

mainly to inexperience. The recommendations of the Group of High-Level Experts were therefore of particular interest, and the studies and promotion activities mentioned in them would help the Congo to attain its objectives and avoid pitfalls. He earnestly hoped that the activities of UNIDO would not be limited to the traditional fields but would include ones which corresponded to the priorities of countries.

99. As part of the chain of solidarity which bound it to other countries, the Congo offered a modest but expressive contribution to the countries of the Sahel stricken by drought.

100. The Congo was prepared to intensify its fruitful co-operation with UNIDO in those fields which were relevant to its economy and the economy of the region. His delegation supported draft resolution A/C.2/L.1292.

101. Mr. MUTOMBO (Zaire) said he believed that UNIDO was at a crucial point where it might be tempted to strike out in new directions. To seek autonomy for the organization at the time when preparations were being made for the holding of a Second General Conference might be detrimental to the arrangements for the Conference. What the under-capitalized countries were concerned about was the creation for them of such conditions as would facilitate the attainment of the objectives of the Second United Nations Development Decade, particularly in respect of industrialization; he was glad to note that the Committee for Development Planning had decided to devote its tenth session to policies and fundamental problems in connexion with the industrialization of the under-capitalized countries, and it was gratifying that UNIDO had decided to consult the Advisory Committee on the Application of Science and Technology to Development concerning the problem of the adaptation and transfer of industrial technology. All those activities should cause UNIDO to concentrate more on the next Conference, which should throw new light on the organization's terms of reference, its method of operating and the machinery for co-operation. His delegation, which was a sponsor of draft resolution A/C.2/L.1292, supported the holding of the Second General Conference at Lima.

102. His delegation supported the increase in the number of field advisers, which would provide the under-capitalized countries with more assistance in the field of industrial development, thus giving them the opportunity to prepare themselves better for the Second General Conference of UNIDO. UNIDO should also endeavour to compile industrial statistics for the

developing countries prior to the General Conference, which meant that the regional economic commissions must be allowed to participate in the preparatory work. Lastly, his delegation would have liked UNIDO also to give attention to the problem of manpower in the under-capitalized countries, in co-operation with the ILO, especially in respect of small and medium-scale enterprises.

103. Mr. SCHWARTZ (Spain) said the important point at the present stage was that Member States should achieve a consensus so as to give UNIDO its proper place in the institutional framework of international co-operation for development.

104. With regard to the convening of the Second General Conference of UNIDO in 1975, he need only point out that Spain was a sponsor of draft resolution A/C.2/L.1292. His Government took the opportunity to thank the Government of Peru for its invitation and hoped that the draft resolution would be adopted unanimously. The General Conference would coincide with the mid-point of the Second United Nations Development Decade, and the preparations for the Conference gave reason to hope that UNIDO would emerge from it filled with new vigour.

105. His delegation supported the report of the Group of High-Level Experts, but might wish to comment further on the recommendations contained in it when the result of the deliberations of the *Ad Hoc* Committee set up under resolution 38 (VII) of the Industrial Development Board was known. It was not yet clear from the discussions at the first session of the Committee at Vienna in July 1973 whether it would be possible to determine the extent to which the recommendations contained in the long-range strategy could be implemented.

106. Whatever autonomy UNIDO might be given must not impair the co-ordination of activities within the United Nations system. His delegation considered that UNDP should be the principal financing body for UNIDO's operational activities, through country programming. His delegation had therefore voted against decision II (VII) concerning administrative autonomy of UNIDO.

107. Lastly, his delegation reiterated its support for resolution 37 (VII), entitled "Programme of action for the least developed of the developing countries", which was supplemented by resolution 36 (VII) on assistance among developing countries.

*The meeting rose at 6.45 p.m.*

## 1540th meeting

Friday, 26 October 1973, at 3.20 p.m.

*Chairman:* Mr. Zewde GABRE-SELLASSIE (Ethiopia).

A/C.2/SR.1540

### *Statement by the Minister for Development Co-operation of the Netherlands*

1. Mr. PRONK (Netherlands) said that the review and appraisal procedure was of immense value in that it

compelled all members of the international community to take stock of individual and collective performances and induced them jointly to decide on new policy measures.

2. The situation was not encouraging. The total volume of aid might have increased, but external assistance as a whole fell far short of the agreed target. Worse still, the root of the development problem had not been attacked. The great masses of the poor had not been reached, an inequality had increased in both developed and developing countries. Agricultural production was lagging badly and, despite the recent price boom in certain commodities, the export figures of the developing countries as a whole had not met the targets of the International Development Strategy. The inescapable conclusion was that no solution to the development problem was possible without profound structural changes.

3. Two recent attempts to that end were noteworthy. First, there was the Conference of Heads of State or Government of Non-Aligned Countries, held at Algiers from 5 to 9 September 1973, at which they had declared the resolve of those countries to attain individual and collective self-reliance. They had called for intensified co-operation among developing countries in trade, mutual aid, investment, and science and technology. They had decided to set up producers' associations for primary commodities and to convene a conference of developing countries on commodities. They had also decided to set up a development and solidarity fund, and guidelines had been drawn up for common action on multinational corporations and private foreign investment. At the same time the non-aligned countries had reiterated their demands for action by the developed countries. They had affirmed their political determination to change the existing power structure of international economic relations. Their action programme had yet to be carried out, but its political significance and its potential implications were clear, and represented a challenge to the industrialized countries and to the United Nations.

4. Secondly, the industrialized countries which were members of the Development Assistance Committee of OECD had just held their twelfth annual meeting in Paris (18 and 19 October), at which it had been stressed that they had failed to give the required priority to development in their national policies. He himself had attributed that fact to a crisis in analytical thinking, a crisis in international relations and a lack of will in political leadership. Stagnation and social deterioration had proved that post-war development theories were outdated and should be replaced by new concepts in order to deal with new problems. It was, of course, for the developing countries themselves to decide on their pattern of development, but since their economies were largely dependent on those of the industrialized countries, their policies could not be divorced from those of the rich countries. Accordingly, the formulation of new policy measures required the participation of both developed and developing countries.

5. Unfortunately, the crisis in international relations was seriously hampering such co-operation. On the one hand, the major Powers were making increasing use of bilateral agreements, bypassing the existing multilateral system, and, on the other, the developing countries were increasingly having to resort to confrontation, which led to polarization and damaged communication between developing and industrialized countries. A just and lasting solution would clearly have to be sought in a multilateral framework in which developed and de-

veloping countries met on a basis of equality and common interest, and that framework was the United Nations. The immediate task before the Organization was the review and appraisal of the International Development Strategy, which should be focused on the economic self-reliance of developing countries, structural change in economic relations and fair distribution of wealth. Efforts to achieve self-reliance had sometimes led to polarization and confrontation, but polarization was a justified means of bringing pressure to bear on the industrialized countries, which should not react by negation, but by co-operating in the search of a policy of consensus.

