

United Nations
**GENERAL
ASSEMBLY**

TWENTY-SECOND SESSION

Official Records

**SECOND COMMITTEE, 1121st
MEETING**

Monday, 16 October 1967,
at 11.15 a.m.



NEW YORK

CONTENTS

	Page
<i>Agenda item 39:</i> <i>United Nations Industrial Development Organization: report of the Industrial Development Board (continued)</i>	73
<i>Agenda item 44:</i> <i>The role of the United Nations in training national technical personnel for the accelerated industrialization of the developing countries (continued)</i>	73
<i>Agenda item 42:</i> <i>External financing of economic development of the developing countries:</i> <i>(a) Accelerated flow of capital and technical assistance to the developing countries: report of the Secretary-General;</i> <i>(b) Outflow of capital from the developing countries: report of the Secretary-General</i>	74

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. MUZIK (Czechoslovakia), on behalf of the group of socialist countries of which he was Chairman, requested that a decision in regard to the International Symposium on Industrial Development should be postponed until the following meeting to enable the delegations concerned to continue to confer.

It was so decided.

AGENDA ITEM 44

The role of the United Nations in training national technical personnel for the accelerated industrialization of the developing countries (*continued*)* (A/6703 and Corr.1, chap. X; A/6855, A/C.2/L.956)

2. Mr. KOCHUBEI (Ukrainian Soviet Socialist Republic), introducing the draft resolution (A/C.2/L.956) submitted by his delegation, said that the problem of training national technical personnel was part and parcel of the question of industrialization of the developing countries. There was no lack of lawyers or economists in those countries, but there was a severe shortage of engineers and technicians capable, for example, of building and operating a power-plant.

*Resumed from the 1119th meeting.

By 1975 those nations would need 400,000 engineers and 1 million technicians.

3. Operative paragraph 2 requested the Secretary-General to prepare the report called for in General Assembly resolution 2090 (XX). He should do so with the observations of Governments and specialized agencies in mind. The problem of the drain of national technical personnel from the developing countries was assuming proportions which the report of the Secretary-General (E/3901/Rev.1 and Add.1 and 2) did not adequately reflect. The situation therefore had to be re-evaluated, taking into account the results of the first half of the United Nations Development Decade, if a dynamic industrialization policy was to be defined and if the second development decade was to have a firm and realistic foundation.

4. Lastly, operative paragraph 3 invited the United Nations Industrial Development Organization (UNIDO) to help in the preparation of that report; that was natural, since UNIDO was the central organ in matters of industrialization.

5. Mr. TANASIE (Romania) remarked that Romania attached great importance to the training of technical personnel. He therefore supported the Ukrainian draft resolution (A/C.2/L.956) which was a welcome addition to Economic and Social Council resolution 1274 (XLIII) on the development and utilization of human resources and was essential to the implementation of General Assembly resolution 2090 (XX).

6. Mr. GEORGE (France) found draft resolution A/C.2/L.956 to be acceptable. However, since the training of national technical personnel came under the development of human resources, the preamble should refer to Economic and Social Council resolution 1274 (XLIII). Moreover, since the United Nations Institute for Training and Research (UNITAR) had undertaken a study on the brain drain problem, the words "in conjunction with UNITAR, which is studying the subject", should be inserted in operative paragraph 2 after the words "from the developing countries" to avoid duplication of work.

7. Sir Edward WARNER (United Kingdom) supported the French delegation's amendments, but wished to have more time to study the draft resolution.

8. Mr. BADAWI (United Arab Republic) endorsed the draft resolution and the first amendment proposed by the French representative. He suggested that the second amendment should read as follows: "in the light of the studies already carried out by interested organizations in the United Nations system".

9. Mr. VASCONCELLOS (Brazil) said he was ready to support the draft resolution. However, it rather seemed to confuse the training of technical personnel

and the brain drain. The technical personnel discussed in the report of the Secretary-General (A/6855) was hardly likely to be caught up in the brain drain, for they were purely operational staff, whereas the brain drain involved scientists who were unable to put their knowledge to use in their own countries or were attracted by the better material conditions in the highly advanced countries. A clear distinction therefore had to be made between those two categories in the studies to be undertaken.

10. Mr. BRADLEY (Argentina) supported the Ukrainian draft resolution. The proposed amendments were quite relevant, as were the comments of the representative of Brazil. Perhaps the delegations concerned could confer with a view to submitting a revised text to the Committee, which would take into account the various opinions expressed.

11. Mr. BEAULIEU (Haiti) thanked the Ukrainian delegation for submitting the draft resolution. However, the very pertinent amendments proposed by the French delegation should be given due attention.

12. Mr. CHAMMAS (Lebanon) expressed appreciation of the Ukrainian delegation's initiative. He supported the first amendment proposed by the representative of France and the amendment to paragraph 2 proposed by the representative of the United Arab Republic. It would be preferable, however, to speak of "appropriate organizations" rather than "interested organizations".

13. Mr. NENEMAN (Poland) unreservedly supported draft resolution A/C.2/L.956 and said he wished to co-sponsor it. As amendments had been proposed, the interested delegations should consult together and draw up a text that the Committee could approve unanimously.

14. Mr. KOCHUBEI (Ukrainian Soviet Socialist Republic) thanked the representatives who had expressed an interest in his delegation's draft resolution. He would be glad to meet with them and to change the text along the lines they had indicated.

