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Chairman: Mr. Ismael THAJEB (Indonesia).

## AGENDA ITEM 33

Economic development of under-developed countries (A/5532) (continued):

(b) Activities of the United Nations in the field of industrial development: report of the Economic and Social Council (E/3781, annex VIII; A/5503, chap. IV, A/5534 and Add.1 and 2, A/5535 and Add.1-5 and Add.5/Corr.1; A/C.2/221, A/C.2/L.740/Rev.1 and Add.1) (continued)

1. Mr. KANO (Nigeria) wished to explain the reasons which had prompted the two Powers to submit a revised version of their amendment (A/C.2/L.769/Rev.1) to the draft resolution before the Committee (A/C.2/L.740/Rev.1 and Add.1). Despite the spirit of co-operation shown by the sponsors of the draft resolution, operative paragraph 3 still did not place sufficient emphasis on the close relationship between industrial development and natural resources. While he had been impressed by the arguments advanced by the Pakistan and Indian delegations, he still believed that the present draft could be improved by being amended as Ghana and Nigeria had proposed.

2. Nevertheless, even though the draft resolution did not entirely reflect the views of the sponsors of the amendment, he was prepared to withdraw that text in order to avoid divisions which might prejudice the cause of the developing countries, and he would therefore support the draft resolution.

3. Mr. UNWIN (United Kingdom) said that he was withdrawing the first of his amendments (A/C.2/L.772) because the sponsors of the draft resolution had been good enough to take into account his delegation's observations. Operative paragraph 2 would still be improved by being amended as the United Kingdom had proposed, because the main problem was to strengthen the existing organization in order to make it more effective. Moreover, he continued to oppose the establishment of a new organization. The present wording of paragraph 4 reflected some move on the part of the sponsors towards his delegation's position. His delegation had no objection to the holding of an

international symposium; it could therefore accept the present text and withdrew its fifth amendment, but it would prefer the words "not later than 1966" to be replaced by the words "if possible, by 1966". He reserved the right to take the floor again in order to clarify his position, in particular with regard to paragraph 3.

4. Mr. VIAUD (France) noted that in the new version of the draft resolution, the sponsors had taken particularly into account the view of the French delegation. It would be preferable, however, if operative paragraph 2 indicated clearly that the essential purpose was to achieve a more adequate organization. In that spirit, his delegation addressed a strong appeal to the sponsors, whose co-operative attitude it had already had occasion to appreciate, to agree to a further change in their text.

5. His delegation had already indicated that it had no objection to a strengthening of the existing services and that it would like to see them given greater autonomy, with a view to more fruitful action in the field of technical assistance and industrialization. Perhaps the formula adopted for various United Nations agencies, especially UNICEF, might serve as an example. There was no question of depriving the draft resolution of its substance, but rather of avoiding the establishment of a new specialized agency, the desirability of which was highly debatable.

6. With regard to the amendment of Ghana and Nigeria (A/C.2/L.769/Rev.1), the French delegation wished to reiterate that it saw no need to give the agencies concerned with industrial development responsibility for the development of natural resources. However, in view of the relationship which existed between industrial expansion and the utilization of natural resources, it could support the two-Power amendment if the text were amended to include the other factors of industrial development, in addition to natural resources. He therefore suggested that operative paragraph 3 should be amended to read: "... between industrial development, natural resources, primary commodities, planning and other economic and social factors, and having due regard to ...". Above all, the new body should not be unwieldy and should not be given more responsibilities than it could usefully assume. Nevertheless, a reference to the various factors of development—especially natural resources—would not be out of place.

7. Mr. BEN SAOUD (Libya) said that it appeared to his delegation, which was a sponsor of the draft resolution, that the usefulness of regional and sub-regional symposia had been recognized by all members of the Committee. In the circumstances, the words "if necessary" in operative paragraph 4 seemed unnecessary and could be deleted.

