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COMMITTEE FOR INDUSTRIAL DEVELOPMENT

REPORT ON THE FIFTH SESSION

(11 - 28 May 1965)

ECONOMIC AND SOCIAL COUNCIL
OFFICIAL RECORDS : THIRTY-NINTH SESSION
SUPPLEMENT No. 6

UNITED NATIONS

New York, 1965

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UNITED NATIONS



ECONOMIC AND SOCIAL COUNCIL

Thirty-ninth Session
OFFICIAL RECORDS

CORRIGENDUM

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COMMITTEE FOR INDUSTRIAL DEVELOPMENT
Report on the fifth session

The following text should be included as page 32:

(See overleaf.)

VI. ORGANIZATIONAL QUESTIONS

A. Relations with the United Nations Conference on Trade and Development

143. In the discussion on agenda item 7, the Committee had before it two notes concerning the decisions of the United Nations Conference on Trade and Development relating to industrial development (E/C.5/93 and E/C.5/L.44). Attention was called to those recommendations of the Conference which recognized the necessity for accelerating industrialization in the developing countries, particularly with regard to the promotion of exports of manufactures goods. To this effect, the Conference had decided to recommend the establishment of a Committee on Manufactures. At its first session, the Trade and Development Board of the Conference had established the Committee on Manufactures in accordance with resolution 1995 (XIX) of the General Assembly and formulated its provisional terms of reference which are reproduced in document E/C.5/L.44.

144. The measures taken to ensure co-ordination of activities between the secretariat of the Conference and the Centre for Industrial Development were emphasized and attention was called to paragraph 7 of document E/C.5/93 which indicated that the Centre would continue to deal with the measures for the promotion of industrialization in developing countries, while the secretariat of the Conference would:

- (i) Deal with the trade aspects of problems arising from the industrialization of the developing countries;
- (ii) Undertake studies and activities connected with proposals for preferential arrangements;
- (iii) Deal with measures for the expansion of markets in developed countries for manufactures exported by the developing countries.

145. After a general debate on these questions, the Committee decided to note, within its own sphere of competence, the provisional terms of reference of the Committee on Manufactures of the Conference, particularly paragraph 7 thereof, as well as the division of labour between the Centre and the secretariat of the Conference as summarized in the report of the Secretary-General to the General Assembly (A/5826, para. 61) and as further elaborated in document E/C.5/93 (paras. 8-13).

146. The Committee considered that its own terms of reference and the provisional terms of reference of the Committee on Manufactures, as described in these documents, provided a satisfactory basis for the future work of these two bodies without risking duplication or overlapping of responsibilities.

4. Activities related to United Nations programmes of technical co-operation.
5. International and regional symposia on industrial development.
6. Social aspects of industrialization.
7. Decisions of the United Nations Conference on Trade and Development relating to industrial development.
8. Activities of the United Nations system in the field of industrial development.
9. United Nations machinery in the field of industrial development.
10. Consideration and approval of the Committee's report to the Economic and Social Council.

Organization of work

12. The Committee held eight plenary meetings. The opening meeting was devoted to the election of officers and the question of the organization of work. Five meetings (40th to 44th) held on 12 to 14 May and 20 May 1965, were devoted to a general debate on industrialization in which thirty one speakers participated. The remaining meetings were devoted to the consideration and adoption of the Committee's report to the Economic and Social Council. The discussions held during the plenary meetings may be found in documents E/C.5/SR.39 to 46.

13. At its 39th meeting, the Committee decided to establish two working groups, one to consider the items concerning technical questions and the other to deal with organizational questions. Items 3, 4, 5 and 6 were allocated to Working Group I and items 7, 8 and 9 to Working Group II. At its 42nd meeting on 13 May 1965, the Committee agreed to the Chairman's proposal that during the fifth session the working groups should be open to the full membership of the Committee.

14. Working Group I held ten meetings between 17 and 26 May 1965, under the chairmanship of the First Vice-Chairman of the Committee, Mr. Schejbal (Czechoslovakia). At its 24th meeting, held on 17 May, the Working Group elected Mr. Beleoken (Cameroon) as its Vice-Chairman. The summary records of the discussions in this Working Group will be found in documents E/C.5/WG.I/SR.24 to 33.

15. Working Group II held seven meetings between 17 and 26 May 1965, under the chairmanship of the Second Vice-Chairman of the Committee, Mr. Abderrahmane Filali (Morocco). At its 22nd meeting, held on 17 May, the Working Group elected Mr. Rafeeuddin Ahmed (Pakistan) as its Vice-Chairman. The summary records of the discussions in Working Group II will be found in documents E/C.5/WG.II/SR.22 to 28.

16. At its 45th and 46th meetings, on 28 May 1965, the Committee unanimously adopted its draft report (E/C.5/L.43 and Add.1-11) as amended at the meetings.

II. SUMMARY OF THE GENERAL DEBATE

17. The general debate opened with a statement by the Commissioner for Industrial Development the full text of which is contained in document E/C.5/L.42. The Commissioner reviewed certain major aspects of the work of the Centre for Industrial Development and the problems which have arisen in this field. He pointed to the fact that the Centre is at present passing through a transitional stage during which it is necessary to balance the short-term needs of its work programme with the laying of the foundations for a more permanent and enlarged structure in the long run. In response to the Economic and Social Council's resolution 1030 B (XXXVII), a report had been prepared and submitted to the General Assembly on the scope, functions and structure of a specialized agency for industrial development (A/5826). This matter is now before the General Assembly.

18. Progress has been made in the preparations for the holding of an international symposium on the problems of industrialization of developing countries, preceded as appropriate by regional and sub-regional symposia. The Centre is co-operating closely with the regional economic commissions in organizing the regional symposia which are to be held in the regions covered by the Economic Commission for Asia and the Far East (ECAFE) in December 1965, the Economic Commission for Africa (ECA) in January 1966 and the Economic Commission for Latin America (ECLA) in February 1966. The Economic Commission for Europe (ECE) and the United Nations Economic and Social Office in Beirut are also co-operating in the preparatory work. Member countries in each region have been requested to prepare reports on their industrial development programmes and policies and attention is also being devoted to major branches of industry and other aspects of industrial development in the various regions.

