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Chairman: Mr. Costa P. CARANICAS (Greece).

**GENERAL STATEMENTS (*continued*)*
 and
 AGENDA ITEMS 12 AND 40**

Reports of the Economic and Social Council (A/7603, chapters I to VII, X, XI (sections C, D, F, G, H and J) and XIII; A/7203, paragraphs 764 to 770) (*continued*)

Second United Nations Development Decade: report of the Preparatory Committee for the Second United Nations Development Decade (*continued*) (A/7525 and Add.1-3, A/7603, chap. I; A/7603/Add.1, A/7699)

1. The CHAIRMAN reminded members that the general debate on agenda items 12 and 40 had been left open in order to enable the Committee to hear a statement by Mr. Udink, Netherlands Minister in charge of Development Aid, who had been unable to attend earlier. He invited the Minister to address the Committee.

2. Mr. UDINK (Netherlands) said that development co-operation was not a controversial subject in the Netherlands. Indeed, its acceptance as a natural rather than an extraordinary object of government policy was the biggest step forward the people of the Netherlands had taken in the matter. There were five essential aspects of Netherlands development policy. First, Netherlands development programmes were subject to long-term planning and consequently were not subject to annual consideration in the context of the weighing of national priorities. Secondly, the

* Resumed from the 1263rd meeting.

Government had decided to make available by 1971 1 per cent of net national income in public funds for development aid. The goal of 1 per cent of the gross national product in terms of net disbursements from combined public and private funds had been reached as long ago as 1967. Thirdly, Netherlands policy was characterized by the Government's readiness to assume obligations for the coming decade. As he had said at the second session of UNCTAD,¹ a strategy without commitments had no real meaning, so the Netherlands was prepared to participate in a strategy on the basis of continuing commitments. Fourthly, the Netherlands believed that development was a process in which equal partners co-operated, but in which the developing partner made the largest sacrifice and determined for himself how he wished to develop and what use he wished to make of the developed partner's readiness to assist him. Fifthly, his Government was convinced that development co-operation for greater prosperity would affect not only developing countries but the affluent countries as well.

3. At the international level, great progress in development co-operation had been made in 1969: FAO's Indicative World Plan for Agricultural Development would make it possible to draw up reasonably reliable prognoses for the coming years; WHO had made its contribution in public health planning; the ILO had drawn attention to the importance of employment in the coming decade; and UNESCO had indicated what was possible and desirable in education. Once those sectors were joined together, the interdependence of the various aspects of the growth process would become apparent. Neither capital nor trade nor education could by itself provide the impetus for development or determine its course. The Pearson Commission's report² explained that a turning point had been reached; the scale and style of development assistance which had served well in the past were not equal to the demands of the future. The report was an expression of positive political will. The question was whether those with political responsibility were prepared to make that will their own.

4. It was at Headquarters that the planning activities of the United Nations family converged into an interdependent and internally consistent whole. Thus, for 1970 the Netherlands Government would again contribute, subject to parliamentary approval, \$1 million to the trust fund administered by the Secretary-General for the financing of

¹ See *Proceedings of the United Nations Conference on Trade and Development, Second Session*, vol. I and Corr.1 and 3 and Add.1 and 2, *Report and Annexes* (United Nations publication, Sales No.: E.68.II.D.14), annex V, p. 148.

² Commission on International Development, *Partners in Development* (New York, Praeger Publishers, Inc., 1969).

extra activities connected with the preparation and launching of the Second United Nations Development Decade, to be divided between the Centre for Development Planning, Projections and Policies, the United Nations Fund for Population Activities and the Centre for Economic and Social Information. The work so far done by the latter Centre was eminently suited to provide a new kind of public information concurrently with the new development strategy. As soon as its preparatory measures resulted in large-scale action, the Centre would prove to be a valuable addition to the international machinery through which joint efforts were channelled. That did not mean that the formulation of the strategy was a public relations matter. It must be recognized, however, that a sound policy applied to an effective strategy would yield meagre results without a sound information policy.

5. The limited progress made by the Board in formulating its contribution to the strategy prompted him to make two comments. The first was that UNCTAD's activities, particularly in the matter of trade policies, primary commodities and commodity agreements, could be of great significance in the development process. He agreed that the rich countries bore a special responsibility for ensuring the success of UNCTAD's work, but the developing countries should try to appreciate the complex problems confronting them. In any case, trade policy arrangements and commodity agreements were only elements of a development strategy, so the measure of progress made in them must not become the sole yardstick of the success or failure of over-all preparations for the Second Development Decade or of the political will of the developed countries. Development opportunities must not be sacrificed to development doctrine and a flexible attitude must be maintained in the decision-making process as well. In UNCTAD, the latter process was hampered by the rigid positions adopted by countries assembled in groups. The discussions in the Committee had given the impression that the group system was becoming less rigid. It was to be hoped that that would offer a way out of the impasse. If it did not, it would be necessary to reformulate that sector's contribution to the Decade. The States members of UNCTAD could not evade their responsibility; if they did so in UNCTAD, they would simply have to face it elsewhere.