8. Mr. NATORF (Poland) said that there appeared to be some misunderstanding concerning the views of

the Polish delegation. The Austrian representative, in his statement at the 933rd meeting, had seemed to feel that the Polish delegation believed it would be necessary to wait at least ten or fifteen years before an appraisal could be made of the activities of the Centre for Industrial Development or consideration given to measures which might be taken with a view to possible reorganization. That interpretation was erroneous. His delegation shared the view of the sponsors of the draft resolution that the existing United Nations machinery for dealing with industrial development was inadequate.

9. He would support the draft resolution, although it could be improved by being amended in the manner indicated in the amendment of Ghana and Nigeria, which rightly drew attention to the close relationship between industrial development and natural resources. He hoped that the sponsors of the draft resolution would also be able to take into account certain other amendments by making a few minor alterations to their draft.

10. Mr. AYARI (Tunisia) thanked the sponsors of the draft resolution for the spirit of co-operation they had shown and for having accepted a number of suggestions made by his delegation. Some further rewording of operative paragraphs 2 and 3 would nevertheless be desirable. The Committee should recommend a detailed study of all the factors of the problem, which would preclude the possibility of immediate changes, and the word "urgent" was out of place in paragraph 2. On the basis of such a review, it should be possible to develop an effective mechanism, which would probably include some of the previous machinery, as well as new machinery. The outcome should not be prejudged, nor should any particular solution be condemned in advance. The words "a new organization" should therefore be replaced by the words "an adequate organization". If the sponsors agreed to take his delegation's views into account, it would be prepared to associate itself with them.

11. Mr. COSIO VILLEGAS (Mexico) had the impression that the sponsors of the revised draft resolution had not made any substantial concessions, particularly with regard to the nature of the proposed organization. They apparently still felt that there should be a new organization.

12. He again suggested that the sponsors should add to their text a provision requesting the Secretary-General's views on the matter. The General Assembly and the Economic and Social Council had taken steps to improve the United Nations machinery concerned with promoting the industrial development of the developing countries and, furthermore, the initial activities of the Centre for Industrial Development had been the subject of favourable comment. It therefore seemed inappropriate to exclude the Secretariat's views and, if the sponsors were to take them into account, his delegation would consider supporting the new revised text.

13. Mr. MOLLER (Sweden) said that his delegation had felt it necessary to revise its amendment in the light of the new version of the draft resolution. The discussion had strengthened its belief that a satisfactory and rapid solution to the question of an organization for industrial development should be based on more comprehensive and detailed documentation concerning the possible organizational framework. That documentation should be prepared by the Secretariat in consultation with the executive heads of the speciali-

zed agencies, IAEA, the Special Fund and the Expanded Programme of Technical Assistance. The Secretary-General would then submit it to the Committee for Industrial Development without, however, indicating a preference for any particular solution. That was the idea underlying the revised Swedish amendment (A/C.2/L.744/Rev.1). If the sponsors of the draft resolution took that amendment into account and altered operative paragraphs 2 and 3 accordingly, the Swedish delegation would be able to vote in favour of the revised draft resolution.

14. Mr. AKYAMAC (Cyprus) said that the debate on industrial development had brought out certain points on which there appeared to be general agreement. It was generally recognized that industrial development was a necessity for the under-developed countries and that the major effort should be made by those countries themselves, although external technical and financial assistance was still indispensable. It was generally agreed that the assistance being provided for industrial development was inadequate and that United Nations activities in that field should be better coordinated and should be made the responsibility of a single organization. Views differed, however, with regard to the steps which should be taken.

15. His delegation, like those of most of the developing countries, saw a need for an organization that would take into account the complex nature of the subject and that was why, two years previously, it had already favoured a study on the possibility of establishing a specialized agency. However, it realized the difficulties inherent in that solution and therefore thought that the problem should be tackled by stages. It was pleased to note that the revised draft resolution took up that idea and that operative paragraph 1 endorsed the view expressed in the report of the Advisory Committee of Experts on the Industrial Development Activities of the United Nations System (E/3781, annex VIII) that the present institutional framework and resources were not adequate.