6. The interests of the developing countries should be paramount in the new round of GATT negotiations. The readjustment of international trade structures in favour of developing countries would have to be complemented by a restructuring of the international production pattern. The goal should be an international division of labour in the interest of both developed and developing countries, with particular emphasis on accelerated growth in the latter. The first need was for the establishment of industries in developing countries and for ready access for their products to the markets of the developed countries. In addition, the structure of the economies of developed countries should be adjusted to the industrialization process of developing countries.

7. To that end, his Government would accept any necessary measures and hardships. Moreover, steps should be taken, particularly in the countries of Western Europe, to slow down the current flow of labour from poor to rich countries, both by promoting employment in the countries of origin and by readjusting investment policies in the industrialized countries, including a reappraisal of their growth targets. The European communities could and should make an important contribution to that integrated process of structural change in trade and production. His Government considered such a contribution an essential element of the global development policy being elaborated in Brussels.

8. As the recent discussions of the Board of Governors of IMF, at the joint annual meeting of IBRD and IMF at Nairobi (24-28 September 1973), and those of the Economic and Social Council, at its resumed fifty-fifth session, had confirmed, international monetary reform should likewise be geared to readjusting and strengthening the position of developing countries. Structural change was also required in world food production and world food markets. Important proposals on those subjects had been made by the Director-General of FAO, in particular at the fifty-fifth session of the Economic and Social Council (1861st meeting). In his own view, a world food security policy should be linked with measures to secure a better international division of labour in the agricultural sector. He welcomed the United States proposal for the convocation of a world food conference (agenda item 105). Such a conference should, in his view, deal not only with short-term food shortages but also with long-term agricultural developments; furthermore, since production could not be isolated from trade, UNCTAD and GATT should actively participate in the preparation for the world food conference under the joint auspices of the United Nations and FAO.

9. Structural change also applied to the distribution of income and wealth. In many developing countries the existing land ownership was not inclined either to save or to invest. Redistribution of income to other groups might well lead to higher investment and thus to higher growth. Moreover, Governments could, by fiscal measures, reduce inequality of income and yet ensure a sufficient level of national investment. Such a redistribution of wealth would have the added advantage of encouraging mass participation in the development process.

10. With regard to joint action within the United Nations, the developed countries would have to accept and carry out the goals and measures formulated in the Strategy. Their views would not be accepted unless they were prepared to submit their own economic and social policies to scrutiny. His Government was prepared to do that and would co-operate in securing similar acceptance by the other members of EEC. The current review and appraisal of the Strategy (agenda item 46) was necessarily of an experimental nature. The working document transmitted to the General Assembly by the Economic and Social Council (see A/C.2/L.1287) was, however, a useful basis for a consensus. He urged the Committee to consider it in the long-term perspective of multilateral co-operation for development and to avoid becoming bogged down in detail. The quantitative targets of the Strategy were unlikely to be achieved during the Second United Nations Development Decade; increased efforts would therefore be needed to achieve at least the original objectives of the Decade and, on behalf of his Government, he appealed to those countries which had not yet done so to withdraw their reservations on the Strategy. The strengthening of the machinery for co-operation and the operational activities of the United Nations was a prerequisite for the success of the international community's joint development efforts.

11. He welcomed the enlargement of the membership of the Economic and Social Council, which ensured wider participation in the policy-making and decision-making process of the United Nations, particularly with regard to the implementation of the Strategy. That step also meant that in 1974 the Council would participate in the work of drawing up a charter of the economic rights and duties of States, a subject currently being considered by UNCTAD, and would deal with the question of multinational corporations, the drawing up of a comprehensive United Nations policy on the use and management of the world's natural resources, and a concerted programme for the transfer of science and technology. The current East-West *détente* would be meaningless and transitory unless the interests of the developing world were integrated in its purposes from the outset. His Government would strive for that kind of *détente* within the European Conference on Security and Co-operation and in the negotiations on achieving a new Atlantic relationship. That concept of *détente* and development should be affirmed by the General Assembly.

12. In conclusion, he informed the Committee that his Government had proposed to Parliament an increase of 20 per cent in official development assistance, which would bring its assistance up to the target of 0.7 per cent in 1974. His country would also increase its contribution to UNDP by more than 50 per cent in 1974 and would contribute about \$5 million to

the United Nations Capital Development Fund, for the benefit, first and foremost, of the least developed countries. For the first time, his Government had earmarked \$5 million for assistance to the peoples of colonial Territories in southern Africa, and had chosen to make that amount available through multilateral channels; it would pursue its efforts, together with other Governments, to ensure the effective implementation of the relevant General Assembly resolution by the organizations of the United Nations system.

#### AGENDA ITEM 48

**United Nations Industrial Development Organization**  
(continued) (A/9003 and Corr.1, chap. XII; A/9016, A/9072, A/C.2/L.1292-1294):

(a) Report of the Industrial Development Board;

(b) Second General Conference of the United Nations Industrial Development Organization: report of the Executive Director

13. The CHAIRMAN said that it was the tradition in the Second Committee for delegations to hold informal consultations on proposals before the Committee with a view to reaching as wide a measure of agreement as possible on them before discussing them officially. That was why he had instructed Mr. Arvesen to hold informal consultations on the proposals before the Committee in connexion with the item on UNIDO. He hoped that that procedure would simplify the Committee's work and he proposed to ask Mr. González Arias to do the same in the case of the item on UNCTAD (agenda item 51).

14. Mr. HAMID (Sudan) welcomed the fact that UNIDO had steadily increased the volume of technical assistance it provided to the developing countries and regional and interregional organizations in the developing countries, and had diversified the sectors of industrial activity benefiting from its assistance. He also thanked UNIDO for the assistance it had provided to his country and expressed his gratitude to Yugoslavia for its assistance and the very close relations it maintained with the Sudan in technical co-operation and other matters.

15. He noted with satisfaction that UNIDO had strengthened its co-operation with other organizations, particularly UNDP, and welcomed the fact that the number of UNDP projects assigned to UNIDO for execution had doubled. Furthermore, the co-operation between the two organizations in the Special Industrial Services (SIS) programme was a positive factor. The programme was extremely useful in dealing simply and at short notice with problems as they arose, and it played an important role in UNIDO's operational activities. Since it served the interests of the developing countries, it should be consolidated and developed as a separate element and more resources should be allocated to it. Its effectiveness depended essentially on co-operation between UNIDO and UNDP.

