United Nations bodies, problems whose magnitude was not sufficiently recognized by many developing countries. UNDP could help individual countries in solving their problems by, for instance, the provision of demographic specialists. Work on those lines was already being done in Latin America.

7. Mr. VARELA (Panama) associated himself with the statement of the French representative and pointed out that the result of the vote should not encourage UNDP to finance activities relating to birth control.

8. Mr. KENNAN (Ireland) explained that he had voted against operative paragraph 3 because he believed that it was not consonant with General Assembly resolution 2211 (XXI); he reserved the position of his Government in regard to the eighth preambular paragraph.

AGENDA ITEM 6

Economic planning and projections

REPORT OF THE ECONOMIC COMMITTEE (E/4562)

9. The PRESIDENT invited the Council to consider the Economic Committee's report on agenda item 6 (E/4562), and to approve the draft decision recommended in paragraph 4.

10. Mr. VIAUD (France) said that, since the Committee for Development Planning had already met at Santiago and Addis Ababa, it would no doubt hold its 1969 session at the headquarters of ECAFE; thereafter, however, it should revert to the practice of meeting at Headquarters or at Geneva. As to the financial implications of the 1969 session, the Council's decision should not give rise to additional expenditure, since the Secretary-General had probably already asked for the necessary appropriation under the budget estimates for 1969. Consequently,

the last sentence of the draft decision could only mean that the Council had noted the cost of the session, but that no increase in expenditure was expected.

11. Mr. LOBANOV (Union of Soviet Socialist Republics) said he shared that view and would reserve his delegation's right to decide what position it would adopt in the Fifth Committee of the General Assembly concerning the financial implications.

12. The PRESIDENT said that, if there was no objection, he would assume that the draft decision recommended in paragraph 4 of the Economic Committee's report (E/4562) was adopted.

It was so decided.

AGENDA ITEM 15

Report of the Industrial Development Board (E/4493/Rev.1, E/4517)

13. Mr. ABDEL-RAHMAN (Executive Director, United Nations Industrial Development Organization), introducing the report of the Industrial Development Board on its second session (E/4517), said he would like to give further information on some of the questions already examined by the Board and comment on certain aspects of UNIDO's future work.

14. Referring to the co-ordination of United Nations activities in industrial development, he recalled that the creation of UNIDO had necessitated adjustments in the work programmes of organizations working in fields closely related to industry, and UNIDO had felt bound to consult those organizations in order to conclude agreements at the executive level which would subsequently be endorsed by the legislative bodies. It had thus entered into consultations with the ILO, FAO, UNESCO, UNCTAD, WHO and IMCO and would also be consulting other organizations such as IAEA and ITU. The agreements with the ILO and UNESCO had already been implemented, and UNIDO had co-operated closely with those two organizations in developing UNDP Special Fund projects. An agreement with FAO on the respective fields of competence of the two organizations would be concluded by the end of 1968.

15. Under the agreement concluded in 1967 between UNDP and UNIDO, the Governing Council of UNDP, at its sixth session in June 1968, had approved the financing of five UNIDO industrial field adviser posts, and UNIDO had already agreed to create another five posts. His organization attached great importance to the industrial field adviser programme and hoped that it would soon include twenty field advisers covering about eighty developing countries.

16. To ensure close collaboration between UNIDO and the regional economic commissions and the United Nations Economic and Social Office in Beirut, preliminary steps had been taken to co-ordinate their activities and particularly programmes for 1970 which were still in the early stages of preparation. It had been decided to detach some industrial advisers to the regional economic commissions and the Office in Beirut, and to utilize the

industrial regional advisers financed by the UNIDO regular programme of technical assistance in order to achieve better co-ordination of the UNIDO regional field programmes. The purpose of the discussions with the regional economic commissions was to produce a unified programme for industrial development so that UNIDO would not have to establish its own regional machinery and could concentrate on the substantive aspects of industrial activities. So far, the Industrial Development Board had not reacted favourably to any decentralization of the organization's activities. His organization was actively participating in the discussions on a global development strategy for the 1970s.