6. His second comment was more reflective. During the past year the international community had come so much closer to its goal that it had begun to question the validity of its undertaking. It was essential to dispel misgivings and proceed resolutely towards the solemn proclamation of the Second Development Decade. Doubt must not be allowed to breed cynicism.

7. Despite the fact that a strategy involving true partnership and embodying clear descriptions of the efforts to be made on both sides could do much to strengthen the political will of donor countries, discussion of the obligations to be assumed by the developing countries was sometimes a source of irritation. The size of their populations should, for instance, be left to the developing countries themselves, particularly since no valid economic theory existed regarding the relationship between population growth and prosperity. International organizations must, however, be prepared to assist the developing countries in that matter with research, advice or funds.

That was why \$100,000 of the amount contributed by the Netherlands to the trust fund administered by the Secretary-General was earmarked for the United Nations Fund for Population Activities.

8. Mention must be made of the contribution of the major donor countries to the solution of the development problem. Measured in terms of national capability, the Netherlands contribution was satisfactory, although in absolute terms it was necessarily limited. Its share in the total flow of resources from the developed to the developing world was less than 3 per cent. The United States, the United Kingdom, France, the Federal Republic of Germany and Japan together accounted for 87 per cent of the total flow, and public resources from those countries amounted to 53 per cent of the total flow. The contribution of the Federal Republic of Germany was increasing rapidly; by international standards, France's contribution was worthy of respect and, it was to be hoped, would be larger in the future; Japan's net flow of resources to the developing countries had risen considerably; and the United Kingdom had instituted a tariff policy which, if applied to the Western world as a whole, would prove beneficial to the developing countries. An increase in the United Kingdom's contribution was indispensable if the stagnation in other parts of the world was to be converted into prosperity. The world expected the United States, for many years the largest contributor to development, not to turn its back on problems beyond its frontiers. Given the contributions already made by the developed countries, the United States did not need to fear that it would have to assume the responsibility for development unaided; it actually ranked tenth on the list of donors in terms of percentage of national income.

9. A year hence the partners in development would have reached a crossroad. The path of divergence would lead to strife born of disappointment and despair; the path of convergence would lead to the gradual disappearance of conflicts.

10. The CHAIRMAN extended the Committee's sincere thanks to Mr. Udink for his statement. The Second Development Decade might be better served if the Committee was composed of Cabinet Ministers rather than of technocrats, because its aims would thus be brought more effectively to the attention of world public opinion. He hoped that the Netherlands Minister in charge of Development Aid would address the Committee again the following year and that his example would be followed by the corresponding Ministers of other countries.

11. Mr. CORREA (Chile) associated himself with the Chairman's comments. At previous meetings he had said that, although the developed countries as a whole were lethargic in their approach to the Second Development Decade, some of them had demonstrated the essential political will. Hitherto he had mentioned no country by name, but the time had come to refer specifically to the Netherlands, which had done so much for the betterment of mankind. He hoped that the statement by the Netherlands Minister would serve as an incentive to other countries.

12. Mr. RANKIN (Canada) said that the statements made by the Netherlands Minister were always a source of inspiration, particularly to donor countries.

13. Referring to the Chairman's suggestion that parliamentarians should be involved in the work of the Committee, he said that the Chairman and nine members of the Canadian Parliamentary Sub-Committee on Assistance were attending the meeting and would remain at Headquarters for a fortnight. He hoped they would be impressed by the deliberations in the Second Committee because it was necessary to mobilize government, as well as public, opinion in favour of the Second Development Decade.

14. Mr. HOVEYDA (Iran) thanked the Netherlands Minister for his very interesting statement. If all advanced countries adopted the same approach to development as the Netherlands, the Third World's future would be bright. Only the previous day, however, the representative of a highly developed country had, at a meeting of another Committee, requested the deletion from a text of any mention of the target of 1 per cent of the gross national product. That showed the need for countries to renew their efforts to foster the spirit of partnership to which the Netherlands Minister had referred.