16. The draft resolution stated that it was essential to carry out changes so as to improve the existing situation and provide a new organization; however, that aspect was left for consideration by the Committee for Industrial Development which was requested, in operative paragraph 3, to make recommendations concerning the structure of a new organization. His delegation welcomed the fact that paragraph 3 recommended that the Committee for Industrial Development should bear in mind the close—and obvious—relationship between industrial development and natural resources. It also supported the idea, contained in paragraph 4, of holding an international symposium on industrialization.

17. He would vote in favour of the draft resolution.

18. Mr. FINGER (United States of America) thanked the sponsors of the draft resolution for the spirit of co-operation they had shown in agreeing to make changes which considerably improved the form and content of their original text. However, his delegation still had several reservations with regard to the new wording.

19. Operative paragraph 1 was still too critical of existing United Nations activities in the field of industrial development. It might be regarded as a vote of no confidence in the Centre for Industrial Development, as well as in the Commissioner for Industrial Development and his predecessor, who had certainly not deserved such a judgement.

20. As far as operative paragraph 4 was concerned, the proposed regional and sub-regional symposia should be devoted exclusively to the substantive problems raised by industrialization, in order to assist the Centre in evaluating the nature and magnitude of the needs of the developing countries. The symposia should be of a technical nature and deal with a limited number of subjects. In the light of the experience thus acquired, the desirability of holding an inter-regional or international symposium could then be considered.

21. Operative paragraph 3 could be criticized on two counts. First, the sponsors appeared inadvertently to have omitted to mention the need for close co-operation between the proposed organization and the specialized agencies, whose role in industrial development should not be underestimated. He hoped that the draft resolution might be amended accordingly. Second, the close relationship between industrial development and natural resources was so obvious as not to need emphasizing. Many other factors were involved, as well as natural resources: trade, social development, planning and programming, for example. His delegation would therefore support the French representative's proposal in that connexion.

22. With regard to operative paragraph 2 and the question of whether a new organization or an "adequate" organization should be established, it appeared desirable to await the recommendations on that subject which would be made by the Committee for Industrial Development, the Economic and Social Council and the General Assembly. That was not a question on which the members of the Second Committee should be basically divided. It was obviously essential to have an adequate organization, whether it was a new one or the result of measures taken within the framework of the existing structure. In any case, there would be little point in creating a new organization whose establishment had not been supported by the countries which would be called upon to provide the bulk of the funds it would need. Furthermore, the organization's terms of reference were not defined; there had been no proposal concerning its financing. It had not been demonstrated that such an organization could play a decisive role in the industrialization of the under-developed countries.

23. Finally, his delegation agreed with the view expressed by the representative of Mexico and it supported the Swedish amendment which should enable the sponsors to draft a resolution that would have unanimous support.

24. Mr. SAID (Yemen) supported the new version of the draft resolution which stressed the importance of industrialization as a factor in the economic development of developing countries. While not underestimating the role played in that field by the specialized agencies and the Centre for Industrial Development, he hoped that they would be able to intensify their efforts in the future. That was the aim of the draft resolution.

25. Mr. BABIKER (Sudan) thought that the sponsors of the draft resolution had shown a true spirit of co-operation; perhaps they had gone too far in their efforts at conciliation.

26. With regard to the amendment proposed by Ghana and Nigeria, he did not deny the close relationship between industrial development and natural resources, but pointed out that the link was mainly at

the raw materials processing stage, which was the last phase in the exploitation of natural resources. In most countries, the development of natural resources did not come under the jurisdiction of the ministry or service concerned with industrialization. Similarly, within the United Nations, the Resources and Transport Branch had been set up more than ten years previously and had for the past few years participated in the implementation of Special Fund projects in that field. The importance of its role had already been demonstrated, although it was highly desirable that there should be closer co-ordination between its activities and those of the bodies concerned with industrialization questions.