19. In its resolution 1940 (XVIII), the General Assembly had envisaged that the international symposium would be held not later than 1966. In view of the fact that the General Assembly decided that the second United Nations Conference on Trade and Development is to be held in 1966, the Commissioner suggested that the international symposium would have to be postponed until 1967. This would afford additional time to assure careful preparation for the meeting.

20. In reviewing the activities of the Centre over the past year, the Commissioner stressed that limitations in staff and financial resources had curtailed the implementation of the dynamic programme of activities set out in Council resolution 1030 A (XXXVII). The Centre's current activities can be grouped into three basic areas: industrial development policies and programmes; industrial technology; and the institutional framework for industrialization. The Commissioner reviewed the progress which had been made by the Centre in these areas during the past year, including the formulation of a programme of industrial evaluation, research into the promotion of export industries and industrial financing, the convening of international seminars about particular industries and on industrial research and development institutes and the organization of group training programmes in specific industries. Particular attention has been devoted by the Centre to the promotion and implementation of technical assistance in the field of industry.

21. This work of the Centre is carried out by such means as (a) research and studies, (b) technical meetings, (c) technical assistance and field work and (d) the specific co-ordination functions entrusted to the Centre. These instruments of action are interdependent and closely related to the Centre's basic areas of work. Increased staff are needed to expand all these activities. This is particularly so in the case of the technical assistance programme, which has increased in size during the past year, but amounts to only about 1 to 2 per cent of total technical assistance provided by the United Nations family of organizations. Because of lack of resources, the Centre has been unable to discharge effectively its role as the co-ordinating point for the United Nations system in the field of industrial development. However, the organization of the industrial development symposia has increased the close co-operation with the regional economic commissions.

22. The problem for the Centre now is to achieve the longer term objectives which were set out by the Committee under its dynamic programme. To this effect it is imperative to assure a considerable expansion of the Centre's resources. The statement made by the Commissioner for Industrial Development is reproduced in annex V of this report.

23. In the course of the ensuing debate, statements were made by members of the Committee on a wide range of problems, including the expansion of United Nations technical assistance in the field of industry, industrial development and foreign trade, policies and programmes for industrialization, training and management and the strengthening of the United Nations programme in industrial development. These problems were discussed in greater detail at the meetings of the two sessional working groups subsequently established by the Committee. In addition, a number of representatives described the progress which their own countries had achieved and the lessons which might be derived from their experiences in industrial development.

24. The Committee confirmed that industrialization has a major role to play in the economic development of developing countries. Many representatives praised the work of the Centre during the past year and expressed their regret that a lack of resources and staff had hampered its further expansion. There was general agreement that the Centre should be strengthened, and a number of delegations supported the proposal made by one representative emphasizing the possibility that voluntary contributions could supplement the regular budget of the Centre. The announcement of such a donation by one member of the Committee was widely welcomed. Another delegation considered that during the review of the role of the Economic and Social Council it should be recognized that the industrialization of the developing countries was one of the Council's most important economic activities; and that, in this connexion, for the purposes of this activity, greater resources must be made available within the framework of the budget by eliminating from the work programmes of the Council various projects of secondary importance. The same delegation stated further that the developing countries must stress the national character of their industrial development, and that this would contribute to a new international division of labour and the elimination of inequitable conditions in world trade.

25. Members of the Committee expressed their appreciation of the research work done by the Centre. Some of them, however, found that there had been certain shortcomings, and recommended that the Centre should be equipped with sufficient

resources for the discharge of its many tasks. It was pointed out by some representatives that the wide differences in the levels of industrialization of the developing countries necessitated a broad programme of work for the Centre, including a relationship of technical, socio-economic and institutional aspects of industrialization. One representative considered that the multiplicity and complexity of the problems in industrial development necessitated the determination of which studies would be of most value to the developing countries and whether, and to what extent, the Centre's past work had been used in their industrial development planning and programming. In the course of the general debate, other representatives agreed that greater selectivity was necessary in choosing the areas to be studied by the Centre. To this end, one representative considered that the Committee should give precise guidelines for the work of the Centre. It was further suggested by some representatives that the Centre should compile world industrial surveys.

26. Some representatives considered that the Centre should concentrate on the promotion and study of the machine-building and heavy industries, in accordance with the specific circumstances of individual developing countries, as their establishment facilitated the development of other industrial sectors. These representatives held that it does not follow from this that the development of light industries should be neglected, where appropriate and favourable conditions exist. Others held that the industries producing consumer goods must represent the initial step in the process of industrialization and that many sectors of the consumer-goods industry were highly labour-intensive. Several delegations said that balanced growth was necessary both between capital and consumption industries and between agriculture and industry as a whole. It was also suggested that the Centre's research should be "action-oriented" and tailored to the specific needs of individual developing countries. Suggestions were made by a number of representatives for areas for future study by the Centre, including the structure of industrial development, long-term industrial planning, the choice of production techniques for developing countries, the production of manufactures and intermediate manufactures, ways of financing industrialization and the areas in which labour-intensive industries could be made as productive as the highly mechanized processes. One delegation considered that a manual on input coefficients representing alternative methods of production in various industries would be of great service to many practical planners in developing countries. Most of the speakers praised and emphasized the importance of the work done by the Centre in training and management, particularly the group training programmes, and the effectiveness of assistance which had been given in the field of small-scale industry. It was suggested that closer ties between the development institutions in the industrialized countries and the Centre may be useful. Several delegations drew attention to the importance of planning and the role of the State sector. Some of these delegations stated that the basis of planning in many countries is State ownership of the means of production, and the effectiveness of planning depended on the extent to which the State is able to play a key role in plan implementation, as well as on the quality of the plan.

27. During the discussion, a general consensus emerged in favour of the organization of inter-regional seminars by the Centre, which however must prepare them with very special care. It was felt that the Inter-regional Conference on the Development of Petro-Chemical Industries in Developing Countries, held in 1964 at Teheran, had been particularly useful and its documents and report had received wide publicity (see E/C.5/78). Several speakers also supported the inter-regional

seminar on project evaluation, planned for 1965. It was pointed out by one representative that the developing countries are not always able to send participants to all seminars and that documents should, therefore, be made available to non-participating countries.