15. Mr. MONGUNO (Nigeria) associated himself with those who had congratulated the Netherlands Minister on his inspiring statement. Nigeria, which maintained friendly relations with the Netherlands, was profoundly grateful to that country for the realistic attitude it adopted to the work of UNCTAD.

16. Mr. VIAUD (France) said that a Netherlander was at present President of the Council of Ministers of the European Economic Community. Since, therefore, it would be difficult for the Netherlands delegation to express the Community's satisfaction with Mr. Udink's statement, he would do so on its behalf as representative of France. The Netherlands often acted as Europe's conscience and was now performing a similar function in the larger forum of the United Nations. If the idea of co-operation advanced by the Netherlands met with a favourable response, the Committee should be able to make substantial progress towards the objectives of the Second Development Decade.

AGENDA ITEMS 38 AND 43

United Nations Industrial Development Organization: report of the Industrial Development Board (A/7603, chap. VII; A/7617, A/7693 and Add.1, A/7705)

The role of the United Nations in training national technical personnel for the accelerated industrialization of the developing countries: report of the Secretary-General (A/7595, A/7719)

17. The CHAIRMAN drew the attention of the Committee to two resolutions appearing in annex VII of the report of the Industrial Development Board on the work of its third session (A/7617): resolutions 13 (III) on the regular programme of technical assistance and 23 (III) on financial questions relating to the regular programme of technical assistance of UNIDO. Those resolutions were directly related to agenda item 45 (b) entitled "operational activities for development: activities undertaken by the Secretary-General", and the Committee might wish to refer to them when that item was discussed.

18. Mr. ABDEL-RAHMAN (Executive Director of the United Nations Industrial Development Organization) said that, at its third session, the Board had examined through its Working Group on Programme and Co-ordination the activities carried out by UNIDO in 1968 and the programme of work proposed for 1969 and 1970. The programme had been carefully analysed and specific suggestions and recommendations had been made with regard to each of the fifteen functional groups into which it was divided. The Board had also examined in outline form a long-term programme perspective for 1971 and subsequent years.

19. Board resolution 17 (III), dealing with the promotion of export-oriented industries, recommended measures aimed at improving the market acceptance and competitiveness of industrial products from the developing countries. Board resolution 24 (III) outlined basic principles for UNIDO's contribution to accelerated industrialization during the Second Development Decade, including the need for real partnership between developed and developing countries in the development of the world economy, the need for a substantial increase in the industrial portion of the gross national product of developing countries, in order that their economies could grow on a self-sustaining basis, and the need for adoption by developed and developing countries of policies for industrial technology, research, employment and development.

20. In addressing the Preparatory Committee for the Second United Nations Development Decade at its third session, he had stressed the vital role that industry would play in development during the coming decade. Industrialization was a key factor in solving important problems of under-development such as low incomes, surplus labour, lack of structural flexibility, economic dependence and retarded technology. Industrialization was accompanied by, and resulted in, profound changes in the socio-political, institutional and cultural patterns of developing countries. The industrialization of the developing countries must therefore be a basic objective of the Second Development Decade.

21. The average growth rate of industrial output in the developing countries was considerably below the level which had been suggested. The Second Development Decade must therefore not merely continue the current trends of industrial growth; vigorous action would have to be undertaken to raise the performance of the industrial sector, concentrating on training and educating human resources, investment and capital formation, transfer of technology, development of an adequate organization and legal framework, and support to industry by appropriate government policies.

22. UNIDO was aware that the industrial strategy of countries must depend on their political and social environment, aspirations and goals, and believed that one of its major tasks during the Decade would be to assist developing countries not only in formulating their own industrial targets but in the action which would be required at all levels to make realistic implementation of those targets during the Decade possible.

23. UNIDO would give attention to economic projections related to the industrial sector, linked with the general

projection model being developed by the United Nations and utilizing as a basis the economic parameters established by the latter, when they became available. The objective would be to produce targets for industry consistent with the over-all economic targets of the Decade. A pragmatic assessment would also be made of the perspectives of development for individual sectors of industry during the 1970s, taking into account various supply and demand factors such as resource availabilities, size of plant in relation to economies of scale and structure, industrial organization and institutions, the state of technological advance and the conditions of local and world demand.

24. UNIDO would also study some of the basic structural problems of the industrialization of developing countries. An effort would be made to clarify such issues as the relation between export-oriented and import-substitution-oriented industrialization policies, the interdependence between small-, medium- and large-scale industries, the contribution of industry to employment, relations between agriculture and industry in the general development process and the transfer of technology. Major attention would be given to industrial policies at the international, national and regional levels which would be conducive towards implementation of the Decade's targets.