16. It had always been obvious that the introduction of the new system of country programming would result in a substantial increase in UNIDO's operational activities. To perform such activities efficiently, UNIDO should play its full role in industrial development co-ordination, the role explicitly laid down in General Assembly resolution 2152 (XXI), in accordance with

which UNIDO was established. The organization's task was to review and promote the co-ordination of all the activities of the United Nations system in the field of industrial development with a view to achieving an integrated approach to all United Nations operations in industrial development. Unfortunately, UNIDO still lacked the authority and resources to carry out that task.

17. In the future, UNIDO should be in a position to stimulate closer and more effective co-operation in all aspects of industrial activities between the industrialized and the developing countries; to introduce an integrated approach to problems of industrial development in developing countries; to promote, in accordance with its mandate, the co-ordination of all activities of the United Nations system in the field of industrial development; and to diversify and update its methods with a view to extending new forms of assistance suited to the needs of the industrially underdeveloped countries.

18. His delegation agreed with the recommendation of the Industrial Development Board in its report on the work of its seventh session (A/9016), that UNIDO should be given a degree of administrative autonomy which would permit it to prepare and submit a separate budget, establish a United Nations industrial development fund, have sole responsibility for allocating resources for industrial development, have greater powers of decision in budgetary, administrative, operational and personnel matters, and further strengthen its administrative organization and its financial position.

19. Those were not revolutionary measures. Until such time as they were introduced, UNDP should, in the opinion of his delegation, continue to be the main source of UNIDO's operational funds. In addition, resolution 2639 (XXV), in which the General Assembly recommended that UNDP study ways and means of increasing the number of projects for which UNIDO was designated as executing agency, should be implemented. Developing countries, developed countries and international organizations dealing with industrial development must make a vigorous effort if the annual growth rate in the industrial production of the developing countries was to reach the target of 8 per cent envisaged in the International Development Strategy. Although that target had been almost reached in the first two years of the Second United Nations Development Decade, the industrial sector in most developing countries was still inadequate and exerted little influence on other sectors of the economy. As to the least developed countries, it was necessary, in accordance with resolution 37 (VII) adopted by the Board (see A/9016, annex II), to mobilize appropriate means of assistance to implement the projects listed in the report of the third regional seminar on UNIDO operations for the least developed countries in Africa, which was held at Addis Ababa from 29 January to 8 February 1973. It was to be hoped that, in accordance with the Executive Director's request, various multilateral and bilateral organizations and agencies would supply UNIDO with the necessary resources and assistance to play its role in the matter. His delegation considered that, in order to meet the needs of the least developed countries, UNIDO should concentrate its assistance on training, the creation of an industrial institutional infrastructure, the establishment of demonstration plants, the

strengthening of national industrial research institutions and the formulation and implementation of industrial policies.

20. He noted with surprise that whereas UNIDO should endeavour to satisfy the special needs of the least developed countries, it was granting assistance to Israel. Members of the Committee were in a position to know that Israel was not a developing country and that the United Nations should therefore grant no assistance in that field. There were even grounds for wondering why sanctions had not yet been taken against it, since it was reported to be supplying arms to South Africa. Israel's current aggression against the Arab countries of the Middle East was another reason for taking urgent action, and the least that could be done was to suppress all forms of assistance to it. From the economic point of view alone, it was obvious that Israel's state of development could not be compared with that of countries entitled to benefit from UNIDO's limited resources. A decision should be taken as a matter of urgency.

21. The Second General Conference of UNIDO, which was to be held at Lima in March 1975, would provide an opportunity for detailed consideration of certain priority questions in the industrial field, such as the transfer of technology, and natural resources. The lag in industrialization in the developing countries was attributable as much to a lack of technical know-how as to a lack of capital. UNIDO therefore had an important role to play in the transfer and adaptation of the developed countries' technology and the development of new technology. The need gradually to expand UNIDO's activities in natural resources was beginning to be realized; that was a matter to which the Second General Conference and the Secretary-General could devote attention.

22. The ideas and recommendations contained in the report of the Group of High-Level Experts (see A/9016, chap. IV) made a very useful contribution to formulation of the industrial strategy. In the opinion of his delegation, the promotion of industrial development should be viewed as a matter of policies and strategies governing the relationship between developed and developing countries. In order to attain that end, UNIDO should therefore not confine itself to routine operational activities.

23. The result of the piecemeal approach to industrial development which had so far prevailed was that modern industry remained the monopoly of the advanced countries. There was an urgent need, therefore, to work out a more rational division of labour in the field of industrial production, and the Second General Conference of UNIDO should for that reason examine the role to be played by developed and developing countries and by the international organizations concerned in establishing the basic principles of an international charter on industrialization which all parties should undertake to respect. Such a charter could eventually be incorporated in the charter of the economic rights and duties of States proposed in UNCTAD resolution 45 (III).<sup>1</sup>

24. On behalf of the sponsors, who had been joined by Iran, he introduced draft resolution A/C.2/L.1293 and

<sup>1</sup> See *Proceedings of the United Nations Conference on Trade and Development, Third Session*, vol. I, *Report and Annexes* (United Nations publication, Sales No. E.73.II.D.4), annex I.A.

expressed the hope that the simple and direct text would be adopted promptly.

25. Mr. HAQ (Pakistan) thanked Mr. Pronk for his statement and expressed the hope that the Governments of other developed countries would be animated by similar sentiments. He also thanked the Executive Director for his statement at the 1537th meeting.

26. Although established relatively recently, UNIDO had rapidly carved out an important place for itself in the United Nations system. It was currently executing 1,900 projects, 200 of which were financed by UNDP. The time was therefore ripe for a decision on its future development—whether it should remain an operational organization without a theoretical basis or should expand its role. The question of possible autonomy for UNIDO could not be tackled until those questions had been answered.

27. In view of the essential role which UNIDO played in the industrialization of developing countries, it should be provided with the resources it needed to carry out its task. Furthermore, as had been pointed out by the Executive Director, it could only perform that task effectively if it was able to adopt an over-all approach to the problems of industrial development. It must therefore hammer out a flexible concept of development which would enable it to adapt its activities to the varied needs of developing countries.