28. The question of regional and sub-regional industrial integration and co-operation was discussed by several representatives, who reviewed the achievements in Latin America and Africa in this regard. Integration was regarded by those representatives as essential for countries wishing to industrialize but whose markets were small and resources scarce. One delegation considered that integration was the heart of the industrial problem in many areas and that consequently the Centre should, within the resources available, provide technological and research support to promote more rapid integration. Other delegations stressed the importance of national development plans and the maximum use of those countries' own resources, as well as economic co-operation with other countries on a basis of respect for national sovereignty, mutual economic advantages and equality of rights.

29. Several representatives noted that the recent United Nations Conference on Trade and Development had served to further emphasize the importance of industrialization as a means of expanding the exports of developing countries through diversification of their economies. To this end, the importance of the study of the promotion of export industries was stressed, along with the desirability of effective liaison and co-ordination between the Centre on the one hand, and the Secretariat and the Committee on Manufactures of the Conference on the other.

30. The need for increased co-ordination between the Centre and the specialized agencies, regional economic commissions and other sections of the Secretariat, including the Bureau of Social Affairs was mentioned by a number of representatives. One representative suggested that the Committee should give specific guidelines to the Centre as a co-ordinating agent for the activities in the field of industry of the United Nations family. Others noted with satisfaction the co-operation between the Centre and the regional economic commissions in the preparations for the regional symposia on industrial development and hoped that this co-operation would be fostered.

31. There was general support in the Committee for the preparations being made for the symposia on industrial development. Several representatives suggested topics for discussion at the symposia, including the pattern of industrial development, the role of the public sector, foreign trade in manufactures, industrial planning, the financing of industrialization, and emphasized the importance of sectoral studies. It was announced by one representative that a conference on industrial development in the Middle East would be held in Kuwait in March 1966. It was suggested that after the regional symposia the holding of an international symposium, in which the industrial countries would participate, would facilitate the assessment of the needs of the developing countries and the undertaking of concerted national and international action to accelerate industrial development. It was further suggested that the results of the regional symposia should be reviewed before a decision was made to proceed to a global one.

32. The majority of delegations reaffirmed their support for the proposal to establish a specialized agency for industrial development. It was suggested by one representative that the shortage of funds for the work of the Centre from the

United Nations regular budget emphasized the need for such an agency. It was also mentioned that the latter's establishment would provide a firmer institutional basis for the work of the United Nations in the field of industrial development. Other delegations, however, reiterated their opinion that such an organizational change was inadvisable. It was pointed out that the question is now before the General Assembly and until such time as it is settled, the Centre should be strengthened to deal with immediate tasks so as to be able to implement existing and proposed projects. One delegation suggested that the effectiveness of United Nations activities in the field of industry might be improved, within existing overall budgets, if the financial resources and staff employed by specialized agencies in activities relating to industrialization could be transferred to the Centre.

33. The Committee agreed that United Nations technical assistance in the field of industry should be substantially increased. One representative considered that the resources of the regular programme and the Expanded Programme of Technical Assistance had no appreciable effect on the industrial development of the countries concerned, and that the Special Fund could do much more to promote industrialization. A number of speakers suggested that a major contribution to this end would be the provision of assistance to countries in the identification of their industrial needs and in the formulation of requests to the United Nations technical assistance programmes and the Special Fund. The representative of the Special Fund emphasized the need for more project requests directly related to the early establishment of specific industries, including projects to assist in constructing industrial pilot plants, in establishing industrial estates, in organizing industrial development advisory centres, and in carrying out industrial feasibility studies and surveys. To help meet this problem, one representative proposed the assignment of export industrial advisers to the regional economic commissions and the offices of the resident representatives. Another delegation recommended that, as a means of improving technical assistance in specialized fields, greater attention should be paid to employing the services of enterprises specializing in technical assistance and industrial engineering. A number of other representatives supported a Special Fund proposal, namely, that joint missions from the Centre and the appropriate specialized agency should be sent to individual countries to assist Governments by surveying the industrial needs, to assess the priorities for assistance to industrial projects, and to help with the formulation of specific requests. Some delegations suggested that the role of the Special Fund should be enlarged to enable it to provide assistance for direct capital investment in establishing industrial concerns, particularly pilot and demonstration plants. One of these delegations also stated that in accordance with the United Nations Charter, foreign assistance should not be subject to any economic, political or military demands.

34. It was suggested by one representative that the Committee might better be able to fulfil its role of providing expert advice to the Centre if, in the future, the session could be shortened, in particular, by reducing the length of the general debate. This view was supported by another representative who contended that a shorter meeting would make possible the attendance of experts whose skills could best be utilized in the working groups of the Committee.

35. The Committee also heard statements by the Executive Chairman of the Technical Assistance Board and by the Executive Vice-President of the International Finance Corporation, the texts of which will be found in documents E/C.5/L.54 and E/C.5/L.55, respectively.

Activities of the regional economic commissions
in the field of industrialization

36. The Committee had before it four reports on the activities of the United Nations regional economic commissions in the field of industry (E/C.5/95, E/C.5/96, E/C.5/97 and E/CN.11/693). The heads of the industry divisions of the four commissions made statements supplementing the information contained in these reports. All four speakers outlined the preparations being undertaken in these particular areas for the regional and international symposia on industrialization, and emphasized the importance of the increasing co-ordination of work between the Centre and the regional economic commissions.
37. The representative of the Economic Commission for Asia and the Far East (ECAFE) outlined the work of the Committee on Industry and Natural Resources which, as a committee of the whole, is able to take advantage of the industrial experience of the members of the Commission. The "traditional" pattern of work has included the study of and assistance to countries of the region in the preparation and implementation of integrated industrialization policies, procedures and programmes, and the organization of industrial feasibility studies, the dissemination of industrial technology through meetings, seminars and publications, and assistance to countries in the field of training and management. Recent new activities include the initiation of a system of regional advisers on specific industrial problems. A Regional Industries Promotion and Planning Centre had been recently established to study and advise on the implementation and possible co-ordination of industrial development plans and industrial promotion talks had been instituted to provide an exchange of views among countries and the explorations of the possibilities of joint ventures.
38. The ECAFE had enthusiastically supported the holding of the industrial symposia and had approved an agenda for the regional meeting to be held in December 1965. The countries of the region are actively participating in the preparation of the documentation.
39. The representative of the Economic Commission for Africa (ECA) observed that because of the small markets afforded by most African countries, it was essential that industrial development be carried out through co-operation among the Governments of the region. The work of the Industry Division of ECA was, therefore, concerned with the development of industry not only on a country but also on a sub-regional and regional basis. Sub-regional meetings would be held in east, west and central Africa within the next eight months, the object being to establish inter-governmental machinery for the co-ordination of the industrial development process.
40. These activities form part of the preparations for the regional symposium to be held in Cairo in January 1966, for which the countries of the region had also been invited to prepare country reports on their industrial development process. The agenda of the symposium will also include a general consideration of industrial development trends, the establishment of viable industrial projects, institutional facilities for industrial development and external assistance. The member countries of ECA were hopeful that the results of their meeting would be presented to the international symposium which would follow.