27. With that reservation, the Sudanese delegation would vote in favour of the revised draft resolution.

28. Mr. GHEBEH (Syria) noted that the Advisory Committee of Experts had arrived at the conclusion that existing United Nations machinery in the field of industrial development was not satisfactory. The present institutional framework should therefore be improved, either by strengthening existing bodies or by establishing a new organization. That was the point on which opinions differed. Most of the industrialized countries requested that a detailed study should be made of the nature and possible terms of reference of the new organization. The developing countries, for their part, were pressing for an immediate decision to establish a new organization and to make the competent bodies and groups of experts responsible for the administrative and structural details. The sponsors of the draft resolution, which included his delegation, believed that the second solution was the wiser. Once the decision of principle had been taken, it would be easier to define the terms of reference and structure of the new organization.

29. Mr. ALI (Pakistan) pointed out that the sponsors of the draft resolution had no intention of criticizing the activities of the Commissioner for Industrial Development. They simply wished to draw attention to the inadequacy of the means placed at his disposal. The delegation of Pakistan had therefore been glad to hear the representative of France mention the need to give the organization which might be set up a greater amount of freedom than that enjoyed at present by the Centre for Industrial Development. The sponsors of the draft shared that point of view.

30. With regard to financing, the sponsors thought that the proposed organization should be part of the United Nations system, in view of the undoubted importance which the Secretary-General's authority could have in that field.

31. As regards the terms of reference and structure of the new organization, he recalled that the Advisory Committee of Experts had met for less than two weeks and, within that short period, had had to carry out a task of such magnitude that it had been unable to draw up precise plans. In the opinion of the sponsors, the work might be completed either by the Secretariat or by groups of experts, once the General Assembly had taken a decision of principle.

32. Mr. UNWIN (United Kingdom) said that he well understood the difficulties encountered by the sponsors of the draft resolution, and he congratulated them on their spirit of collaboration.

33. He endorsed the comments of the French representative concerning operative paragraph 3 and the remarks of the representatives of Mexico and Sweden

regarding the role which the Secretary-General and the specialized agencies should play in the studies dealing with the measures to be taken. Lastly, the United Kingdom delegation associated itself with the comments made by the United States representative concerning the need for a preliminary detailed study and the advisability of mentioning the specialized agencies in operative paragraph 3.

34. Mr. JANTUAH (Ghana), referring to the French representative's suggestion regarding the amendment submitted by Ghana and Nigeria, pointed out that a similar proposal had already been made to him informally by the representative of Madagascar and that he had been unable to accept it. The French proposal would have the effect of obscuring the essential aim of the amendment; it was quite obvious that it was impossible to conceive of industrialization without planning and without financing. The sponsors of the amendment wished to make it clear that their intention was to emphasize the close relationship between the development of industry and that of natural resources. The wording used in operative paragraph 3 of the revised draft resolution already departed appreciably from that idea by ascribing secondary importance to natural resources. He therefore appealed to the sponsors of the draft resolution to take the amendment into account when they prepared a new revised version of the draft.

35. Mr. VIAUD (France) pointed out that, although the proposal he had made concerned the amendment submitted by Ghana and Nigeria, it applied equally to operative paragraph 3 of the revised draft resolution. He hoped that the sponsors would take it into consideration.

#### AGENDA ITEM 12

Report of the Economic and Social Council (A/5503, chap. V, sect. I; A/C.2/L.745 and Add.1) (continued)

36. Mr. CRISTUREANU (Romania) introduced the draft resolution concerning a declaration on international economic co-operation (A/C.2/L.745 and Add.1). He recalled that, at the General Assembly's twelfth session, his delegation had requested that consideration should be given to formulating principles of international economic co-operation and that it had submitted a draft resolution to that effect.<sup>1/</sup> At the same session, Romania had co-sponsored a similar draft resolution, prepared by Mexico, which had been adopted unanimously and had become General Assembly resolution 1157 (XII). Important preparatory work had been done, including the assembling of two compendiums of extracts from resolutions of the General Assembly and the Economic and Social Council concerning principles of international economic co-operation (E/3202 and E/3714).

