

United Nations  
GENERAL  
ASSEMBLY

TWENTIETH SESSION

Official Records



SECOND COMMITTEE, 991st  
MEETING

Wednesday, 24 November 1965,  
at 3.30 p.m.

NEW YORK

CONTENTS

	Page
<i>Tribute to the memory of His Highness Abdulla Al-Salem Al-Sabah, Amir of the State of Kuwait. . . . .</i>	215
<i>Agenda items 40 and 41:</i>	
<i>Activities in the field of industrial development (continued):</i>	
<i>(a) Reports of the Committee for Industrial Development on its fourth and fifth sessions;</i>	215
<i>(b) Report of the Secretary-General. . . . .</i>	
<i>The role of the United Nations in training national technical personnel for the accelerated industrialization of the developing countries (continued). . . . .</i>	

Chairman: Mr. Pierre FORTHOMME  
(Belgium).

Tribute to the memory of His Highness Abdulla Al-Salem Al-Sabah, Amir of the State of Kuwait

*On the proposal of the Chairman, the members of the Committee observed a minute's silence in tribute to the memory of His Highness Abdulla Al-Salem Al-Sabah, Amir of the State of Kuwait.*

AGENDA ITEMS 40 AND 41

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; A/C.2/L.794, L.805 and Add.1, L.809):

(a) Reports of the Committee for Industrial Development on its fourth and fifth sessions (E/3869, E/4065);

(b) Report of the Secretary-General (A/5826, A/6091)

The role of the United Nations in training national technical personnel for the accelerated industrialization of the developing countries (continued) (A/6093; E/3901 and Add 1-2; A/C.2/L.818 and Add.1)

1. Mr. TEMBOURY (Spain) said that in response to the appeal of the industrialized countries addressed to him by the Peruvian representative (988th meeting), he would be glad to join the sponsors of draft resolution A/C.2/L.805.

2. Mr. RENAUD (France) said that all the members were agreed that industrialization was essential for the developing countries. The Committee must now face the practical task of making the best use of

the resources available for them. It should try to avoid generalities and concentrate on the specific problem of how to help the developing countries prepare industrial projects in such a way that they could be integrated with their national economies and give the best results on the national and international level. The first stage in that process would be the sending of United Nations missions to study the situation at first hand to assure that a particular project was feasible. The recipient country would be helped to choose from a range of possibilities those most suited to pre-investment. The ground would thus be laid for private and public investment. Such a process would apply to all sectors of the economy; industrialization would be no exception. The organizations able to provide assistance already existed; they included the Special Fund, the Expanded Programme of Technical Assistance and the international financial bodies. A procedure must be worked out to direct the activities of those organizations more specifically towards industrialization.

3. Obviously, the Centre for Industrial Development must be the executing agency for the industrial activities of the new United Nations Development Programme. For that purpose, the Commissioner for Industrial Development must be given the necessary resources, while the Centre must adapt its procedures to those of the Expanded Programme and the Special Fund. That did not mean that other specialized agencies, such as the ILO, and within well defined limits, FAO would be excluded but the Centre would play the main role in the execution of industrial development projects prepared by United Nations technical assistance bodies. At the same time, the Commissioner must make full use of any voluntary contributions and in that respect he endorsed the proposals made by the Secretary-General in paragraphs 15 and 16 of his report (A/6070/Rev.1). The list of special industrial services mentioned in paragraph 10 of the report was perhaps too long and might lead to dispersal of effort. His delegation would prefer to see the special services organized under a clear-cut programme laid down in advance on the basis of definite principles, which would prevent the occurrence of any unfortunate improvisations. In that regard, it seemed regrettable that the report of the Secretary-General had not mentioned the importance of planning in industrial development of countries which were less developed. A clear distinction should be drawn between the role of the Governing Council of the United Nations Development Programme and the Committee for Industrial Development: the former should judge each project on its merits, while the latter should continue to define the general policy of the Centre. The Committee for Industrial Development must be composed of industrial experts.

4. Turning to the question of resources, he emphasized that the Centre's budget had been increased and that it was in the process of recruiting more staff. He recalled that at its fourth session the Committee for Industrial Development had adopted a draft resolution which became Economic and Social Council resolution 1030 A (XXXVII) which requested the Secretary-General to draw the attention of Governments to his authority to receive voluntary contributions for special purposes and to inform them that such voluntary contributions might be made for activities in the field of industrial development. He wondered whether that proposal was still valid or whether it had been abandoned. In any case, it seemed that any Government could make a donation if it wished to do so.