28. Modern industry remained the monopoly of the advanced countries, and the developing countries were dependent on the technologies provided by them. However, as the advanced countries were unwilling to develop technologies adapted to the needs of the developing countries, the technologies received by the developing countries were in many cases unsuited to their needs and produced inequality in the distribution of incomes. Furthermore, the points of view and the concerns of the developed countries did not always coincide with those of the developing countries, so that the latter often encountered obstacles, such as tariff barriers, which only exacerbated their difficulties. An equitable international division of labour would enable the developing countries to overcome the problems involved in marketing their products. All those questions were interrelated, and a joint effort by the development agencies should make it possible to find a solution to them. Consequently, co-operation between UNIDO and other agencies was crucial.

29. His delegation whole-heartedly supported draft resolution A/C.2/L.1292 concerning the convening at Lima of the Second General Conference of UNIDO. The Conference would enable detailed consideration to be given to the precise role to be played by UNIDO.

30. His delegation did not, for the moment, intend to comment on the report of the Group of High-Level Experts, but it awaited with interest the report of the *Ad Hoc* Committee established in accordance with the Board's resolution 38 (VII) (see A/9016, annex II).

31. He approved of increasing the resources allocated to UNIDO's regular programme of technical assistance and hoped that that would not entail a reduction in the resources allocated to other bodies.

32. In view of the heavy responsibilities devolving on UNIDO, his delegation felt that it should be given greater independence in respect of its programme, its

budget and the distribution of its resources. Otherwise, its effectiveness might be reduced.

33. Mr. HOSNY (Egypt) said that, at a time when the International Development Strategy was being subjected to review and appraisal, the report of the Industrial Development Board acquired additional significance. Industrialization was emerging more and more as the corner-stone of development and, although UNIDO's contribution was comparatively small in quantitative terms, it played a catalytic role in that process. In that connexion, his delegation had been very alarmed to hear the Executive Director of UNIDO state that the growth of UNIDO's operational activities in 1973 would be very limited. As the Executive Director had said, it was important to assess the resources and the capacity of UNIDO for expanded operational activities in the future. His delegation was extremely concerned at the stagnation of UNIDO's budgetary resources, which prevented operational activities from expanding at an adequate rate. Egypt could not accept a reduction in UNIDO's work programme, nor could the developing countries afford delays in project approval and implementation.

34. Inflation and currency realignments alone accounted for a deficit of about \$1 million, as was stated in paragraph 162 of the Board's report. Clearly, that alarming situation could be remedied only by increasing the budgetary appropriations at a rate commensurate with the expansion of field activities. Simultaneously, flexibility in the management of financial resources should be delegated to the Executive Director through the prompt application of a more flexible system of programme budgeting. Furthermore, UNDP should allocate additional resources to the SIS programme, and the General Assembly should act favourably on the Board's recommendation in its decision I (VII) (*ibid.*) to increase UNIDO's regular programme of technical assistance from \$1.5 million to \$2 million as of 1975. The increase of \$500,000, which would be allocated exclusively to the least developed countries, would not even compensate for the actual depreciation in the value of the programme as a result of currency adjustments and increased costs.

35. Turning to the question of the autonomy of UNIDO, he said that, at the present stage, all that was required was a study of certain administrative and financial questions with a view to ensuring an appropriate degree of financial flexibility and administrative decentralization in such matters as the appointment and promotion of staff members, the recruitment of experts and the publications programme. His delegation was of the view that the introduction of appropriate financial and administrative autonomy would be in full conformity with General Assembly resolution 2152 (XXI), which stipulated that UNIDO should progressively achieve that autonomy. No progress had so far been made in that direction. It was with that in mind that his delegation had decided to join the sponsors of draft resolution A/C.2/L.1294 which dealt with that question, as well as with the increase in UNIDO's regular programme of technical assistance and the increase in the number of industrial development field advisers.

36. Referring to the Second General Conference of UNIDO, he said that he wished first, on behalf of his

Government, to thank the Government of Peru for its generous offer. In the view of his delegation, the provisional agenda of the Conference, as drafted by the Industrial Development Board (see A/9016, para. 67), was too much restricted to rigid technical questions. Draft resolution A/C.2/L.1293, of which Egypt was also a sponsor, was therefore intended to redress the balance by providing for the preparation of an "international declaration on industrialization". The declaration would be, in so far as UNIDO's long-range strategy was concerned, a follow-up of the recommendations made by the Group of High-Level Experts, which were to be further elaborated by the *Ad Hoc* Committee established to study the implementation of the recommendations of the Group of Experts.

37. His delegation was of the view that the question of the respective roles to be played by the developed and the developing countries in the process of industrialization, to the mutual advantage of the two groups, should be the theme of the international declaration on industrialization, which should emerge as the most important item on the agenda of the General Conference.

38. The Preparatory Committee for the Conference should therefore consider initiating the necessary preliminary studies on a scale commensurate with the importance of the declaration. Unfortunately, the budget allocations for the preparation of the Conference were inadequate, and his delegation shared the hope that the General Assembly would find means of increasing the preparatory budget for the Conference so that all necessary work could be adequately undertaken.

39. His delegation had noted with indignation that Israel continued to receive assistance from UNIDO. Since Israel was, by all economic standards, not a developing country, his delegation questioned the criteria upon which UNIDO assistance was granted to Israel. In 1972, the *per capita* gross national product (GNP) of Israel had been estimated at \$2,200, which was more than 10 times the average *per capita* GNP of the developing countries and was higher even than the *per capita* GNP of some of the highly advanced countries. The stage of industrialization in Israel had enabled it, with the help of a great Power, to produce most sophisticated armaments of mass destruction, including napalm and anti-personnel bombs to back its aggression against neighbouring countries. Furthermore, a surplus was sold to other racist régimes, such as those in South Africa and Southern Rhodesia. How then, could Israel be considered one of the countries qualifying for assistance from UNIDO, when with a population of less than 3 million its manufactured output in 1970 had been more than 4,000 million Israel pounds, or more than five times its agricultural production?

40. In addition to those purely economic considerations, it was appalling that the United Nations, rather than applying sanctions against Israel for its acts of aggression and State terrorism while it had continued for more than six years to occupy territories of three Member States, should continue to provide it with assistance. For those reasons, his delegation objected strongly to the allocation of United Nations assistance to Israel, which respected neither the Charter nor the resolutions of the Organization and was not among the developing countries to which United Nations assistance should be provided.