17. The main objectives of UNIDO's work programme were to advise the developing countries upon request on appropriate policies and measures for establishing and expanding their industrial activities, and to encourage the developing countries to make better use of the equipment acquired, so as to reduce production costs and increase the return on industrial investment. That work programme was divided into the fifteen main areas enumerated in chapter III of the Board's report. In its advice to the developing countries, UNIDO adhered to the principle that, although decisions on industry rested with the Governments, their objectives should take into account regional and international considerations. Two areas were of importance in that context: the promotion of developing countries' exports of manufactured goods and the development of regional co-operation designed to further industrialization of the developing countries. As far as export promotion was concerned, UNIDO was responsible for advising countries on the establishment of new industries with export potential and on ways of improving the quality and design of manufactured goods to ensure the success of their export efforts. To that end, UNIDO was co-operating fully with UNCTAD and GATT. Regional co-operation for industrialization faced political and practical difficulties, but UNIDO would not fail to stress the importance of such action to Governments and it was to be hoped that the efforts of United Nations organizations in that direction would eventually triumph.

18. To carry out its programme, UNIDO should be capable of examining requests and advising developing countries when asked; in that work it should be able to draw on the experience and knowledge of the industrialized countries, as well as that of developing countries, and should ensure that the consultations involved remained confidential. The procedure followed under present technical assistance programmes did not permit that, however, and UNIDO was seeking ways of remedying the situation in co-operation with UNDP. It was trying to establish closer relations, not only with the Governments and official bodies of the industrialized countries, but also with their industrial, business and financial communities. UNIDO was also trying to co-operate more closely with the inter-governmental and non-governmental organizations which had been granted consultative status with it and which had close relations with the industrial and business communities in both industrialized and developing countries. Unfortunately, it had to be ad-

mitted that contacts between UNIDO and the industrialized countries were still far from satisfactory.

19. To make it an effective international instrument for the transfer and adaptation of industrial technology to the developing countries, the current UNIDO work programme had been intentionally kept flexible. That would enable the organization to accede to the requests of the developing countries through its operational resources and, in the meantime, to establish the necessary machinery for consultation with developing and developed countries on specific questions of interest to countries at different stages of industrial development. However, as UNIDO was subject to limitations of time and resources and had to establish certain priorities, it was gradually introducing basic concepts and long-term trends into its future work programmes. One of those concepts was that agricultural development and industrial development were complementary and mutually supporting and that it was necessary to establish harmonized plans of action that included not only agricultural and industrial activities, but also complementary programmes in finance, trade, transport, man-power and education.

20. Referring to the recent transfer of UNIDO to Vienna, he paid a tribute to the Austrian authorities for their support and co-operation and for their generous offer to bear the cost of building the organization's future headquarters.

21. Happily, the International Symposium on Industrial Development held at Athens in 1967 had been a success, and the documentation and recommendations produced by it would enrich the programmes of the United Nations system in the field of industry for several years to come.

22. As to the sources of financing for UNIDO's operational activities, the Industrial Development Board had decided to request the Secretary-General to convene a pledging conference for contributions to remedy the organization's rather unsatisfactory financial situation; it was unfortunate that some of the main contributors had already announced that they would not contribute directly to UNIDO. While the much larger resources of UNDP were technically available to the developing countries for industrial projects, it was an open secret that, for a variety of reasons, access to those funds was limited. Consequently, UNIDO, in collaboration with UNDP, was seeking ways of remedying that situation.

23. Mr. AKSIN (Turkey) considered that, with the transfer of its secretariat to Vienna and the preparations for the Athens Symposium out of the way, UNIDO had begun productive work.

24. At its second session, the Industrial Development Board had worked out the principles of action which it had undertaken to define at its first session and had adopted useful directives concerning co-ordination with the regional economic commissions. It had also made a wise decision in requesting the UNIDO secretariat to prepare long-term programme proposals. In regard to the training of needed personnel for industrial development, he was glad that co-operation had begun with the specialized agencies concerned, particularly the ILO.

Working arrangements of that type would do much to avoid the waste of effort which could occur in industrial development because of its very complexity. Moreover, the success of the second United Nations Development Decade would depend largely on harmonious co-operation between the organizations concerned with industrial development.

25. At its sixth session in January 1968, the Governing Council of UNDP had approved two projects for his country whose execution had been entrusted to UNIDO; the first was concerned with the training of engineers and the second with the development of small-scale industries. He hoped that many countries would be able to benefit as much as Turkey had from the services of the new organization.