5. His delegation had reservations regarding both draft resolutions before the Committee. On the one hand, draft A/C.2/L.809 contained certain obscurities and contradictions which should be cleared up. On the other hand, his delegation sympathized with the aims of the draft A/C.2/L.805 but failed to see why a new preparatory committee composed of thirty-two Member States should be set up to consider the establishment of a specialized agency for industrial development when the existing Committee for Industrial Development, which consisted of thirty members, was perfectly well equipped for that purpose by continuing to form, as in the past, two working groups, one of which would deal with problems of organization. Also, the sponsors of that draft should make clear exactly what kind of a "body" they wished to set up. Both texts offered possibilities of agreement, provided the Committee remembered that its main function was to try to make industrialization more effective and better organized in the developing countries. With that aim in mind, he was sure that the Committee could work out an acceptable and practical solution.

6. Mr. ARKADYEV (Union of Soviet Socialist Republics) said that his Government, believing that industrial development was the key to the rapid economic growth of the developing countries, had always followed the policy of giving massive assistance to the developing countries for the establishment of heavy industry and the training of skilled cadres. Industrial construction projects for which the USSR was responsible in Africa and Asia had already increased over-all steel production by 6.1 million tons, oil production by 8.6 million tons and installed generating capacity by 4.7 million kW.

7. The plans for strengthening the Centre for Industrial Development were an indication of the United Nations' growing awareness of the importance of industrialization. The primary aim continued to be the setting up in every developing country to viable national industries based on its own natural resources and manpower, and future assistance for industrialization should be directed towards enabling such countries to process their own raw materials and the food products which were their staple exports. In that way their dependence on imported supplies would be reduced and their foreign exchange receipts improved.

8. With the transfer of responsibility for the trade aspects of development to the Conference on Trade and Development, the industrial development work of

the Economic and Social Council, and of its Committee for Industrial Development in particular, had assumed great importance. That Committee should, in formulating policies, pay greater attention to the importance of the State sector in economic planning and should take full advantage of the services of the Council's economic programming and planning services. Moreover, it should encourage the Centre for Industrial Development to collect and disseminate information on the role of the State sector in planning.

9. The regional and international symposia planned by the Centre would be very useful to all countries seeking to achieve rapid economic progress. It was important, however, to ensure that the subjects covered by the symposia were the major issues of economic development, such as regional co-operation, the mobilization of domestic resources and the utilization of new technology. While the preparations for the international symposia should be made by the Centre, the expenses should be borne by the United Nations Development Programme, as they had formerly been by the Expanded Programme of Technical Assistance. Again, if it was decided to convert the Centre for Industrial Development into a specialized agency, the agency's budget should cover only its administrative expenditure; its operational expenditure should be financed by the United Nations Development Programme—in other words, from voluntary contributions.

10. His delegation agreed with the view of the Administrative Committee on Co-ordination in its thirty-first report (E/4029, para. 43-44) in which it stated that, if a new agency was established, its statutes should contain provisions to ensure that duplication of facilities was avoided and that arrangements were made for co-ordinating the activities of all the organizations concerned.

11. His delegation was unable to see the need for additional voluntary contributions to finance the "special industrial services" referred to in draft resolution A/C.2/L.809, operative paragraph 1. Operative paragraph 6 recommended that a larger proportion of the resources of the new United Nations Development Programme should be devoted to industrial development activities and there appeared to be no reason why the special services should not be financed by earmarking a specific part of the Programme's funds for the purpose, as suggested in paragraph 15 of the Secretary-General's report (A/6070/Rev.1). His delegation would not, however, vote against the draft resolution and would support certain paragraphs if they were voted on separately.

12. Mr. HOVEYDA (Iran) said that the Secretary-General's report was a comprehensive summary of methods by which the United Nations might expand its activities to promote industrial development. It was clear, however, that there were conflicting views among delegations about the proposals in the report.

13. The representative of France had suggested that it might be preferable to enable the United Nations Development Programme to expand its industrial development activities and to defer any decision on the establishment of a specialized agency until the results of that expansion became apparent. Other

delegations had expressed the fear that the need to improve agriculture in the developing countries was being overlooked in the general desire to achieve rapid industrialization. But the Secretary-General's report of the "United Nations Development Decade at mid point" (A/4071) clearly demonstrated that the developing countries could not afford to wait; as the report said, their misery threatened to grow worse in the second half of the Decade and nothing less than massive investment in their economic development could prevent them from losing even such meagre gains as they had made. Those countries did not expect that a new specialized agency for industrial development would solve their problems overnight but they believed that the very fact that the United Nations was engaged in investment in industrialization and in co-ordinating bilateral assistance for that purpose would provide a psychological stimulus to the developing and developed countries alike.