41. In the Economic Commission for Latin America (ECLA), activities in the field of industry had been increasingly directed toward the dominant consideration of regional economic integration. The representative of ECLA outlined the work to be carried out under the Joint ECLA/Institute/IDB Programme for the Integration of Industrial Development established in June 1964. At its eleventh session (6-17 May 1965), ECLA instructed its secretariat to prepare concrete suggestions for integration before December of this year. The proposals will include plans for industrial integration on a sector-by-sector basis which, because of the differences in levels of economic development of member countries, would include investment and technical assistance programmes for the development of the industries. Other studies would be carried out on industrial institutions and details were given of the projects outlined in document E/C.5/95.

42. The background research involved in these programmes would also act as preparation for the ECLA regional symposium to be held in early 1966, which was supported in a resolution passed at the recent meeting of the Commission. 2/

43. The representative from the Economic Commission for Europe (ECE) expressed his appreciation for the opportunity of attending the meeting of the Committee and hoped it would become a regular arrangement. This opportunity for discussion with the Centre's staff and representatives of the other regional economic commissions had greatly furthered co-ordination within the United Nations family. Since ECE was composed of many highly industrial countries with different political and social systems, its experience in industrialization could be very beneficial to developing countries, particularly in regard to regional co-operation and industrial technology. Research carried out by ECE on the economics and technology of steel production was described in detail as an example of ECE work.

44. At its twentieth session in May 1965, the Commission adopted a resolution requesting the Executive Secretary to assist and co-operate with the Centre and the other regional economic commissions, as requested, in the preparations for their regional symposia. 3/ In this regard, joint CID/ECE groups of experts had been established to prepare studies of several sectors on a global basis.

2/ See Official Records of the Economic and Social Council, Thirty-ninth Session Supplement No. 4, resolution 250 (XI).

3/ Ibid., Supplement No. 3.

III. ACTIVITIES OF THE CENTRE FOR INDUSTRIAL DEVELOPMENT AND CONSIDERATIONS RELATING TO ITS PROGRAMME OF WORK

A. Industrialization policies, including policies for the promotion of export-oriented industries

45. The Committee had before it a general review of the activities of the Centre for Industrial Development (E/C.5/73), a note on the Centre's work programme in the field of industrial policies, including policies for the promotion of export-oriented industries (E/C.5/74), a note reviewing the activities in financing of industrial development (E/C.5/69), three reports reviewing the activities of the regional economic commissions related to industrialization (E/C.5/95, E/C.5/96, E/C.5/97, a note on problems and issues of industrial development (E/C.5/75), and a background paper on the patterns of industrial development in developing countries.

46. In introducing these documents, the representative of the Secretariat explained that, in devising its work programme in the field of industrialization policies, the Centre had taken into account the recommendations of the United Nations Conference on Trade and Development concerning the need for an intensification of work on the promotion of export industries. Since, however, the promotion of export industries was inseparable from the promotion of industry as a whole, the Centre was led to consider an integrated programme of industrialization policies. The general areas of investigation to be covered would include a wide range of policies and measures but, in view of the limitation of resources, the initial programme of work includes three projects relating to problems of industrial location and regional development, fiscal incentives for industrial development, and financing of industrial development (the latter two in co-operation with the Fiscal and Financial Branch), and three studies relating to the promotion of export industries.

47. The Committee expressed general satisfaction with the documentation and the work programme presented by the Centre in this field. Particular attention was given to the note on problems and issues of industrial development, which was generally considered to be, on the whole, an excellent general paper on the subject, although a number of delegates had reservations about certain passages. One representative particularly welcomed the emphasis on the social aspect of industrialization, stating that investment in housing, health services, education and other social overheads was a prerequisite for industrial development. Another representative was gratified that the document indicated the pitfalls to be avoided by developing countries when choosing between alternative solutions, such as neglect of traditional industry and concentration of import-substitution on consumer goods. Some representatives objected to the paper's interpretation of recent developments in plan formulation and implementation in centrally planned economies. In reply, the Secretariat representative stated that the Centre intended to revise the note, taking into account the various comments made by the members of the Committee. The revised note would then be submitted to some experts for discussion and further revision and to the regional and international symposia on industrial development.

48. Many representatives emphasized the usefulness of the proposed study on the use of fiscal incentives as an instrument for promoting industrial development in the private sector. Delegates of some developing countries stated that such incentives had played a role in promoting industrial investments, but emphasized the need for a continuous adaptation of fiscal incentive policies to the changing needs of the rapidly growing industrial sector. Several delegates stressed the need also to take into account the costs of tax incentives, especially in terms of the erosion of the tax base. One representative suggested that fiscal measures should aim not only at promoting desirable projects but also at discouraging undesirable ones. Moreover, the limitations of such policies as instruments of planned development should also be recognized. His delegation was convinced that direct control measures, such as licencing, were also required to ensure that decisions in the private sector would conform to an over-all plan. Another representative suggested that the Centre's study on fiscal incentives should take into account the point of view of investors.