26. He was particularly interested in the concept of an industrial promotion service, which would keep investors in developed countries better informed of the possibilities open to them in developing countries, and thus contribute to the economic growth of those countries. He thought that the appointment of industrial field advisers to collaborate with the resident representatives of UNDP would also be very useful; such a step would make UNIDO programmes more action-oriented, as everyone wished.

27. Developing countries needed UNIDO all the more as large-scale industry occupied an increasingly important place in their economies. It was therefore necessary for UNIDO to have larger resources at its disposal; although it used UNDP funds, it should also have independent resources.

28. Mr. ANGER (Sweden) said the Industrial Development Board's report showed that UNIDO was becoming operational and that the second session had helped to clarify its role. At its second session, the Board had completed the work of establishing priorities which it had begun at the first session and had reached interesting conclusions which were reflected in the draft resolutions contained in annex VI to the report. He hoped that in 1969 the Board would follow up that work by defining objectives for the different areas of activity.

29. He thought that UNIDO should have a more solid and homogeneous financial basis. The most appropriate and main financial source was UNDP, and he hoped that the Special Industrial Services Programme would receive substantial aid from UNDP. It would be useful if the Executive Director of UNIDO informed the Board of the annual budget estimates when submitting them to the Secretary-General of the United Nations; the Board could not take decisions on those estimates, but it would at least be better informed than it had been that year at the second session and would be in a better position to examine the programme.

30. His delegation hoped very close relations would be established between the UNIDO secretariat and the Board. Although that might complicate the inter-sessional work, which was mainly of a technical nature, some form of continuous contact with Governments seemed necessary; the working group on programme and co-ordination

to be set up under Board resolutions 3 (II) and 12 (II) could be particularly useful in that respect.

31. He also hoped that the UNIDO secretariat would not rely exclusively on its permanent staff, but would also recruit outside experts, whose knowledge was likely to be more up to date. A flexible and effective recruitment service was essential for the success of the new organization's field activities.

32. In general, he considered that UNIDO was well under way in its complicated task and hoped that it would be able to play a decisive role in the second Development Decade.

33. Mr. OMEISH (Libya), recalling that his country had taken part in the work of the Board's second session, said he would comment on the guiding principles which, in his opinion, should govern UNIDO's future work.

34. Among the United Nations organizations concerned with industrial development, UNIDO should play the essential co-ordinating role assigned to it by General Assembly resolution 2152 (XXI). It was important to avoid disputes on matters of competence and duplication in their work. He welcomed the discussions which had recently begun between the Executive Director of UNIDO and the specialized agencies, and which had made it possible to consider establishing joint work programmes.

35. In future, UNIDO should operate increasingly at the regional level and its activities should therefore be closely co-ordinated with those of the regional economic commissions and the United Nations Economic and Social Office in Beirut. The appointment of industrial advisers to collaborate with resident representatives of UNDP was a useful step in that direction. Similarly, industrial co-operation with regional and sub-regional groups of developing countries was essential, although the methods used must be in accordance with Governments' wishes. Thus, UNIDO might concentrate on providing industrial field advisers and aid for the establishment of regional institutions such as the Centre for Industrial Studies for the Maghreb, set up in Tripoli with the assistance of UNDP.

36. The noteworthy achievements for which UNIDO could take credit included, first, the International Symposium on Industrial Development held at Athens, which had provided an opportunity for useful discussions between developed and developing countries; and, second, the technical services already provided by UNIDO at the request of Governments. Thirdly, there were the industrial training activities, and, in that connexion, he would emphasize the importance of the middle-level in-plant training programmes in industrialized countries; each developing country should, however, try to provide for its own training needs with the help of, for instance, the ILO International Centre for Advanced Technical and Vocational Training at Turin. Lastly, he would cite the studies on cost and quality control, which were very useful to small-scale industries, and therefore to the development of rural areas.

37. Mr. LOBANOV (Union of Soviet Socialist Republics) said the Board's report showed that UNIDO had

already achieved results which were particularly impressive if seen in the context of the last twenty years of attempted industrial development promotion. His delegation had always emphasized the importance of industrialization for developing countries. Many meetings and resolutions had been devoted to the matter, but more often than not they had had no effect. A turning point in aid to industrial development had been reached only with the establishment of UNIDO.