25. The Board had also requested him, in its resolution 22 (III), to consult Governments on the possibility of convening a special meeting of all member States of UNIDO within the framework of the twenty-fifth session of the General Assembly. The results of those consultations appeared in his report (A/7693 and Add.1).

26. The Board had also been giving considerable attention to training for industrial development. UNIDO's activities aimed at increasing the number and improving the quality of managerial, technical and economic personnel in the developing countries. The Secretary-General's report on the role of the United Nations in training national technical personnel for the accelerated industrialization of the developing countries (A/7595) referred to UNIDO's activities in co-ordinating the work of international and regional organizations of the United Nations system, assisting developing countries, in co-operation with other international organizations, in analysing the training requirements of industry with a view to organizing suitable training programmes and facilities, and implementing a limited but integrated programme of national and international training to meet the need for personnel in specific sectors of industry in the developing countries.

27. The Board had particularly emphasized the usefulness of intermediate-level in-plant training programmes in particular sectors of industry. Such pragmatic programmes were closely related to the development of specific industries and filled a gap within the traditional training programmes of the United Nations system. An effort was also being made to cover specialized training in the developing of industrial exports, industrial investment promotion, project formulation and implementation, industrial administration and standardization. In all such programmes, an effort was made to ensure that the opportunities offered were closely related to the needs of the new industries in the developing countries. Efforts were under way to make continuing facilities available for in-plant

training in specific industrial branches for technical personnel from the developing countries. As a result of offers made by the Governments of the Netherlands and Poland, longer-term facilities for in-plant training in the electronics and textile industries would be established with financial support from UNDP.

28. The operational character of UNIDO's activities had frequently been stressed. There had been a marked increase in requests for assistance from developing countries, which had been reflected in larger technical assistance programmes. The expansion has been especially marked in the Special Industrial Services Programme, and since the Board had met in April 1969, the Governing Council of UNDP had taken action to ensure the continued financing of that Programme through a special allocation from the Revolving Fund.

29. There had also been an increase in the number of UNDP (Special Fund component) projects allocated to UNIDO as an executing agency but, as the number of field advisers increased, it was becoming possible to meet the needs of the developing countries more effectively through improved co-ordination in the field and through better preparation and selection of projects.

30. The UNIDO/UNDP industrial field advisers were especially active in co-ordinating industrial activities at the country level; a long-term outline of technical assistance requirements closely related to industrialization plans and priority needs had been established in Libya, and similar exercises were currently being carried out in Ceylon, Ethiopia, Indonesia, Iran, Somalia, Tunisia, Venezuela and Yugoslavia.

31. In resolution 23 (III) (see A/7617, annex VII), the Board had recognized the importance of a separate section in part V of the United Nations budget for the programme of technical assistance in industrial development, and had considered it necessary that the existing programming and budgeting procedures, as established in General Assembly resolution 2298 (XXII), should be maintained.

32. Because of its limited resources and the scale and diversity of the needs of developing countries, UNIDO had to co-ordinate the utilization of funds from various sources in order to optimize the delivery of technical assistance to them. The funds contributed directly to UNIDO through the annual Pledging Conference would be utilized to expand operational activities over and above the level permitted by other resources. The amounts involved were still small and contributed in various national currencies, but efforts were being made to utilize them in areas where they would have the maximum impact. He hoped that member Governments would show their increasing support for industrial development work through their pledges at the second Pledging Conference, to be held on 11 November.

33. UNIDO's central role in co-ordinating the industrial development activities of the United Nations system was gaining in importance. The Board had consistently given a good deal of attention to co-ordination and to means of increasing the over-all effectiveness of the international effort through the development of co-ordinated pro-

grammes of action. In Board resolution 14 (III) (*idem*) it had noted with satisfaction the conclusion of bilateral arrangements on co-operation between UNIDO and a number of organizations. During the summer of 1969, such agreements had also been reached with FAO and ECAFE. Such arrangements made it possible to avoid duplication and overlapping, to develop balanced programmes and to identify areas of joint action. For example, at the most recent meeting between the executive heads of UNIDO and the ILO, it had been agreed to develop concerted action in preparing the World Employment and Manpower Planning Programme and in harmonizing advisory services in industrial and labour policies.

34. Co-ordination at the country level must be further developed during the Second Development Decade. Because of the nature of its functions in approving technical assistance projects as well as financing regional and inter-regional projects, UNDP played a very important role in co-ordinating field activities. Co-operation between UNIDO and UNDP had increased as a result of frequent consultations among staff of the two organizations.