14. His delegation had noted with interest that, although many of the developed countries had earlier announced that they would be unable to make larger contributions to the new United Nations Development Programme, those developed countries which were sponsors of draft resolution A/C.2/L.809 acknowledged that there was scope for additional operational activities by the Centre for Industrial Development and were prepared to make voluntary contributions to finance them. The proposals contained in draft resolution A/C.2/L.805 were not as much at variance with those of the draft resolution A/C.2/L.809 as might at first sight appear, since some of the developed countries, at least, agreed that additional funds should be allocated to industrial development. Consequently, his delegation hoped that it might be possible to reconcile the different points of view in a single draft resolution.

15. Mr. BARIGYE (Uganda), commenting on draft resolution A/C.2/L.809, said that his delegation had no quarrel with the operative parts dealing with the expansion of the activities of the Centre for Industrial Development and saw no reason why they could not be included in draft resolution A/C.2/L.805. There was, however, a great deal in the preamble with which it could not agree. Without disputing the fact that requests from developing countries for assistance in industrial development were at a low level, he particularly objected to the inclusion of the seventh preambular paragraph. If the intention of the sponsors was to give reasons why the Centre for Industrial Development should not be expanded as much as some might wish and to demonstrate that the special industrial services would suffice to meet the needs of developing countries, then he was in profound disagreement. If such a preambular paragraph had to be included, there should be some indication of why the developing countries had not been taking advantage of the services provided. Those countries were eager to industrialize as rapidly as possible but, if they wanted to establish an industry, they had to seek assistance from private industrialists or the Governments of the developed countries. If the industrialists or Governments decided to establish the industry, they would have the necessary technical knowledge without turning to the Centre. He did not wish to minimize the value of the Centre's services but it

was essential to be realistic. Regional and inter-regional seminars could provide administrators and technicians with the necessary information on appropriate policies and techniques but not with the necessary capital. The services described in paragraph 10 of document A/6070/Rev.1, were all extremely valuable, but there was little point in providing such services if the United Nations was not prepared to tackle investment. A developing country might, for example, ask the Centre to study the possibility of establishing a particular industry; but the developing country would then have to find the capital and, if it succeeded, the industrialists and Governments concerned would carry out their own surveys.

16. It was for those reasons that his delegation had supported the establishment of a capital development fund and wished to see a new specialized agency for industrial development. Until a capital development fund was set up and the Centre for Industrial Development, or the agency, could actually start installing industries itself, their services would never be fully utilized. The operative part of the draft resolution A/C.2/L.809 would not dispel the concern expressed in the seventh preambular paragraph: any amount of teaching and training in the latest techniques could be provided, but the developing countries would still remain unindustrialized.

17. Nor could he agree with the statement in the sixth preambular paragraph that the expansion of the resources of the Centre for Industrial Development would "provide a sound basis for an intensification of United Nations activities in the field of industrial development". Although the special industrial services would be an improvement and would to some extent correspond to the views of the Advisory Committee of Experts referred to in the sixth preambular paragraph, they would not be adequate to meet the needs of the developing countries and, in that connexion, he drew attention to the recommendation of the Advisory Committee of Experts that a special organ, which might be called the United Nations industrial development organization, be established under the authority of the General Assembly and the Secretary-General (A/3781, annex VIII). He also considered that the eighth preambular paragraph was very misleading, since the operative part of the draft resolution reflected the contents of section II of the report of the Secretary-General but ignored section I, which spoke of the establishment of a specialized agency.

18. He supported the main objective of draft resolution A/C.2/L.805, but felt that it did not go far enough. He also failed to understand why it was necessary to set up yet another committee to submit a report when no action had yet been taken on the report contained in document A/5826. The Committee's views on the latter should be included in the preamble. It was also unclear what was meant by the final decision referred to in operative paragraph 4. Was it a final decision on the establishment of a specialized agency, a decision which had already been taken in operative paragraph 1? Or was it a decision on the structure and purposes of the agency? The draft resolution could not be said to advance the situation

a great deal and some of its operative paragraphs should be amended in order to give a complete picture.

19. Mr. ROOSEVELT (United States of America), referring to the Ugandan representative's argument that the developing countries would have to turn to Governments or private industrialists for the necessary capital and technical assistance rather than to the special industrial services, pointed out that it did not necessarily follow that the answer to the problem was to establish a specialized agency. Specialized agencies were not in a position to provide capital and other facilities for programmes: WHO could not build hospitals, nor could UNESCO build schools. Such capital assistance was carried out mainly through bilateral arrangements or through soft loans from IDA.

20. As he had indicated in his statement on the establishment of a capital development fund (988th meeting), one problem with the establishment of such an agency would be where the money was to come from. As the Soviet representative had emphasized, funds had had to be provided on a voluntary basis. In that connexion, he recalled his statement during the general debate (959th meeting) calling for an intensification of the multilateral efforts made through existing agencies to supply both capital and technical assistance for development, particularly in fields that should be internationally developed, such as under-water exploration. It was essential to face the realities of the situation and seek a solution which would accommodate both approaches to the problem.