49. Recognizing that one of the crucial problems Governments face in working out a strategy of industrial development is the spatial distribution of industrial activities, the members of the Committee widely supported the proposal to organize a seminar on location of industry and regional development. It was suggested that the best method by which the Centre could help the developing countries in solving important problems of industrial location and regional economic policies would be to study the experience of selected countries. In this connexion, one representative stated his Government's readiness to provide information on the regional programmes that had been successfully implemented in his country.

50. Referring to the activities of the Secretariat in the field of industrial financing, some delegates expressed the view that it had done useful work in revising the country studies dealing with export credits and welcomed its intention to issue a report in printed form. One representative stated that his delegation looked forward to the consideration of the problem of export credits in the study of suppliers' credits and credit insurance now being undertaken by the International Bank for Reconstruction and Development at the request of the United Nations Conference on Trade and Development (recommendation A.IV.13). ^{4/} Referring in general to the work programme of the Secretariat in the field of industrial financing, he recognized its importance, but emphasized that it should be co-ordinated with the research activities carried out by other multilateral institutions and by the appropriate agencies of the various bilateral donors. In handling the problems of financing industrial development, the Bank, for example, had acquired extensive knowledge, experience, and competence which it made available to member countries. Another representative observed that the conditions set by the international finance agencies for the granting of loans often involved the developing countries in irksome delays. Moreover, the deterioration in the developing countries' balance of payments caused by the decline in the prices of their commodity exports made it even harder for them to service their external debts. The loans they receive must therefore be large enough to enable them to service those debts, and also to invest in industrial development projects. These were matters to which the Centre should give careful attention.

^{4/} See Proceedings of the United Nations Conference on Trade and Development, Vol. I, Final Act and Report (United Nations publication, Sales No.: 64.II.B.11).

51. The Committee fully endorsed the Centre's intention of concentrating on the promotion of export industries, while recognizing that the promotion of export industries was inseparable from the promotion of industry as a whole. One representative suggested that the Centre's general study on export industries should be rather specific in defining "export industries in developing countries", in view of the widely different circumstances of the developing countries.

52. Several representatives, referring in particular to recommendation A.III.7 of the United Nations Conference on Trade and Development, 5/ emphasized the importance of concluding long-term agreements between developed and developing countries for the promotion of the latter's export sectors, as this would not only help in stabilizing markets but would also help the developing countries in their long-term planning of the optimal producing capacity of the export sector. Several representatives pointed out that, in addition to agreements between countries, agreements between developing countries and certain firms in industrialized countries, might be arranged. Those firms which might also engage sub-contractors in the developing countries, could provide invaluable training for local workers and help to meet high quality standards required for export. One representative, while endorsing such direct co-operation between the developing countries and industries of developed countries, pointed out that experience along those lines had not been very satisfactory because the firms in question were too often interested in assuring themselves of a market for their product, whereas the developing countries needed to find markets for their own products, including export markets.

53. Many representatives stated that they strongly supported the concept of regional co-operation between developing countries as one form of international action in the field of industrial development. One representative proposed that the Centre might make a study of such arrangements between developing countries in order to provide information to other countries interested in the question.

54. It was generally agreed that Governments of developing countries, whatever their economic system, were called upon to play a crucial role in promoting industrial development. Some representatives expressed the view that the Centre is devoting insufficient attention to the study of the role of the state sector in economic development. They emphasized that the state sector should be considered as a pre-eminent influence on development instead of a kind of appendage to the private sector. They proposed that the Centre should include in its programme of work a project for the study, pooling and distribution of information on the experience gathered in that regard. In reply, the representative of the Secretariat stated that the studies undertaken by the Centre were taking into account as fully as possible experience under various economic and social systems, and were not prejudging the question of the appropriate relation between the public and private sectors. The Centre intended to make a special study of the public sector when enlarged resources became available. The views expressed in the Committee would certainly be taken into account in preparing such a study.

55. During the discussion of that question by Working Group I, the representative of Chile introduced a draft resolution (E/C.5/L.51) which was subsequently revised (E/C.5/L.51/Rev.1) under the co-sponsorship of the representatives of Algeria, Argentina, Brazil, Central African Republic, Chile, Ecuador, France, Gabon, Iraq, Kuwait, Morocco, Mexico, Pakistan, Peru and Turkey.

5/ Ibid.

56. In the course of the discussion of this draft resolution, the following revisions were accepted by the co-sponsors on the basis of proposals made by a number of delegations:

(a) The third preambular paragraph was revised on the basis of proposals by the representative of the United Kingdom, by the addition of the words "and recommendation A.IV.10, and in particular paragraph 1," following the words "Conference on Trade and Development";

(b) Paragraphs (a) and (b) were revised to read as follows:

"(a) Promotion of integrated and co-ordinated industrial development on the sub-regional and regional levels;

"(b) Study and promotion of the complementarity of sub-regional and regional industries;"

(c) On the basis of proposals made by the representative of the Soviet Union, operative paragraph 2 was revised to read as follows:

"2. Further requests that, in the rendering of technical assistance in the industrial field, the United Nations agencies should be guided by the decisions and recommendations of United Nations economic bodies on industrial development and that adequate co-ordination should be sought with the other United Nations agencies and international economic and financial assistance organs that act in the areas in question."

57. The draft resolution (E/C.5/L.51/Rev.1), as revised during the discussion, was adopted by 27 votes to none, with 1 abstention. The text of the resolution adopted by the Committee at its 46th meeting, on 28 May 1965, reads as follows:

1 (V). Activities of the Centre for Industrial Development and considerations relating to its programme of work

The Committee for Industrial Development,

Recommends to the Economic and Social Council the adoption of the following draft resolution:

For the text of the draft resolution, see Chapter VII below, draft resolution I.

B. Industrial planning and programming

58. The Committee had before it the report of the interregional seminar on the role of industrial complexes in economic development, which was held in Tashkent (the Uzbek SSR) from 22 September to 5 October 1964 (E/C.5/67), a summary review of the activities of the Centre for Industrial Development in the field of industrial planning and programming (E/C.5/73, paras. 31-49), an outline of the

study of manufacturing establishments, undertaken as part of the broader research project on parameter patterns for industrial development (E/C.5/76), and a note on the programme of work on industrial project evaluation (E/C.5/77).