38. At the Board's second session, the Soviet delegation had proposed that UNIDO concentrate primarily on the preparation of over-all development plans, in order to eliminate the after-effects of colonialism in developing countries. Such plans should be drawn up in accordance with the national characteristics of the countries and should emphasize the key sectors of their economies. Planning should then be raised to the regional level, again taking into account special characteristics and key sectors. Such an approach, which was gaining ground in UNIDO, involved giving the State a major role in the industrial development process. It was in the interest of developing countries to orient industrialization towards a stronger public sector; it was true that the industrialization of already developed countries had in some cases followed a different course, but developing countries now had to take new circumstances into account.

39. In his opinion, United Nations organizations in general had hitherto not done enough for industrialization. For instance, UNDP devoted only 4 per cent of its resources to industrialization, and UNDP's failing in that respect was noted in the Board's report. To remedy that situation, UNIDO must act not only as a catalytic agent, but also as a driving and directing force in industrialization activities. It should have effective authority to select projects and be in a position to persuade United Nations organizations to devote greater efforts to industrialization and direct those efforts more effectively. The role of UNIDO must of course be so conceived as to avoid duplication and ensure that the activities of the various institutions concerned complemented each other harmoniously. He emphasized the role UNIDO could play in multilateral international exchanges of technical information on industry at all levels.

40. To expand its activities UNIDO required larger resources. Apart from voluntary contributions it must be able to draw freely on the funds of UNDP and the United Nations regular programme of technical assistance. Those resources should be used by UNIDO in accordance with independent decisions and the new organization should have the right to approve projects financed under UNDP and the regular programme.

41. Describing his country's collaboration with UNIDO, he said that in the matter of training facilities for personnel from developing countries, dealt with in paragraphs 158 to 190 of the Board's report, the USSR offered great possibilities: the training courses at Zaporozhye for Africans and Asians had been welcomed; the USSR was prepared to continue that work by organizing courses in such subjects as machine tools, standardization and statistics, as well as lectures and exchanges of experience. The USSR had already prepared a general programme

of participation in UNIDO's activities for the years to come, and intended to contribute 500,000 roubles under that plan. It had established a national committee for co-operation with UNIDO. It had also instituted a programme of scholarships for the nationals of developing countries, and intended to provide those countries with experts and equipment. He hoped that other countries would make a comparable effort.

42. Although the UNIDO secretariat had already done useful work, he regretted that it had not made a proper study of industrialization strategy and priorities, the progress of industrialization in developing countries, the resources of those countries, or the prospects for regional co-operation. That was all the more regrettable since it had sometimes spent too much time on matters of secondary importance.

43. He also considered that the structure of the UNIDO secretariat was still unsound, a matter on which his delegation had already made known its views. For instance, a collegiate system of administration similar to that adopted by the United Nations and the specialized agencies seemed desirable; many mistakes and misunderstandings could then be avoided, at least in important matters. His delegation was also in favour of creating an Assistant Executive Director post, which should be given to a national of a socialist country; it had already communicated that proposal to the Board and would also submit it to the General Assembly. More equitable geographical distribution was needed in the recruitment of secretariat staff. Lastly an effort should be made to define more precisely the functions of the staff of substantive divisions; the Executive Director was aware of that problem and would certainly try to solve it.

44. In conclusion, he expressed the hope that his remarks would be interpreted as a constructive analysis of the structure and work of UNIDO. The organization had already done useful work and should now be given the capability and authority the General Assembly had intended it to have.

45. Mr. ABE (Japan) said he had listened with great interest to the Executive Director, who had given a comprehensive picture of his organization's activities and of the problems facing UNIDO. That organization had made much progress since its establishment in 1966, and he was happy to note that the work programme and the guidelines for its activities had been drawn up at the last session of the Industrial Development Board. His delegation hoped that UNIDO would concentrate on sound, effective projects with a clearly defined system of priorities, and that it would play an important role as the principal United Nations organization concerned with industrialization in the developing countries.

46. His Government had made a contribution of \$150,000 to the Special Industrial Services fund and was collaborating with UNIDO by placing consultants and experts at its disposal and participating in studies and research undertaken under UNIDO auspices; it would continue that co-operation in the future.