*Mr. González Arias (Paraguay) took the Chair.*

41. Mr. DELIVANIS (Greece) said that the report of the Industrial Development Board clearly showed that the scope and quality of the work of UNIDO could not be judged in terms of the funds invested. Its contribution must be evaluated in terms of the direct or indirect advantages derived by the countries to which it provided assistance. As a result of that assistance, industrial production increased, costs were reduced and the quality of production showed a constant improvement. On the other hand, UNIDO, like the liberal economists, seemed to consider that there were guaranteed markets for the goods produced; that, however, was not the case. The sale of the industrial products of developing countries was often made difficult by competition from the products of developed countries, by institutional obstacles and by lack of advertising. The difficulties which they experienced in finding buyers discouraged producers, so that production capacity was not always fully utilized.

42. UNIDO could act by persuading donor countries and international agencies to earmark part of the aid they gave to the least developed countries—those having a *per capita* income of less than \$600, for example—for the purchase of industrial products in countries where the *per capita* income was of the order of, say, \$1,400 or \$1,500. Machinery would be established for the purchase of industrial products of the highest possible quality at the lowest prices, for delivery within reasonable periods of time. The actual delivery would be arranged by the donor countries. Bills would be paid through an international bank and goods so delivered, at the expense of the donor country, would be sold at moderate prices to inhabitants of the recipient country, which, of course, would not be allowed to export them. The income would be used for capital development in the country concerned.

43. Such a system would have the following advantages: full utilization of the productive capacity of countries with a *per capita* income of less than \$1,500; a reduction in unemployment; a reduction in emigration; an increase in investments; an increase in the demand for goods and services; and an increase in foreign currency earnings. For the recipient country, the benefits would include improved living conditions and the possibility of meeting the needs of those who were unable to purchase manufactured goods.

44. The programme should, of course, be of relatively short duration and, judging from the experience of the Marshall Plan, it would have a favourable effect on the liquidity of the donor countries.

45. Mr. MBÉDO (Central African Republic) said his delegation had listened with great interest to the statement by the Minister for Development Co-operation of the Netherlands and hoped that it would be followed up by concrete action.

46. The importance of UNIDO was indisputable, and he would merely refer to a few specific points. First, he wished to make some remarks on the approach to problems of industrialization. His delegation greatly appreciated the manner in which IBRD was tackling the problem of development: the Bank's agencies first identified the root of the problem and then sought to remedy it. In the same way, UNIDO should first determine what were the bottle-necks with regard to indus-

trialization, and only then should it seek to correct them by specific action. In the view of his delegation, attention should be devoted first to agricultural industries. The chain effect of those industries would lead, for example, to the construction of roads to open up remote areas, thereby stimulating production. Such an approach would be particularly beneficial to the landlocked countries.

47. It was all the more important to first develop the agricultural sector as its products were generally used in small-scale and medium-scale enterprises. In his own country, for example, on the advice of UNIDO, those industries which used cassava and animal horns and hoofs had been developed. Small-scale and medium-scale enterprises and the advantage, for developing countries, of not requiring highly skilled labour. However, the development of such enterprises did require co-operation by UNIDO with UNDP and the ILO, among others, and he hoped that the current co-operation would continue to be strengthened.

48. The importance of training needed no emphasis. UNIDO had a role to play in the training of high-level personnel, a process requiring time and sustained effort, and it should also provide assistance for the training of the staff of small-scale and medium-scale enterprises in, for example, accountancy, which would enable such enterprises to improve their management and increase their turnover. Finally, UNIDO could assist Governments in setting up industrial development centres where solutions would be sought to the problems of industrialization.

49. His Government welcomed the efforts UNIDO had made to organize seminars and symposia in developing countries. Such seminars should be highly practical, and the greatest possible care should be exercised in the selection of instructors.

50. A study made by UNIDO had shown that there was little investment in the developing countries in spite of the considerable advantages in the terms of investment agreed upon by those countries. That problem was the subject of recommendation IV of the Group of High-Level Experts (see A/9016, paras. 89 and 90) and he wondered whether the Executive Director could say what UNIDO intended to do in that respect.

51. His delegation considered that, if the recommendations of the Group of Experts were implemented effectively, the solution of the problems of industrialization would be facilitated. It supported draft resolutions A/C.2/L.1292, A/C.2/L.1293 and A/C.2/L.1294.

52. Mr. ARUEDE (Nigeria) said that UNIDO's current difficulties made it necessary to refer to General Assembly resolution 2152 (XXI), which laid down the operating procedures of the organization. The resolution recognized the magnitude of the problems of industrialization in developing countries and drew attention to the pressing needs in that field. According to paragraph 21, "expenses for administrative and research activities shall be borne by the regular budget of the United Nations, which shall include a separate budgetary provision for such expenses". His delegation did not see why the United Nations regular budget should not be sufficient to cover administrative expenses, but it wondered what would become of research activities, which involved more than 100 developing countries. The inadequacy of the funds allo-

cated to research was apparent when one considered how much was allocated to it in the enterprises of developed countries.

53. Under the terms of resolution 2152 (XXI), UNIDO's operational expenses were to be met by voluntary contributions, by UNDP funds and by the resources of the United Nations regular programme of technical assistance. Not much could be expected from the relatively small United Nations technical assistance programme. There would have been no problem if voluntary contributions had been sizable, but that had not been the case and UNIDO was forced to rely heavily on UNDP. Unfortunately, UNDP itself received only \$300 million per year.

54. UNIDO's problems were thus due more to congenital defects than to any divergence of opinion between itself and UNDP. UNDP having adopted country programming, UNIDO inevitably had to devote its efforts to isolated projects rather than to the establishment of grand strategies. The real problem was thus to provide an organization which had the weighty responsibility of co-ordinating the industrialization activities of the United Nations system with sufficient authority and resources to perform its task effectively.

55. That being so, the importance of the report of the Group of High-Level Experts now being studied by the *Ad Hoc* Committee, of which Nigeria was a member, was clear. The report called for a number of comments. First of all, it was illogical to ask UNDP to take responsibility for financing most of UNIDO's work when UNIDO was responsible for co-ordinating the activities of the United Nations system in the field of industrialization. It was also illogical to ask UNDP to concentrate on country programming and to involve UNIDO more closely in the execution of its programmes because when country programming was fully operational, UNDP would not be able to make more than a few hundred dollars available to UNIDO. Thus, if current trends continued, it was quite possible that UNIDO would become useless in the eyes of a large number of Governments.

56. Given that UNIDO was implementing approximately 1,900 projects in more than 100 developing countries, and that in 1972 it had spent \$21 million, the average expenditure was \$10,000 per project. That sum gave the lie to the assertions of many delegations that they attached great importance to industrialization.