59. The Committee expressed general satisfaction with the work done by the Centre in the field of industrial programming and considered that the documents, prepared by the Centre were, on the whole, of high quality and useful to developing countries in the task of programming and planning industrial development. The Committee noted with satisfaction the results of the interregional seminar on the role of industrial complexes in economic development. One representative expressed his disagreement with the statement in the report which declared that the establishment of industrial complexes required detailed central planning, irrespective of whether they were to be implemented in the public or private sectors of the economy (E/C.5/67, para. 22). In his opinion, the co-ordination of decentralized activities combined with incentives would be equally effective in establishing industrial complexes.

60. The parameter pattern project comprises two groups of studies: one represents an extended version of studies on specific industries which had been carried out by the Centre under its 1964 work programme, with emphasis on comparative evaluation of actual production conditions to be obtained from manufacturing establishments in various countries; the other relates to the input structure of industries, particularly as envisaged in the context of inter-industry analysis.

61. Many delegations expressed their appreciation of the Secretariat's efforts in taking the initiative to further its exploration of programming data. They supported continuation of the work in this direction. Some delegations referred to the practices followed in their own countries to emphasize the importance of techno-economic parameters as a tool of planning and programming.

62. One delegation indicated that the type of information sought in the study of manufacturing establishments would be very difficult to obtain even from the statistical resources of a highly developed economy. The problem might be even greater in developing countries and, consequently, the usefulness of the results might be highly questionable. Another delegation did not agree with this approach to governmental statistical apparatus and expressed the view that statistical data obtained through governmental machinery were reliable and met the requirements of economic planning. The Secretariat noted the possibility of overcoming such difficulty by having special study teams organized in individual countries considered for the purpose of data collection. It was also pointed out that effort had been made to design the study as realistically as possible in light of the experience gained from the pilot study currently undertaken in Yugoslavia.

63. One delegation stated that, while the studies concerning parameter patterns would provide useful background material for planning and programming, the Centre should also devise means of rendering direct assistance to Governments, when requested, and thus ensure proper use of such material and its continued improvement.

64. The Committee recognized that the formulation and evaluation of industrial projects is of strategic importance in industrial programming and development. The Committee considered that the proposed interregional symposium on industrial

project evaluation to be held in Prague in October 1965 represented a valuable beginning in the Centre's work in this important field of activity. The Committee deemed it essential that this symposium be followed by regional and national workshops on industrial project evaluation and by substantial technical assistance in this field.

65. Some delegations stressed the importance of the qualitative aspects of industrial programming and planning for national development of the economy. This requires a careful elaboration of the strategy for industrial development with a view to defining specific goals and selecting economic and administrative tools for their implementation, taking into account the specific conditions prevailing in a developing country. A comparative analysis based on the studies in depth of strategies for industrial development in individual countries would be useful to improve the qualitative aspects of planning in developing countries. Such an analysis should concentrate on the identification of strategic variables in given conditions and their interdependence and point out the means of attaining specified long-term goals.

66. Some delegations drew attention to the existence of various forms of enterprises in the industrial sector of developing countries, including different types of private enterprise, different categories of public enterprise, and many kinds of mixed enterprise. Studies on forms and structure of operation of industrial enterprises, interrelationship among them and their relationship to industrial programming and planning would greatly assist developing countries in streamlining the institutional framework of industrial development and thereby accelerate industrial development. It was suggested that the Centre should attach high priority in its work programme to such studies, drawing upon the experience of countries with different economic systems and at different stages of economic development.

67. Several delegations pointed out that the problem of skilled personnel and choice of techniques was an important factor in accelerating industrial development in nearly all developing countries and expressed the desirability of studying the patterns of skill requirement as well as the capital-labour complementarity in manufacturing industries.

C. Industrial technology

68. The Committee considered: (a) the reports of the conferences or seminars on petrochemical industries (E/C.5/78), food canning (E/C.5/79) and cement industry (E/C.5/80); (b) paragraphs 50 to 94 of the report of the activities of the Centre (E/C.5/73) and the notes on the activities respectively in the fields of engineering industries (E/C.5/81), iron and steel industry (E/C.5/82), chemical industries (E/C.5/83) and standardization (E/C.5/84); (c) a study on the current situation of the machine-tool industry (E/C.5/85) and a study on the problems of maintenance and repair of machine tools (E/C.5/68). In addition to these reports, five background documents were made available to the Committee on the adaptation of technology to scale of production in chemical process industries for developing countries, the use of second-hand equipment in developing countries, a manual on fertilizer industries, a report on the iron and steel industry and production of petrochemicals.

69. In presenting these documents, the representative of the Secretariat drew the attention of the Committee to the meagre personnel resources available to the Centre to perform functions which varied in range, depth and specialization. The Centre's work in the field of transfer and adaptation of industrial technology continued to be carried out through research, inter-governmental seminars and conferences, operational activities and co-ordination with regional economic commissions and other offices of the Department of Economic and Social Affairs, with specialized agencies and governmental and non-governmental organizations in States Members of the United Nations.

70. He further elaborated that industrial technology was not a single homogeneous item but was rather closely related to specific branches of industry each of which represented, in turn, a large field with its own technology or alternative technologies, its particular problems and special requirements. In view of this specific nature of industrial technology, he described the work being done in the wide areas of chemical, engineering, metallurgical, textile and food-processing industries, and the industry-wide problems of standardization, role of patents, and application of science and technology. While it had been possible to cover a few industries such as the chemical industry in depth, the lack of sufficient personnel had prevented adequate attention from being paid to other industries such as non-ferrous metals, textiles or building materials and construction. With more resources, it was hoped to increase the range of industries to be studied and explore them intensively.

71. The Committee complimented the Secretariat on the broad range of its work which demonstrated its awareness of the diversity and complexity of the task involved in the transfer and adaptation of industrial technology. It noted with appreciation the large volume and the high quality of work which the Centre had performed in this field in spite of its limited resources.

72. The Committee regretted that some industries had not been covered adequately, and fully endorsed the need to increase the Centre's resources to enable it to extend its work in this area of practical significance. Some delegations saw the need to establish a set of priorities and to study each branch of industry not only in terms of general technology but of the requirements of individual countries.