47. The organization was expected to play a central role in co-ordinating the activities of the United Nations

system in the field of industrial development. That role was particularly important since many existing organizations, such as UNDP, the ILO, FAO and the regional economic commissions, had long been concerned with various aspects of industrialization, and the problem of duplication would arise unless co-operation between the different organizations was intensified. He therefore welcomed the consultations initiated by the Executive Director with the heads of other United Nations organizations, and looked forward to the report which would be submitted to the third session of the Board. He was also pleased to note that UNDP had been asked to prepare a detailed analysis of the experience acquired in co-ordination of technical assistance activities in industry. As to relations with the regional economic commissions, regional differences in certain areas of UNIDO's activities were so great that the activities could be more effective at a regional rather than the world level. In the Asian region, ECAFE was already doing very useful work through the Asian Industrial Development Council, established three years ago; co-operation between UNIDO and that body was essential if UNIDO was to expand its activities in the Asian region.

48. In regard to the Economic and Social Council's co-ordinating functions, although UNIDO had a central role to play in the co-ordination of industrial development operations, its co-ordination activities should be conducted within the more general framework of the Council's responsibility as an over-all co-ordinating body in the economic, social and human rights fields. He hoped that, with the help of the Committee for Programme and Co-ordination and the ACC, the Council would ensure that that was so in future.

49. Mr. VIAUD (France) remarked that the Council's interest in industrial development was of long standing. The establishment of UNIDO, followed by the important International Symposium on Industrial Development held under its auspices at Athens, gave grounds for reasonable optimism. Unfortunately, there had so far been no final decision or agreement regarding the work programme, structure and resources of UNIDO; since those were delicate matters affecting the organisation's future, he wished to discuss them thoroughly in turn.

50. In his delegation's opinion, UNIDO's work programme was of fundamental importance, since the results achieved by the organization over the next ten or twenty years would determine whether or not it could be said to have justified its existence. At present, that work programme was no more than the sum of UNIDO projects, whose distribution reflected a preoccupation with even coverage of countries and industries. In such circumstances, there was reason to fear that UNIDO's impact on the industrial development of the Third World would be but minimal. It should base its work programme on an over-all approach to the industrial development of the Third World; the programme should thus be the outcome of a study of suitable long-term solutions. That did not mean that UNIDO should set itself hard and fast objectives. In establishing work programmes, it should define its industrial development strategy after thorough consultation with beneficiary countries in the

light of their assessments of their own needs. It should not undertake a multitude of studies, but should choose from among those really necessary. For instance, some studies would be needed for working out a strategy, while others would be undertaken in response to express requests from developing countries; but in no case should those studies be carried out without prior consultation. The same approach should be adopted with regard to projects, too many of which were at present concerned with the establishment of institutions at the expense of industrial projects proper, which were few. His delegation was in favour of pilot-plant projects, as they were being requested by many developing countries. Such projects should, however, be suited to the needs and be within the means of the regions in which they were established. Although the beneficiary countries were free to decide what requests they would make, it was UNIDO's duty to help them to devise the best strategy for achieving their aims.

51. Such a work programme presupposed a certain choice in the matter of structural organization, for instance standing arrangements for exchanges of views between the UNIDO secretariat and the Governments of the beneficiary countries. In that connexion, much had been said about decentralization. Some thought that UNIDO should, as soon as possible, establish regional and sub-regional centres in Asia, Africa and Latin America. His delegation believed that such action would be premature in the present circumstances since UNIDO was still too young to embark on a decentralization exercise which might weaken it considerably. Nevertheless, close contact should be maintained between UNIDO and the people it actually had to deal with, namely, those responsible for industrial development in the countries concerned. To that end, UNIDO might send out field missions or call upon the industrial advisers who, under an agreement between the Executive Director of UNIDO and the Administrator of UNDP, were to be financed by UNDP; on the understanding that they would not work at UNIDO headquarters, the advisers' main task would be to establish semi-permanent relations between UNIDO and Governments, and thus facilitate the preparation of a real work programme taking into account the needs of the beneficiaries and the strategy adopted by UNIDO.

52. As to the resources allocated to UNIDO for the implementation of its programme, his delegation agreed with the basic distinction made in General Assembly resolution 2152 (XXI) between the financing of administrative and research activities—which should be covered by the regular United Nations budget—and the financing of operational activities through voluntary contributions in particular. The organization's budgetary resources were steadily increasing after only two years of operation. The member countries of UNIDO were therefore concerned only with the financing of operational activities. The General Assembly had provided for three possible sources of financing for such activities: UNDP participation, voluntary contributions paid direct to UNIDO by the member States, and that part of the United Nations regular programme of technical co-operation which was allocated for industrial development; it would therefore

be wrong to consider only the direct contributions to UNIDO when assessing the resources available to the organization. UNDP should be the first and main source of financing among those mentioned. Although the extent of the funds which UNDP might make available to UNIDO could not be determined in advance, there was every indication that funds would not be lacking when UNIDO's requirements had been properly established. His delegation's preference for UNDP as the main source of funds did not mean that it was opposed to the payment of direct contributions to UNIDO. Indeed, General Assembly resolution 2152 (XXI) expressly provided that direct contributions could be made either in cash or in kind. His delegation believed, however, that such contributions could and should only be marginal; UNDP was bound to remain the most suitable source of financing.