35. Co-operation with the regional economic commissions and the United Nations Economic and Social Office in Beirut had also been strengthened; its object was to develop a single United Nations programme for industry in each region, to be financed and executed partly by UNIDO and partly by the regional economic commissions. A recent example of regional co-operation was the African Industrial Investment Promotion Meeting, held at the end of October under the joint sponsorship of UNIDO, ECA and the African Development Bank. UNIDO would also co-operate closely with ECAFE in the second Asian Conference on Industrialization to be held in 1970.

36. Useful consultations had been held with the International Bank for Reconstruction and Development and he believed that, as a result of intensified contacts, fruitful co-operation between UNIDO and the Bank would be established.

37. Many of UNIDO's programmes were well launched and systematic approaches were emerging in many areas of its activity in accordance with the directives of the Industrial Development Board. Resources, however, remained inadequate to cover the vast needs of assistance in the industrialization process of the developing countries. Effective efforts at industrialization under the broad strategy to be devised for the Second Development Decade would necessitate a real partnership between industrialized and industrializing countries in order to enable the latter to achieve a level of industrialization which would make self-sustained and continuing growth possible.

38. Mr. KUFFUOR (Ghana) said that, shortly after its establishment, UNIDO was already promoting industrial development in many developing countries. In Ghana, the successful operation of a jute factory was to a considerable extent due to assistance from UNIDO. Ghana's Industrial Holding Corporation had also benefited greatly from expert advice from it and, as a result of a generous donation by the Government of India, a promising experiment in small-scale industries was under way.

39. Extensive discussions had already taken place on improving UNIDO's structure and the Secretary-General

had decided to conduct a management survey of the organization. In the Board, mutual understanding and confidence between developed and developing countries was growing, and he believed that the developed countries could contribute further to that understanding by supporting the efforts of developing countries to ensure that UNIDO had adequate funds under its own management for its activities.

40. Although the meetings of the Working Group on Programme and Co-ordination had been successful, he wondered whether there was any real point to discussing the programme of work and structure of UNIDO when the organization had little control over the resources which went to finance its programmes. The note by the Secretary-General (A/7705) stated that Board resolutions 13 (III) and 23 (III) (see A/7617, annex VII) were directly related to General Assembly agenda item 45 (b) and also referred to paragraphs 2 and 3 of the Secretary-General's note concerning that item (A/7704). The first of those two resolutions recalled Board resolution 11 (II) of 14 May 1968, which recommended the sum of \$1.5 million as the planning level of the regular programme of technical assistance for industrial development for 1969 and 1970, and went on to request the General Assembly to take budgetary action for the implementation of the programme proposals contained in a UNIDO document³ by appropriating the necessary funds under part V, section 14, of the regular budget of the United Nations for 1970.

41. In other words, having scrutinized UNIDO's work programme, the Board found that it had no financial control over that programme and, while recommending a similar amount as the planning level of the regular programme of technical assistance for industrial development in 1971, requested the Executive Director, in its resolution 23 (III), to inform the General Assembly of its view that the programme and budgeting procedures providing for a separate section in part V of the United Nations budget for the needs of technical assistance in industrial development, as decided by the General Assembly in resolution 2298 (XXII), should be maintained.

42. Such a cumbersome procedure could be avoided by providing UNIDO with its own funds. In the meantime, his delegation proposed that the Second Committee should adopt a resolution affirming General Assembly resolution 2298 (XXII); it also endorsed Board resolution 13 (III). UNIDO should have its own funds not simply for reasons of prestige, but to end the present unrealistic approach to the financing of its programmes. Developed countries could best demonstrate their support for UNIDO by backing the efforts of developing countries to ensure that it had adequate funds on a more permanent basis. His delegation believed that even a token contribution by developed countries at the Pledging Conference on UNIDO on 11 November would indicate the importance which they attached to UNIDO's activities and hoped that those countries which were increasing their assistance in order to achieve the 1 per cent target would find it possible to channel some of the increment direct to UNIDO.

³ "UNIDO regular programme of technical assistance: draft programme for 1970" (ID/B/47).

43. His delegation particularly welcomed UNIDO's continued co-operation with other organizations of the United Nations system and the conclusion of agreements on co-operation with FAO and ECAFE. Legal contracts alone, however, could not guarantee co-operation and co-ordination; additional links and informal channels of communication must also be established.