57. Finally, the geographical distribution of staff in administrative and other posts was still unsatisfactory. Despite the various explanations given, he was sure that it would be possible to redress the balance, since the developing countries now had enough competent skilled personnel for UNIDO to be able to recruit some of its staff members from them. UNIDO, and indeed the other specialized agencies, should make an effort to turn to sources of recruitment other than their traditional ones.

58. In introducing draft resolution A/C.2/L.1294 on behalf of the sponsors, he announced that Algeria, Guyana, India, Qatar, Swaziland and Zambia should be added to the list of sponsors. The purpose of the draft resolution was to ratify the decisions taken by the Industrial Development Board at its seventh session (see A/9016, annex II). Some of the questions involved had been the subject of controversy in the Board, but that,

of course, was almost always the case with measures departing from customary practice. He therefore hoped that delegations which had opposed the decision had had time to reconsider their position and that the draft resolution would be adopted unanimously.

59. In the preamble the General Assembly recalled some of its earlier decisions, and in operative paragraph 1, it took note of the report of the Industrial Development Board on the work of its seventh session. Paragraph 2 was designed to increase the budget of UNIDO's regular programme of technical assistance from \$1.5 million to \$2 million as of 1975 and to devote the supplementary resources thus obtained to the least developed countries. Normally, that relatively modest increase would have been swallowed up by inflation; consequently, inasmuch as it was devoted to the least developed countries, the other developing countries were agreeing to make a sacrifice. Paragraph 3 sought to increase the number of industrial development field advisers from 30 to a maximum of 60 in 1977, in view of the vital role they played in the developing countries. It should be noted that paragraph 3 did not restrict the Executive Director as to the sources from which he could finance that increase. In paragraph 4, the Secretary-General was requested to prepare a report on the three questions covered by decision II (VII) and to submit the report to the General Assembly at its twenty-ninth session; the substantive questions would not be taken up until that session, by which time the Assembly would be familiar with the Secretary-General's views. That paragraph should therefore present no difficulties. Paragraph 5 was designed to focus greater attention on industrial co-operation among developing countries in ensuring that the necessary funds were made available. Most of the developing countries, particularly the non-aligned countries, considered that question to be of the utmost importance. The Governing Council of UNDP at its fifteenth session had set up a Working Group the year before to study the matter,<sup>2</sup> and he wished to emphasize that there was no conflict between the work of the Group and the provisions of paragraph 5. The latter merely reflected the concerns of the developing countries, which wished to increase their co-operation in the industrial field.

60. The sponsors were prepared to consider any constructive suggestions and hoped that a unanimous decision could be taken without delay.

61. Mr. CHIRILA (Romania), emphasizing the vital importance of industrialization in national economic development, said that UNIDO's task was to promote mutually advantageous co-operation between Member States and expedite the industrialization of the developing countries. His delegation welcomed the Board's adoption of resolution 36 (VII) enabling UNIDO to facilitate the exchange of formulae of industrial development assistance among developing countries, which was useful in formulating a programme of action for promoting industrial co-operation among developing countries. In that connexion, he described the activities of the joint UNIDO/Romanian centre for international co-operation in the chemical and petrochemical industries. The centre's activities, which supplemented those of UNIDO, had served to point up the

many possibilities offered by that new form of international co-operation.

62. The current discussion of UNIDO's long-range strategy provided a suitable opportunity for defining both the priorities and the appropriate means of promoting industrialization policies in the light of the trends which were emerging in the structure of modern industry. His delegation felt that UNIDO should give special attention to the problem of disseminating technical and scientific knowledge and experience, facilitating the transfer of technology, know-how and patents to the developing countries, and promoting the training of technical personnel in those countries so that they could establish and modernize basic national industries.

63. The achievement of those objectives called for appropriate action, and his delegation felt that it should be taken in the spirit of the recommendations made by the first general conference, the Special International Conference of UNIDO, which was held from 1 to 8 June 1971, and by the General Assembly in its resolution 2823 (XXVI). His delegation also supported the proposal for an increase in the budget of the regular programme of technical assistance of UNIDO, in order at least to offset the effects of inflation and the adjustments in exchange rates. It was in favour of maintaining and expanding the SIS programme, which should continue to be kept separate from UNDP-administered assistance so that the funds allocated to it would not affect the indicative planning figures.

64. His delegation was pleased to note the increased co-ordination between UNIDO and the specialized agencies and felt that it should strengthen its relations with UNDP.

65. His delegation hoped that Peru's offer to act as host for the Second General Conference of UNIDO would be accepted, since Peru was a developing country and holding the Conference there would be in keeping with the principle of rotation which called for giving an increasing number of States an opportunity to act as host for prestigious international events. It was in that spirit that Romania had joined the sponsors of draft resolution A/C.2/L.1292. An intensified effort should be made to ensure the proper organization of the Conference, which should reaffirm the paramount role of industrialization in the economic and social progress of States with a view to closing the gaps existing between various countries in the present-day world and thus ensuring that States enjoyed real independence. That would unquestionably mean formulating new measures for improving UNIDO's working tools, clearly defining its long-range strategy and enhancing the effectiveness of future programmes and their role in the industrialization process in the developing countries.

66. Mr. COUSTÉ (France) said that industrial development was one of the essential factors in economic progress, as was evident from the fact that the terms "developed countries" and "industrialized countries" had come to be regarded as virtually synonymous. The International Development Strategy had therefore been correct in giving high priority to industrial growth, and it was not surprising that many Governments had submitted country programmes to UNDP which included a high proportion of industrial projects.

<sup>2</sup> See *Official Records of the Economic and Social Council, Fifty-fifth Session, Supplement No. 2*, para. 332.



67. With regard to the report of the Industrial Development Board on the work of its seventh session, his delegation reserved the right to present in detail, either in the Fifth Committee or when the Secretary-General prepared the study which was to be entrusted to him in accordance with draft resolution A/C.2/L.1294, its position on the three decisions on which there had not been unanimous agreement.

68. To sum up, his delegation did not support the proposed increase in the regular programme of technical assistance (decision I (VII)) even though it was sympathetic to the purpose for which the supplementary resources would be used. It continued to believe that it was not desirable to finance from the United Nations regular budget technical assistance projects which in its view should be carried out by means of voluntary contributions. His delegation would also not be in favour of giving UNIDO complete administrative and financial autonomy (decision II (VII)). The organization would not necessarily be made more effective by transforming it in effect into a specialized agency, and such a change would encroach on the jurisdiction of the General Assembly, in as much as it would hardly be possible for the Board to be given full authority in the matter of staff appointments and promotions. It would, however, be useful to lighten the Executive Director's administrative burden in operating his publications programme and in the recruitment of experts.