53. His delegation was not in favour of financing UNIDO's assistance work from the United Nations regular budget. The Industrial Development Board had recommended that the General Assembly increase the resources allocated under part V of the regular budget to activities of an industrial nature; his delegation would make known its views on that recommendation at the forthcoming General Assembly. Admittedly, UNIDO had an extremely difficult task, but it would be a disservice to the young organization to persuade it to follow a course which it had not yet studied properly.

54. Mr. FORTHOMME (Belgium) said his delegation was glad that the Athens Symposium had been a success; it would certainly have profound repercussions. The second session of the Industrial Development Board had been devoted mainly to the consideration of UNIDO's work programme, which included many projects largely outside the Board's decision, in particular UNDP projects executed by UNIDO. Then, in the case of the Special Industrial Services, the Board had confined itself to noting the estimates prepared by the Executive Director. As to projects under the United Nations regular programme of technical assistance, the Board was able to issue directives concerning the direction field and support activities should take. That suggested that the Board had very little influence over most of the projects which the organization was required to execute. It was therefore hardly in a position to orient its own work programme or to direct its activities along the lines it considered best.

55. Referring to financial control, he pointed out that the Board would not know the organization's estimated administrative expenditure for 1969 until its third session, by which time the budget would have been finally approved by the General Assembly and some of the funds already spent. If the Board was to be a really useful body, it would have to be given the means to carry out its duties.

56. The Council's discussion had at least shown the need for a consistent line of action that would give direction to UNIDO's efforts and so determine the choice of and priorities in future projects. His delegation attached

special importance to that basic orientation as it would enable UNIDO to adapt its action to the various levels of development attained by the developing countries and to participate more closely in their industrial life by guiding them towards realistic solutions suited to local conditions.

57. There were two opposing theories regarding the co-ordination of UNIDO's activities with those of other members of the United Nations system: some wished to limit UNIDO's role to those fields which were not yet covered by other organizations, while others were in favour of giving UNIDO a central role in the co-ordination of all industrialization activities. Harmonious co-ordination could only exist, however, if there was close collaboration between the secretariats of the various organizations. His delegation expected much of UNIDO; the organization was faced with an enormous task and would succeed only if it had the will and ability to concentrate its action on clearly defined projects of direct value to developing countries.

58. Mr. MOLINA SALAS (Argentina) recalled that Argentina, as a member of the Industrial Development Board, had at the second session fully supported the Board's report. Emphasizing the importance of the work UNIDO was doing under the able leadership of its Executive Director, he said his Government was most satisfied with the progress made by UNIDO and pinned great hopes on its future activities.

59. Mr. COX (Sierra Leone) said that UNIDO had been set up to meet a special situation which had arisen since the Second World War, and in which the newly independent countries were threatened with industrial colonialism. It was intended to enable the developing countries to overcome their industrial backwardness and to free them economically. His delegation was aware of the tremendous task before UNIDO, and approved of the way in which the Executive Director planned to deal with it. The organization was not concerned with local development alone but was also seeking ways of relating that development to the growth process in both developed countries and developing countries. It was understandable that UNIDO should hesitate to set up regional or sub-regional bodies, but the organization could very usefully work in co-operation with the regional economic commissions in encouraging regional and sub-regional development. Such joint action would also be more economical. His delegation was happy to note that UNIDO's activities were being co-ordinated with those of the specialized agencies, whose experience and existing machinery could be of great use to the young organization.

60. His delegation shared the view, expressed in the report, that the developed countries were best placed to encourage exchanges of information on industrialization.

61. Lastly, his delegation wished to express its gratitude to the Austrian Government for its efforts and plans to facilitate the establishment of UNIDO at Vienna.

The meeting rose at 6.25 p.m.