73. While endorsing the Secretariat's work projects on the preparation of industry manuals, several delegations agreed with the Secretariat's observations that the plans for the machine-tool industry manual outlined in paragraph 72 of document E/C.5/73 were too broadly based, and favoured continuation on narrower lines of investigation. The industry profiles were more easily and usefully compiled in industries which had a single or a few homogeneous products and three or four alternative but definite processes, as in the steel or fertilizer industries. In such cases, it was possible to provide the capital and cost of production data necessary for reference by planners in the developing countries.

74. The Committee noted with approval the business-like and practical arrangements made by the Centre to share some of its studies on industrial technology with the Economic Commission for Europe.

75. The Committee also heard the divergent views on the role of second-hand machinery outlined in paragraph 77 of document E/C.5/73. One delegation announced that its Government had set up a special inquiry into the availability and usefulness

of second-hand equipment, and the results would be communicated to the Centre. However, another delegation stated that, in its opinion, in the research work carried out in the area of industrialization, the Centre should be guided by the need for supplying new modern equipment to the developing countries. The Committee noted with approval that the Centre had approached the subject with due consideration of the different points of view. The conclusions of their final study are expected to be useful particularly to the developing countries.

76. The Committee fully agreed with the importance attached to industrial standards by the Secretariat, and expressed the opinion that the work in this area needed further expansion, particularly in the direction of application of individual industry standards, and the modifications required to suit the conditions of the developing countries.

77. The Committee found the seminars and symposia to be useful instruments of transfer of industrial technology to developing countries. In noting the results of the three seminars on petrochemicals, food canning and cement industries, it saw the need for a gradual expansion of such meetings to cover other industries. The Committee also felt that the material presented to these seminars should be published so that the results reach not only the technicians attending these seminars, but a wider audience of research institutes, industry and engineering associations, and government and academic bodies concerned with problems of industrial technology and industry management in developing countries. The Centre, with expanded resources, should now give attention to the problem of penetration in depth, by considering other instruments to disseminate technological information, such as the publication of the results of the Centre's research and seminars in professional or technical journals which are generally read, the strengthening of the links between the Centre and national industrial institutes, and broadening its contacts with national experts and scientists.

D. Institutions for industrial development

78. The Committee considered the report of the Inter-regional Seminar on Industrial Research and Development Institutes in Developing Countries (E/C.5/66), a review of the activities of the Centre for Industrial Development (E/C.5/73), as well as notes by the Secretariat entitled "Organization and administration of public and semi-public agencies in the field of industrial development" (E/C.5/86), and "Management problems of industrial research and development institutes in developing countries" (E/C.5/87).

79. Introducing the item, the representative of the Secretariat referred to the guidelines contained in Economic and Social Council resolution 1030 A (XXXVII) which recognized the complex nature of the industrialization process characterized by the interaction of a variety of factors among which is the institutional framework.

80. The Committee took note of the work of the Centre in the areas of industrial research, industrial extension services, and public and quasi-public agencies in the field of industrial development. Reference was made to the importance of institutional industrial research and the advantages offered by team-work of various specialists in solving industrial problems.

81. The Committee agreed that industrial research was of fundamental significance in laying the foundation of a sound industrial base and that investment in industrial research was, in fact, equivalent to investment in industry and must be closely related to national industrial development objectives. One delegation expressed the view that funds spent on research should be in proper proportion to available resources for industrial development in general.

82. The Committee expressed its support of the actions taken in connexion with the Inter-regional Seminar on Industrial Research and Development Institutes in Developing Countries which was held in Beirut in 1964. It also endorsed the steps initiated by the Centre to implement the conclusions and recommendations contained in the report of that seminar.

83. The study on management of industrial research institutes was noted with satisfaction. The need was stressed for a manual on managerial practices for industrial research institutes, which will aid in the training of managers of such institutes as well as in improving existing managerial practice.

84. It was suggested that developing countries contemplating the establishment of industrial research institutes should study carefully such proposals taking into consideration a broad spectrum of factors. These include, inter alia, elements of the physical environment, socio-economic conditions, the existing level of technology, the stage of industrial development, the manpower situation, financial requirements and resources, etc. The Committee considered that the studies undertaken by the Centre could be of assistance to developing countries.

85. Some delegations pointed out that industrial research institutes should not confine their activities to technological research alone but should combine it with relevant socio-economic studies. They should also help with problems of planning and formulation of national policies.

86. The Committee agreed that research institutes should offer a number of industrial extension services which would enable industry to utilize the results of industrial research as well as possible information available inside the country or imported from abroad and adapted to local needs. The institutes would also thereby gain a better understanding of the problems involved.

87. The Committee noted that the Centre was extending substantive assistance to several countries in the operation of industrial research institutes. The Centre was urged to expand its activities in assisting the developing countries in improvement of existing research facilities or the establishment of new research departments, institutes or similar organizations. Some delegations expressed their willingness to co-operate with the Centre in obtaining experts for the institutes in developing countries.

88. One delegation expressed the view that under certain conditions, regional research establishments might be a suitable alternative to national facilities. In other circumstances, where neither a full-fledged national institute nor a regional one was in existence, a nucleus of a national one could be started in the form of an information unit.

89. The Committee was in general agreement with the Centre's activities in the area of industrial extension services and urged the Centre to enlarge its

programmes in promoting the establishment of industrial extension services in developing countries. On the question of dissemination of industrial information among industrial research institutes and similar organizations in different parts of the world, the Committee noted that the Centre had sent out questionnaires to many industrial research institutes throughout the world to ascertain the appropriate system and procedure for facilitating such exchange. The preliminary results showed that the institutes were generally in favour of receiving and contributing information on various aspects of industrial research; the setting up of a central clearing-house at the Centre for Industrial Development to collect, analyse and disseminate industrial research information; and the publication of a periodical news-letter by the clearing-house on matters connected with institutional industrial research. The Committee expressed its approval and support of the survey which the Centre had undertaken in this regard and urged early implementation of the necessary measures.