AGENDA ITEM 42

External financing of economic development of the developing countries (A/6703 and Corr.1, chap. V, sect. I; A/6703/Add.1, chap. IV; A/6848, E/4408/Rev.1):

- (a) Accelerated flow of capital and technical assistance to the developing countries: report of the Secretary-General (E/4274 and Add.1, E/4293 and Corr.1 and Add.1 and 2, E/4327, E/4371 and Corr.1, E/4375);
- (b) Outflow of capital from the developing countries: report of the Secretary-General (E/4374 and Add.1 and 2 and Add.2/Corr.1)

15. Mr. GJAEREVOLL (Norway) said that many pessimistic comments had been made during the general debate about the present state of transfers of resources to the developing countries. The Norwegian delegation would, however, like to draw attention to some positive trends in that respect. Although the total volume of transfers had remained virtually stationary during the past few years, a group of small countries had systematically increased the amount of their public transfers and had improved the terms on which they were made. In the case of Norway, public expenditure

on development aid had increased by approximately 17 per cent a year during the past five years and a similar increase was envisaged in the draft budget for 1968.

16. The Norwegian Government considered it essential for such a policy to have the backing of public opinion and, for that purpose, to disseminate information on development problems and on the interdependence of the developed and the developing countries. It therefore welcomed the increased efforts being made in that direction by United Nations organs. The participation of private organizations in the financing of development was a means of expressing and widening such public support for development efforts. In Norway, for example, collections had been organized by trade unions and religious organizations with very satisfactory results.

17. The fluctuations in private transfers, which were discussed in the report of the Secretary-General entitled International Flow of Long-Term Capital and Official Donations, 1961-1966 (E/4371 and Corr.1) were one of the main factors in the relative stagnation of the flow of resources. Although that was a matter in which the influence of the public authorities was very limited, the Norwegian Government had taken measures to facilitate such transfers. The efforts of the developing countries themselves were vital in that respect, for political upheavals and instability had a crucial influence on economic processes, including the mobilization of foreign capital. Those factors also decisively affected the degree to which domestic capital was being mobilized for development purposes. It was clear from the progress report of the Secretary-General entitled "Outflow of capital from the developing countries" (E/4374) that such capital was tending to flow from the developing to the developed countries, although it was difficult to determine the volume of such outflows. He hoped that it would be possible to ascertain that volume more precisely and that the Governments of the developing countries would be assisted in formulating and implementing fiscal and financial policies designed to check capital outflows.

18. There was also a need for more accurate statistics on transfers of resources to the developing countries. The report entitled Measurement of the Flow of Resources to Developing Countries (E/4327), prepared by a group of experts appointed by the Secretary-General, provided a very useful point of departure in that respect and it would be beneficial if most of its recommendations could be put into practice. For the time being, however, the definition of "national income" used by the Development Assistance Committee of the Organisation for Economic Co-operation and Development (OECD), namely, "net national income at factor prices", should continue to be used for the purposes of General Assembly resolution 1522 (XV). The Norwegian delegation naturally supported the recommendation that transfers by private organizations should be included in the statistics of total transfers. In general, statistics should reflect more clearly the qualitative aspects of transfers, especially the grant element. The terms on which loans and credits were granted represented a vital aspect of the "quality" of aid. If the objectives laid down by the Economic and Social Council, OECD,

and the Trade and Development Board were to be achieved, it was essential that the actions of donor countries should be co-ordinated and that those countries should observe the agreed principles.

19. The representative of the Sudan had stated during the general debate (1109th meeting) that the opposition of certain countries to the establishment and financing of the United Nations Capital Development Fund had been contrary to the ideals of international co-operation and assistance. The Norwegian delegation considered that it was more important to provide additional funds for the existing multilateral bodies, such as the United Nations Development Programme and the International Development Association (IDA), than to establish new bodies. It was to be regretted in that connexion that the annual meeting of IDA which was held at Rio de Janeiro in September 1967 had not reached agreement on the replenishment of the Association's resources.

20. The disbursements of the International Bank for Reconstruction and Development (IBRD) and IDA had amounted to \$8,600 million by 30 June 1967. But the effects of those investments would not be fully felt for several years. That fact strengthened the Norwegian delegation's belief that, in the long term, the financing of development showed some positive trends.

21. Mr. KASSUM (Secretary of the Committee) read out the following letter addressed to the Chairman of the Committee by the Under-Secretary for Special Political Affairs, in charge of the Office of Public Information:

"At the 1113th meeting of the Second Committee, the distinguished representative of the Ukrainian Soviet Socialist Republic complained that Press Release GA/EF/1047 had erroneously quoted him as having stated that his country's grain production had increased forty-three times, when he had actually been speaking of industrial production,

and he attributed this error to either ignorance on the part of the reporting staff concerned or to deliberate distortion.

"As soon as the error in question was drawn to the attention of the Service concerned, a corrigendum, and subsequently a complete revision of the statement, was issued by the Press Services, under the long established practice of the Office of Public Information.

"Members of the Committee may be assured that every effort is made by the Office of Public Information to make press releases as factually accurate and comprehensive in content as possible, keeping in view their functional purpose. Despite this effort, there is of course always the human possibility of an occasional error finding its way into news-copy, written, often, under severe pressures of time and other factors, and remaining undetected, for similar reasons, at the editorial stage. The Office of Public Information wishes to assure this Committee, however, that all its staff, as part of the United Nations Secretariat, are under constant instruction to attempt to maintain the highest possible professional standards in their output and to issue corrections as rapidly as possible when an error should unfortunately happen to be committed.

"In conclusion, the Office of Public Information wishes to state to the distinguished members of the Committee that it will always welcome comments, either private or public, that may aid it in performing its duties. It also submits, respectfully, that its staff would be greatly aided in its effort to serve the highest interests of individual delegations as well as the Organization as a whole if they were permitted to perform their allotted functions free from unwarranted public reflection upon their professional competence or personal integrity."

The meeting rose at 12.20 p.m.