44. In connexion with Board resolution 22 (III), his delegation believed the four or five days' discussion of UNIDO in the General Assembly would not be a waste of time or resources and hoped that the developed countries would not oppose a discussion of a subject of great interest to the developing countries. Paragraphs 25 to 28 of the Board's report (A/7617) showed that such a discussion was necessary; neither those paragraphs nor the conclusions of the debate on guidelines and future organization provided the Secretariat with enough information to derive such guidelines. General Assembly resolution 2152 (XXI), establishing UNIDO, also failed to provide sufficient guidance. His delegation therefore agreed with the Swedish viewpoint (see A/7693) that all States members of UNIDO should be given the opportunity to consider the long-term direction of UNIDO's activities, taking into account the preparations for the Second Development Decade. His delegation endorsed the proposal that a special meeting of UNIDO should be held in 1970. Dates should be set aside for a meeting within the time-table and framework of the twenty-fifth session of the General Assembly, preferably at the ministerial level, to discuss the problem of UNIDO's long-term role in the industrial development of developing countries, with particular reference to its role during the Second Development Decade.

45. Mr. BRADLEY (Argentina) said that Argentina had already had the opportunity of considering and discussing UNIDO's work, at the third session of the Industrial Development Board, in the Working Group on Programme and Co-ordination, at the forty-seventh session of the Economic and Social Council, and in the Preparatory Committee for the Second United Nations Development Decade. UNIDO was to be congratulated on what it had achieved in 1969. His delegation noted with satisfaction that, despite the doubts expressed, the Working Group on Programme and Co-ordination was to be continued, as indicated in paragraph 340 of the Board's report on the work of its third session (A/7617).

46. He referred to the thirteen resolutions adopted by the Board at its third session (see A/7617, annex VII) which reflected the work of the Board during the year and drew attention in particular to Board resolution 14 (III) concerning the conclusion of bilateral arrangements on UNIDO's co-operation with various international bodies through the efforts of the Executive Director. He noted the useful role played by the industrial development field advisers referred to in Board resolution 16 (III) and said that his delegation attached special importance to the promotion of export-oriented industries, referred to in Board resolution 17 (III).

47. With respect to UNIDO's financial problems, his delegation was ready to support any constructive measures to provide UNIDO with its own budget, so that it could perform more effectively. However, he believed that

UNIDO's share of part V, section 14 of the United Nations budget should be maintained. He hoped that, at the forthcoming Pledging Conference on UNIDO, there would be an increase in contributions to enable UNIDO to carry out its programme. He also considered that UNIDO, having been specified by the General Assembly in resolution 2152 (XXI) as the organization with the central role in promoting the co-ordination of the industrial development activities of the United Nations system, should have a greater share in UNDP's industrial programme.

48. With regard to the proposal to hold a special meeting of UNIDO in 1970, the Argentine government, as indicated in paragraph 3 (VII) of the report of the Executive Director (A/7693), wished to reserve its position until the conclusions of the report of the Commission on International Development, the UNDP Capacity Study and the Preparatory Committee on the Second Development Decade were available. Only fifty-three countries had replied to the letter circulated by UNIDO to Governments asking them for their views on the subject; that was less than half of the total membership of the United Nations and consequently Argentina considered that it would be premature to take a decision at the present stage on whether or not such a special meeting should be held.

49. Mr. KELSO (Australia) said that industrial development was essential to an adequate rate of economic development and of special importance in relation to the preparations for the Second Development Decade. Although Australia was not at present a member of the Industrial Development Board, it had been represented on the *Ad Hoc* Committee which had paved the way for the establishment of UNIDO in 1966. Moreover, his country had been active in setting up the Asian Industrial Development Council and vigorously supported that regional activity, which had in fact preceded the establishment of UNIDO.

50. Australia believed that UNIDO's activities should be mainly operational; it should be an action organization and it was gratifying to note that programmes were taking on an increasingly practical character. That was the only way to avoid a top-heavy structure and over-emphasis on the accumulation of documents.

51. Much had been said concerning UNIDO's needs for increased funds, but there was some danger that, if an organization expanded too quickly, programmes would not be effective because the administrative machinery might not be able to give the necessary support. UNIDO was encountering considerable difficulty in recruiting adequate qualified staff. It was important to ensure proper consolidation to provide a basis for future expansion. In that connexion, he acknowledged the important contribution the Austrian Government had made towards consolidating UNIDO's structure and operating methods.