37. Gradually, the problem of defining certain fundamental principles had found an increasingly important place among the activities of the United Nations and, at the thirty-first session of the Council, the delegation of the Soviet Union had submitted a draft declaration on international economic co-operation (E/3467). At its thirty-third session, the Council had adopted, upon the initiative of Australia, France, Japan, Uruguay and the United Kingdom, resolution 875

(XXXIII) setting up a working group to consider the draft declaration, the amendments thereto and the views expressed during the discussions at the session, and to submit a formulation on the subject at the Council's thirty-fifth session. In accordance with that resolution, the ad hoc Working Group had submitted to the Council a report (E/3725) stating that a part of the draft declaration had been prepared.

38. His delegation was of the opinion that the United Nations should follow closely the work of formulating those principles of international economic co-operation, which could serve as a guide to all States, whatever their levels of development or their economic and social systems.

39. Equitable and fruitful international economic co-operation was a matter of concern to many countries, as could be seen from the statements of a large number of members of the Committee at the current session. That was why his delegation, taking as its point of departure the positive results already achieved and recognizing the interest which that endeavour had aroused, had decided to submit a draft resolution on the question, on its own behalf and on behalf of the delegations of Ceylon, Czechoslovakia, Ethiopia, Ghana, Indonesia, Libya and Mali. The draft resolution was essentially of a procedural character, for it concerned a resolution already adopted by the General Assembly. The sponsors had striven to avoid mentioning in the text any subject which might lend itself to controversy.

40. The preamble took into account the progress made by the ad hoc Working Group and the fact that the Council, in resolution 939 (XXXV), had drawn the attention of the Preparatory Committee of the United Nations Conference on Trade and Development to certain paragraphs of the draft declaration concerned with international trade. The sponsors were convinced that the activities of the ad hoc Working Group would be facilitated by the work of the third session of the Preparatory Committee and the decisions to be taken by the Conference. They accordingly expressed, in operative paragraph 1, the hope that the examination of those problems, in the Preparatory Committee and at the Conference, would contribute to the speeding up of the final elaboration of the declaration.

41. Basing themselves on the assumption that the work already carried out was an indication of the desire of States to contribute in every possible way to the establishment of international economic co-operation on a sound basis, the sponsors proposed, in operative paragraph 2, that the Council should be invited to expedite the elaboration of a draft declaration on international economic co-operation.

42. As the draft resolution sought only to complete a task which was already far advanced, the sponsors of the draft resolution hoped that the Committee would display the spirit of co-operation which had characterized its work so far and would adopt it unanimously.

43. Mr. CARRILLO (El Salvador) said that his delegation would have no hesitation in voting for the draft resolution.

44. There was no need to prolong any further the discussion concerning a declaration on international economic co-operation. The draft resolution which the Committee had before it was very modest; it was limited to expressing the hope that the examination of the problems of international economic co-operation

<sup>1/</sup> See Official Records of the General Assembly, Twelfth Session, Annexes, agenda item 12, document A/3740, para. 20.

in the Preparatory Committee and at the United Nations Conference on Trade and Development would contribute to the speeding up of the final elaboration and adoption of a declaration on the principles of such co-operation and to inviting the Council to expedite the elaboration of the draft declaration. He therefore expected that many delegations would readily support it.

45. Mr. KANO (Nigeria) associated himself with the remarks of the representative of El Salvador. The draft resolution was not of a controversial nature, and his delegation hoped that it would be adopted unanimously. He also wished to congratulate the representative of Romania, who was responsible for the text.

46. Mr. FINGER (United States of America) said that he thought the draft resolution raised no substantive problem; all delegations hoped that the Preparatory Committee and the United Nations Conference on Trade

and Development would contribute to the establishment of an agreement on the principles of international economic co-operation. The wording, however, involved certain difficulties which might give rise to discussion. His delegation hoped that the sponsors would organize informal consultations so that long debates on matters of secondary importance could be avoided.

47. Mr. AYARI (Tunisia) thanked the representative of Romania for submitting the draft resolution, which his delegation was ready to support. But the adoption of those provisions was not sufficient. It was essential that they should also be effectively implemented so that they became, if not a charter of international economic co-operation, as many delegations and particularly his own desired, at least a series of minimum international principles.

The meeting rose at 12.35 p.m.