21. His country was acutely conscious of the great need for intermediate and advanced technical training of personnel from the developing countries and of the importance of trying to estimate the future needs of those countries for technicians trained in various specific fields. It was extremely difficult to make such projections, since they had to be based on the situation of the countries' economies in ten or twenty years' time. His Government had therefore welcomed the excellent report of the Secretary-General on the training of national technical personnel (E/3901 and Add.1 and 2), which provided a useful summary of available information and of the steps which might next be taken. It had to be recognized that the information was incomplete and was likely to remain so until development plans could be made more comprehensive and until the techniques of manpower planning in relation to development plans were further refined. However, a number of developing countries had, or would soon have, fairly detailed inventories of their needs for certain skills. The United Nations and its specialized agencies would undoubtedly play an increasing role in helping the developing countries to determine the best way to meet their urgent needs for particular types of technical training and in advising them of the facilities available in other countries.

22. It would, in his opinion, be very useful for the United Nations and for interested public and private organizations outside the United Nations to have a summary report of the amount and character of the assistance given by the United Nations family to help developing countries meet their needs for the training of technical personnel and to carry out the recom-

mendations contained in the Secretary-General's report. At the same time, he hoped that the United Nations, the specialized agencies and Member States would continue with the additional studies, the collection of press material and with planning, as recommended in the report. He looked forward to the Assembly receiving another report on that important subject from the Economic and Social Council, as promised in operative paragraph 6 of its resolution 1029 (XXXVII).

23. He reminded the Committee that his country had played a leading role in the field of industrial development and in strengthening the role of the United Nations in furthering industrialization in the developing countries. It had also supported the establishment of the Centre for Industrial Development and had consistently urged the further strengthening of the Centre, both in its role as co-ordinator of the over-all industrial development activities of the entire United Nations system and in its own special task of increasing assistance to developing countries in the development of action programmes and projects directly related to manufacturing. Substantial increases in the resources of the Centre, including the doubling of its staff, were contemplated in the near future, as was the strengthening of the industrial divisions of the regional economic commissions. He hoped that, in addition, the Centre would make full use of the knowledge and experience of experts in private industry, who could be called upon for consultation and advice.

24. The main problem facing the United Nations system in general and the Centre for Industrial Development in particular was how to assist the developing countries in translating their general and universal desire for industrialization into specific projects. Although assistance was available under the United Nations Development Programme, the formulation of specific requests was not easy and needed to be carried out in the developing countries themselves. Only there could experts from the Centre, working with the Government officials and businessmen of the countries concerned, in close co-operation with the regional economic commissions and the Resident Representatives of the United Nations Development Programme, together identify areas of need and prepare appropriate plans and requests for technical assistance. All aspects of the Centre's work, including its regional and interregional seminars, its technological studies and its research, should be directed towards that end. It was particularly important that the Centre should keep abreast of the efforts of private investors to provide technical and pre-investment assistance; and its programme, as well as the programmes of bilateral assistance, should supplement and support private contributions in the field of industrial development.

25. The formulation of an effective programme of assistance had been too long delayed by the continuing debate on the appropriate machinery. His Government believed that the United Nations Secretariat was in the best position to co-ordinate the over-all activities in the field of industrial development undertaken by the various specialized agencies. A new specialized agency would only involve addi-

tional costs and delays. His delegation was willing to support a further review of the organizational arrangements but felt that the emphasis should be on the strengthening of the existing United Nations machinery including the Centre for Industrial Development. It also believed that more use should be made of existing voluntary programmes in providing technical and pre-investment assistance for industrialization. Requests for such assistance could either be financed from existing voluntary funds or from the new special financing proposed in draft resolution A/C.2/L.809, which his delegation would support, although it would like to see the voluntary contributions referred to in operative paragraph 2 tied in even more closely to the United Nations Development Programme.

26. The two draft resolutions before the Committee were not mutually exclusive and his delegation suggested that the draft resolution A/C.2/L.805 should be revised to provide more generally for a further review of the appropriate machinery for United Nations industrial development activities. That might be

done by the Committee for Industrial Development, which would have before it all the relevant studies already made. It might then be possible to combine the two texts in a single draft resolution which would command unanimous support.

27. Mr. BARIGYE (Uganda) said that, in referring to the necessity of developing countries turning to private investment, he had not intended his observation to be construed as praise for that method: there were many drawbacks to that form of financing. As for the United States representative's comments, for example, that WHO did not build hospitals, it was nevertheless a fact that hospitals and schools were built with funds from international organizations, and there was a gap in the case of industrial development. The United States representative had asked where the funds were to come from: it was in order to find a solution to that problem that Uganda had supported the establishment of a capital development fund.

The meeting rose at 6.25 p.m.