52. The Fifth Committee had just approved in first reading administrative and research estimates for UNIDO amounting to \$10,255,000 for 1970. That was an increase over the actual expenditure of \$7,900,000 in 1968 and the appropriation of \$9,693,200 in 1969. In addition to the amount available under the relevant section of the regular budget of the United Nations, UNIDO also received an

appropriation from part V of the United Nations budget for the regular programme of technical assistance, as well as contributions from the UNDP/Special Fund, the Special Purposes Trust Fund, the Special Industrial Services Trust Fund, the Netherlands contributions for development planning and projections, and the World Food Programme. With those funds UNIDO was able to pay for over a hundred additional staff posts. UNIDO also had six interregional advisory posts financed under the United Nations regular programme of technical assistance. Hence UNIDO's budget was now considerably more than that of UNCTAD. However, it should be remembered that the main responsibility for industrial development must fall upon the developing countries themselves; an international organization could provide assistance and advice but could not guarantee substantial industrial achievements.

53. Under General Assembly resolution 2151 (XXI), UNIDO had to play the central role in co-ordinating the industrial development activities of the United Nations system. He welcomed the arrangements for the co-ordination of UNIDO's activities with those of other United Nations bodies and UNIDO's efforts to put the main emphasis on those aspects of industrial development not already being handled by other agencies. He hoped that the arrangements arrived at would work effectively in practice; it would be interesting to see whether the UNDP Capacity Study undertaken by Sir Robert Jackson would throw any light on the problems of co-ordinating the industrial activities of the United Nations system. There should be no question of rivalry between UNIDO and the other organizations, since the activities benefiting industrial development conducted by other international bodies were all valuable.

54. UNIDO would have an important part to play in the preparations for and implementation of the objectives of the Second Development Decade. He was glad to note that, at the third session of the Preparatory Committee, the Executive Director of UNIDO had endorsed the proposition that UNIDO should not formulate any strategy of its own but should work within the general strategy for the Decade.

55. With respect to the proposal in Board resolution 22 (III) of holding a special meeting of UNIDO in connexion with the twenty-fifth session of the General Assembly, he agreed with the majority view of the Economic and Social Council that such a meeting would serve no useful purpose. In its reply to the circular letter on the subject from the secretariat of UNIDO (see A/7692), Australia had stated that UNIDO's long-term participation in industrial development in developing countries and its contribution to the Second Development Decade could be dealt with appropriately by the Industrial Development Board. Moreover, there were opportunities for reviewing the activities of UNIDO and the Board in the Economic and Social Council and the Second Committee, and the Preparatory Committee was available to co-ordinate the contribution of all the agencies. If it proved to be the wish of a majority to hold the special meeting, it should be related closely to the work of the twenty-fifth session of the General Assembly, but he hoped that delegations would think carefully about the merits of the proposal. The Second Committee's function was to consider the long-term objectives of UNIDO every year and he did not see how a special meeting could contribute anything new.

56. With regard to agenda item 43, he drew attention to the reply of the Australian Government contained in the annex to the report of the Secretary-General (A/7595). In that reply, Australia had stated that it was in general agreement with the individual recommendations contained in an earlier report of the Secretary-General⁴ although implementation might be beyond the present capacity of some developing countries. The report brought out the magnitude of the problem by attempting to give estimates of the number of personnel for whom training was required and of the costs involved. The report substantiated Australia's view that technical training was one of the great needs of developing countries and one of the most worth-while avenues for international technical assistance.

57. Mr. SULEIMAN (Libya) said that UNIDO could play a most important role in accelerating industrial development in the developing countries in connexion with the Second Development Decade. He recognized that the main responsibility for industrialization must rest with the developing countries themselves; they must concentrate on the industries that would best meet their people's needs and produce goods that could also be sold in neighbouring countries, since many countries like Libya could not find a large enough market within their own boundaries.

58. Foreign private capital had an important role to play in helping the developing countries to establish new projects and reinforce existing projects, although foreign investment must be of a nature to benefit the people of the countries concerned.

59. In helping the developing countries with their industrialization, UNIDO should also help them to identify the root causes of the social and environmental problems related to industrialization. If those causes could be eliminated at an early stage, difficult social problems could be avoided. There the experience of the industrial countries was invaluable. UNIDO must also devote attention to ensuring that individual projects were in line with the needs and the available resources of the countries concerned. Furthermore, by assisting those countries to absorb recent technological developments in industry, it could help to bridge the technological gap.

60. Libya looked forward to UNIDO's activities relating to the production of proteins from oil, and to the petrochemical industries which were of vital importance to it as a petroleum producer. Close co-operation with UNIDO had led to the establishment of an outline for Libya's long-term technical assistance requirements in industrialization. The recently established Centre for Industrial Research and Development at Tripoli would be of great value in training personnel for industry.