69. His delegation thought it unfortunate that the Executive Director of UNIDO had not yet seen fit to give the Board as broad and comprehensive a picture as the one he had presented to the General Assembly at the 1537th meeting of the Committee on the problems posed by industrialization in relation to development. He noted in that connexion that the first exercise of review and appraisal of the results of the International Development Strategy had not really taken industrial problems into consideration, mainly for lack of information. However, in accordance with the schedule which had been adopted, the review and appraisal of the progress made in industrialization during the first years of the Second United Nations Development Decade were to have been made by UNIDO. To carry out that exercise in the next few months, as the Executive Director appeared to have in mind, would mean acting either too late or too early, since it was in the winter of 1974-1975 that the mid-Decade review would have to be undertaken.

70. Furthermore, the discussions in the Economic and Social Council in 1973 had made it clear how important it would be to have a set of principles applicable to industrialization in relation to other development problems, and that question would surely be a primary topic of discussion during 1974, particularly in the Committee for Development Planning and, above all, in the Economic and Social Council. The Executive Director had made some very pertinent remarks about several of the essential aspects of the problem, particularly the relationship between industry and employment and the extremely important role of vocational training; his country was aware of the importance of the second of those two factors and therefore gave a prominent place in its aid programmes to training courses at all levels.

71. Consideration should be given to striking a balance between industry and agriculture or, to be more precise, finding means of promoting industrial de-

velopment in rural areas in order to alleviate the problems of urbanization. His delegation felt that, generally speaking, an effort must be made to ensure that industrialization helped as much as possible to improve the quality of life and stopped contributing to environmental damage and social problems.

72. The question of natural resources and of rationalizing their exploitation and use was unquestionably of great importance. However, several United Nations bodies were already considering the problem and it was their responsibility to undertake the necessary studies and try to find solutions. His delegation therefore did not endorse the view of the Group of High-Level Experts on a Long-Range Strategy in its recommendation VI that UNIDO should gradually extend its activities to cover the exploration and utilization of natural resources.

73. Referring to the contemplated comparative study of methods of carrying out exchanges of experience and the dissemination of technology adapted to the needs of the developing countries, he noted the various methods which were currently in use. His delegation hoped that the Economic and Social Council would make good its declared intention to take up all those questions in 1974 and that their various aspects would be borne in mind by the members of the *Ad Hoc* Committee set up to consider the report of the Group of High-Level Experts. Lastly, it would like to see the Department of Economic and Social Affairs, the regional economic commissions and the specialized agencies concern themselves with those questions in their respective fields of competence. Thus, it was to be hoped that the Second General Conference would lead to decisive progress in the elaboration of the theoretical basis which the United Nations lacked, when the results of the International Development Strategy were appraised at mid-point in the Second Decade. Likewise, in view of the multi-disciplinary nature of the research to be carried out, the Economic and Social Council should concern itself with the problems of co-ordination. It was also to be hoped that the Secretary-General would bear that aspect in mind in carrying out the planned study on the development of the structures of UNIDO, so that industrial problems would not be dealt with as isolated matters, as it was becoming clearer every day how closely interrelated industrialization was with the other elements of modern economic and social structures.

74. Mr. BRITO (Brazil) said that he would set out his delegation's position on three issues: the role of industrialization in developing countries; the contribution of the international community, particularly that of UNIDO, to the process of industrialization; and the general direction which UNIDO's efforts should take.

75. It was important, first of all, to have a better understanding of the inner dynamics of the process of industrialization, its mutual relationship with employment and income-distribution policies and its close dependence on patterns of technological development.

76. Many development planners had recently come to question the validity of the policies of growth. Their criticism was that not only had the targets of the Strategy not been reached, but that the results achieved had exacerbated differences among developing countries and, within those countries, among the various social groups. Those considerations had led many to

advocate a shift of emphasis from industry and urban development to agriculture and rural development.

77. Industrialization had a crucial role in developing countries, in the absorption of surplus manpower from the rural areas, the raising of the standards of living of all sectors of the population and the attainment of a higher savings ratio.

78. Those countries had to rely on industrial development in order to provide the qualitative changes in their economies that, it was hoped, would enable them to break down the barrier between rich and poor. It was the technological "value added" of industry that made it possible to capitalize the economy and created the wealth of nations. It was only through capital accumulation and technological development that the developing countries would be able to raise productivity levels while at the same time generating the demand necessary to ensure the over-all feasibility of the economic process.

79. That was not a course of action without pitfalls, and a great many questions had to be answered. How, for example, were the host countries to reap the benefits of industrialization and at the same time avoid being merely the suppliers of raw materials for foreign enterprises and allowing their environment to deteriorate for the benefit of consumer societies? How could they link the national production process to the broader scheme of international transactions? The questions could be multiplied *ad infinitum* and the answers were not always simple. In fact, there was still inadequate knowledge of the inner dynamics of the different industrial processes, how they operated in macro-economic terms and how they interacted.

80. It was to answer such questions that UNIDO had been established. At the time it had been a revolutionary idea: the idea that developing countries could shorten their road to progress if they could benefit from a reservoir of theoretical knowledge and practical experience to draw on for their own planning. Unfortunately, since 1966, the macro-economic approach had been replaced by a trend towards piecemeal technical assistance, and UNIDO had run the risk of duplicating the work of UNDP. The Member States—both developed and developing countries—were to blame for those results. The innovative instrument of applied research for industrial development planning that had been initially envisaged remained to be established.

81. The international community must now give UNIDO a long-term strategy in order to ensure that the organization's ends coincided with the aims of the developing countries in terms of economic consolidation and national integration through industrial planning and technological development. That would require, *inter alia*, a clear definition of the intermediate and final goals.

82. The Brazilian Government was absolutely opposed to the approach reflected in the recommendations of the Group of High-Level Experts on a Long-Range Strategy for UNIDO. While they had made points of unquestionable validity, the experts had failed to propose a strategy in the real sense of the word and to state the true problems of industrial development.

83. His delegation hoped that the *Ad Hoc* Committee established by resolution 38 (VII) would be in a position to lay the basis for a long-term strategy worthy of the

name. It also hoped that the Second General Conference would enable the planners and the economists to scrutinize the present realities and future prospects of industrial development from a broad over-all perspective, analysing concepts, testing methodologies, evaluating technologies and drafting future action within a strategic framework.

84. The emphasis should be on greater "brain power" at Headquarters, with sufficient administrative autonomy to permit independent research. In that connexion, his delegation fully supported the trend towards greater autonomy for UNIDO as reflected in decision II (VII). With regard to the increase in the number of field advisers (decision III (VII)), it believed that a certain ratio must prevail in the distribution of manpower between Headquarters and the field. Defining the task of the field advisers also presented a problem. Those questions could not really be solved until UNIDO had been given a genuine strategy.