61. He stressed the need for more rapid development in agriculture. The two aspects of development were inseparable: any progress in agriculture meant that there must be industrial expansion in order to absorb the manpower released by higher agricultural productivity. Industrial expansion would also provide broader urban markets for

⁴ See *Official Records of the Economic and Social Council, Thirty-seventh Session, Annexes*, agenda item 12, documents E/3901/Rev.1 and Add.1 and 2.

agricultural products, thus creating still higher productivity and further specialization in the agricultural sector. Accordingly, the two sectors must be given equal stress in development plans; over-emphasis on one at the expense of the other would only retard growth in both sectors.

62. He supported the proposal contained in Board resolution 22 (III) to hold a special meeting of UNIDO to consider the long-term participation of that organization in industrial development in the developing countries and its contribution to the Second Development Decade.

63. Mr. NATHON (Hungary) said that in the programme for the Second Development Decade the global strategy must be broken down so that every economic unit, whether a geographical region, country, or branch of the national economy, was allotted long-term goals to ensure sound and continuous development. All the international and national bodies concerned should participate in setting such goals. UNIDO intended to concentrate on advising Governments on the policies and measures that should be adopted by the developing countries in order to achieve the desired goals. However, perhaps UNIDO could increase its contribution to the preparation of the Decade by forecasting the direction of development in the industrial sectors, determining the optimum proportions between industry and other economic sectors, and seeking means of increasing the share of the manufacturing sector, with special reference to exports of manufactures and semi-manufactures. The Board should decide on measures concerning UNIDO's long-term participation in the Second Development Decade in the light of the discussions at the current session of the General Assembly. His Government could not support the proposal for a special meeting of UNIDO during the twenty-fifth session of the General Assembly. It seemed unnecessary to convene it when the preparations for the Second Development Decade were coming to an end. The Board was perfectly able to define what UNIDO could and should do to contribute to the success of the Decade, and if there were any difference of opinion on UNIDO's terms of reference, work programme, working methods, or organizational structure, the competent authority to give a ruling was the General Assembly, through its Second Committee.

64. Hungary welcomed the agreements on co-operation between UNIDO and various members of the United Nations system, in particular that between UNIDO and FAO. General Assembly resolution 2152 (XXI) provided that UNIDO should play a central role in co-ordinating the industrial development activities of United Nations bodies and it was for the General Assembly to ensure its more effective implementation.

65. For the effective implementation of its programme UNIDO should have more funds at its disposal. Its operational activities were financed from various sources, the largest amount coming from UNDP. He drew attention

to the statement, in paragraph 418 of the report of the Industrial Development Board (A/7617), that, although 25 per cent of UNDP resources was devoted to technical assistance in the field of industry in the United Nations system, only 4 per cent of the Technical Assistance component of UNDP was allocated to UNIDO. He sincerely hoped that the UNDP Governing Council would take into consideration UNIDO's request for a larger share in technical assistance activities financed by UNDP.

66. His Government attached great importance to UNIDO's activities, and supported their main directions. The Hungarian National Committee for UNIDO, embracing all competent governmental, scientific and industrial authorities with special interests in industrial development, was ready to give its full support to UNIDO in the future.

67. Mr. DECASTIAUX (Belgium) said that the report of the Industrial Development Board (A/7617) and the statement by the Executive Director showed that UNIDO was really making headway. Belgium was pleased that the Board had decided as indicated in paragraph 340 of its report that the Working Group on Programme and Co-ordination should continue: its work made it possible for the Board to concentrate more on general policy, which was essential if UNIDO was to see the way clear ahead. He hoped that the Working Group would produce conclusions and recommendations for submission to the Board at the session following the meeting of the Working Group. The emphasis in the Working Group should be laid on the establishment of future work programmes. It appeared from the documentation that existing projects were of unequal value and it was noteworthy that there did not seem to be any clear guidelines for projects. Guidelines should be the basis of UNIDO's activity in aiding the developing countries to take full advantage of existing possibilities in order to lay the basis for subsequent accelerated industrialization. Care should be taken to choose specific projects with a multiplier effect that could be instrumental in bringing about real progress in industrialization. Possibly annual programmes might lay special stress on a given region or sector for that purpose.

68. Referring to the special meeting of UNIDO proposed in Board resolution 22 (III), he said that, although the idea might seem attractive at first glance, it would be pointless to take up time and spend a great deal of money with very little chance of any useful results. If it were considered necessary, in 1970, to impart some solemnity to the industrialization policies of UNIDO and to its contribution to the Second Development Decade, his delegation would be prepared to agree to interrupting the work of the Second Committee in order to allow a high level meeting of UNIDO to be held—not, however, at the ministerial level—in which the members of the Second Committee would take part.

The meeting rose at 1 p.m.