85. His delegation considered that there were two goals of paramount importance: particular attention should be paid to the needs of the least developed among the developing countries and to the promotion of co-operation among developing countries in the field of industrial development. As the Brazilian Minister of Planning and General Co-ordination had stated regarding the Brazilian plan for scientific and technological development for 1973-1974, "the surest way of keeping a country in a state of under-development indefinitely is to place at its disposal at all times a ready and finished technology". At the same time, his delegation was convinced that the most promising prospects for industrialization were to be found precisely in those societies that were unencumbered by ancient traditions.

86. In conclusion, he stressed the importance of innovation and changes in the conceptual approach to UNIDO.

87. Mr. ELIASHIV (Israel), speaking in exercise of the right of reply, said that as usual the Arab delegations brought up the question of the Middle East, whatever the subject under consideration, in order to spread their propaganda of shameless lies and worn clichés. Thus the representatives of Egypt and the Sudan had seen fit to bring up once again the question of arms allegedly sold by Israel to countries in southern Africa, although those allegations had already been proved false. As to the events since 6 October the whole world knew that Egypt and Syria had attacked Israel as a continuation of their aggression against Israel since 1948, and that historical fact could not be changed by endless repetition.

88. Mr. HOSNY (Egypt), exercising the right of reply, said that he had simply wished to explain why Israel should not receive assistance from the United Nations. He would cite two reasons: first, Israel was not numbered among the developing countries. Thus, according to the publication *United Nations Standard Country Code*,<sup>3</sup> Israel, whose *per capita* gross national product was \$2,200 in 1972, was one of the developed market-economy countries. In his earlier statement, he had already referred to some of Israel's national income statistics; its stage of industrialization and technology, according to which it had been classified among the latter countries. Consequently, it should be contributing to UNIDO rather than receiving assistance.

<sup>3</sup> United Nations publication, Sales No. E.70.XVII.13.

89. Secondly, Israel did sell arms to South Africa; at the twenty-seventh session the Israeli representative in the Fourth Committee had acknowledged that his country was supplying to the South African Government Arava aircraft, whose specifications indicated that they were to be used for military purposes. Attention had been drawn to Israel's close co-operation with the racist régime of South Africa once again when the South African Minister of Defence had declared to the Israeli Zionists after their aggression of 6 October that the people of South Africa sympathized with the struggle of the Israeli people and that his Government was prepared to offer assistance to Israel.

90. The General Assembly had adopted a resolution barring assistance to the racist régimes of South Africa, Portugal and Southern Rhodesia; his delegation merely asked that Israel should be treated in the same way for the two reasons that he had just cited.

91. With regard to the question of aggression, the facts were known to all; everyone knew that Israel had launched its aggression against Egypt at a place where the Egyptians intended to build a new pipeline, likewise, everyone knew who had already launched the previous aggressions of 1956 and 1967.

92. Mr. ELIASHIV (Israel) said that that long statement was typical of the propaganda in which the Arab delegations indulged in all the organs of the United Nations at the cost of the work in progress. He would merely reject once again all the calumnies and lies which made up that propaganda of the baseless allegations of Israeli aggression.

93. The CHAIRMAN announced that the delegations of Jordan and Malaysia had asked to join the sponsors of draft resolution A/C.2/L.1293 and the delegations of Afghanistan, Iran, Mali, Uruguay and Zaire to join the sponsors of draft resolution A/C.2/L.1294.

*The meeting rose at 6.55 p.m.*

## 1541st meeting

Monday, 29 October 1973, at 10.55 a.m.

*Chairman:* Mr. Zewde GABRE-SELLASSIE (Ethiopia).

A/C.2/SR.1541

### AGENDA ITEM 48

**United Nations Industrial Development Organization**  
(*continued*) (A/9003 and Corr.1, chap. XII; A/9016, A/9072, A/C.2/L.1292-1294):

- (a) Report of the Industrial Development Board;
- (b) Second General Conference of the United Nations Industrial Development Organization: report of the Executive Director

1. Mr. SADEGHI-YARANDY (Iran) said that few international organizations revealed more clearly than UNIDO the problems involved in attaining the aspirations of the developing countries for a better life. However, the financial resources available to UNIDO had allowed only modest success thus far. In absolute terms, the funds spent through UNIDO were negligible even when compared to the level of spending by the developing countries themselves in the field of industrialization. The establishment of a United Nations industrial development fund, as recommended by the Industrial Development Board in its decision II (VII) (see A/9016, annex II), would strengthen the financial capabilities of the organization. The decision of the Board (decision I (VII)) to increase the planning level and budget of the UNIDO regular programme of technical assistance from \$1.5 million to \$2 million was a reasonable one.

2. His delegation had also noted with great satisfaction the increase in the over-all operational activities of UNIDO in 1972 and in UNIDO's share of UNDP resources. Considering the organizational implications of its extended responsibilities in the future, UNIDO must have greater administrative and financial autonomy. The examination of the question of the separate prepa-

ration of the programme and budget of UNIDO and their submission to the General Assembly, and of UNIDO's independence in the allocation of its resources and publications programme, would be of great help in ensuring such autonomy.

3. The search for a long-range strategy for UNIDO reflected the organization's concern for relevance and its commitment to the rational formulation of industrial policies in the developing countries. The recommendations of the Group of High-Level Experts (*ibid.*, chap. IV) contained the fundamental elements of such a strategy, and his delegation was confident that the *Ad Hoc* Committee appointed by the Industrial Development Board under resolution 38 (VII) would successfully finalize the details for their implementation.

4. The suggested date (March 1975) and provisional agenda of the Second General Conference of UNIDO (see A/9016, para. 67) were acceptable to his delegation; the adoption of draft resolution A/C.2/L.1293 would help to improve the proposed agenda. Lastly, his delegation was grateful to the Government of Peru for offering to serve as host to the Conference, and it therefore supported draft resolution A/C.2/L.1292.

5. Mr. MAKEYEV (Union of Soviet Socialist Republics) pointed out that industrial development was essential if the developing countries were to overcome the consequences of colonialism and neo-colonialism. Accordingly, the Soviet Union supported UNIDO in all activities designed to assist the developing countries to draw up industrial development plans, expand the State sector and utilize domestic and external resources in industrial development, and train national specialists. In the past year UNIDO had done much valuable work, but it was still not giving States effective assistance in the formulation of long-term industrial development