90. Regarding the problem of a suitable institutional framework for industrial development, there was general agreement that the Government had an important role to play in this field and, as one delegation pointed out, the State must play this role, at least at the early stages, as a matter of reality and not of ideology. Some delegations pointed out that non-governmental institutions can also exert a salutary influence on the industrialization process and should also be taken into consideration for future action as proposed by the Centre. In pursuing this aspect of its work, the Centre was urged to draw on the experiences of both the developed and developing countries and the work of the United Nations family.

91. The Committee endorsed the Centre's plans to study the organizational functioning of agencies and departments engaged in industrial development in developing countries and to convene workshops in order that specific proposals can be made for the improvement of existing agencies, to provide better co-ordination and to establish new agencies when and where necessary.

E. Industrial training and management

92. The Committee had before it paragraphs 133-148 of the report of the activities of the Centre (E/C.5/73) and a note by the Secretariat which reviewed the activities of the Centre in the field of industrial training and management (E/C.5/88). In addition, the Committee had various background papers - two notes on managerial and technical personnel requirements in industry and two case studies in regard to industrial training.

93. The Committee took note of the Secretary-General's report on the training of national technical personnel for accelerated industrialization of developing countries pursuant to General Assembly resolution 1824 (XVII) (E/3901 and Add.1 and 2). ^{6/} Many of the delegations expressed the opinion that it is a very important document and will serve as a useful reference for those concerned with developing training programmes and facilities. The Committee attached great importance to the recommendations of the report. The opinion was expressed that the Centre, in co-operation with the specialized agencies, should take steps, whenever possible, to help implement these recommendations. In this connexion, one delegation suggested that in planning training programmes all levels of personnel working in industry should be taken into consideration.

6/ Official Records of the Economic and Social Council, Thirty-seventh Session, Annexes, agenda item 12.

94. The Committee noted the research undertaken on problems of estimating the requirements of specific industrial sectors in terms of managerial and technical personnel and staffing patterns best suited for them.
95. The Committee welcomed the organization of in-plant group training programmes with the co-operation of various developed countries. Several delegations emphasized that this was an excellent training method and suggested that these programmes should be expanded in view of the low cost per trainee.
96. Several representatives stated that they will encourage their Governments to organize in-plant group training programmes in their countries in addition to those planned by the Centre. One representative suggested that in addition to interregional programmes, the Centre should help the developing countries in formulating their own in-plant training programmes with the assistance of the Special Fund.
97. It was emphasized that in-plant training should not be considered the only way to train the technical and managerial personnel and that other possibilities should be explored. One delegation suggested that in addition to the group training programmes composed of larger numbers, smaller sized groups should be encouraged to facilitate their placement within existing training schemes. Several delegations recommended that national institutes in the developed countries, regional economic commissions and chambers of industries, should be asked to contribute their experience; and that the experience of industrial companies, public or private, both in developed and developing countries should be studied. One delegation mentioned that in formulating training programmes, wherever appropriate, due consideration should be given to the present programmes of some national institutes in developed countries.
98. The Committee took note of the progress of work regarding the formulation of a training programme in industrial development, including the special course in industrial programming for African government officials that was held in Cairo and the Inter-regional Working Party of Training of Economic Administrators to be held in Paris. One delegation made special reference to the importance of the special course held in Cairo and the suggestion was made that the results obtained should be evaluated by the Centre and made known to the developing countries. The need to initiate similar industrial development courses on a sub-regional basis was also stressed.
99. The Committee endorsed the need for further development of advanced management practices in industries. It felt that there was scope for more research and exchange of information on the best methods to be used for the development of suitable techniques and systems for specific industries in developing countries, particularly in certain of the specialized functions or tools of management, such as production planning and control, management accounting and inventory control, quality control, marketing, etc.
100. One delegation, in noting with considerable satisfaction the attention which the Centre is directing to adequate managerial resources and skills, mentioned that the effective utilization of the various skills to be developed in the scientific and technological categories depends on effective leadership and adequate management and administrative skills.

101. The work being undertaken by many organizations in both the developed and developing countries in advanced management techniques, associated training and information dissemination was noted by the Committee. A number of delegations supported the proposal of the Centre to undertake research into the role being played by many of these organizations in assisting developing countries, in particular, the productivity councils, management associations and institutes and the various professional societies or associations. In this connexion, the need for more accountants was referred to by one representative who expressed the opinion that the Centre should concentrate on the training of industrial accountants and possibly the establishment of special institutes for this purpose.

102. Another delegation referred to the successful establishment of an advanced management training programme in a developing country, with the assistance of a University in a developed country in which personnel from neighbouring countries have also been trained. It was suggested that the Centre might explore the possibility of the further extension of this type of programme in other developing countries.

F. Small-scale industries

103. The Committee had before it the report of the United Nations seminar on industrial estates in the region of the Economic Commission for Africa (E/C.5/70), held in Addis Ababa in December 1964; a note prepared by the Secretariat reviewing the activities of the Centre for Industrial Development in the field of small-scale industries with special reference to technical assistance operations and research (E/C.5/89), and a comparative analysis of international experience on industrial estates (E/C.5/90), prepared by the Centre and based largely on the replies from Governments to a questionnaire sent by the Centre.

104. The Committee commended the Centre on its record of activities during the last year in the promotion of small-scale industries. In particular, the Committee noted with satisfaction that the Centre had considerably expanded its activities in the field of technical assistance and Special Fund operations in accordance with the Committee's recommendation in its report on its fourth session (E/3869, para. 46). The Committee endorsed the need for special measures of promotion and assistance for small-scale industries in order to offset or remedy the structural weaknesses or handicaps due to smallness of size and scale of operation. It noted that one principal group of measures was to provide small industry with certain of the external economies which would otherwise be lacking, in particular, by locating them in industrial estates, promoting co-operative and complementary arrangements among them and encouraging the establishment of sub-contracting arrangements between them and large industries. Another main group of measures was to set up assistance servicing and training institutions to provide small industries with sustained help in technology, engineering, finance, management, marketing and other areas. A third group included incentives and protective action by legislative and other similar measures.

105. While endorsing the general approach of the Centre in its technical service activities, some representatives expressed the view that the nature and type of technical assistance available from the Centre should be made better and more widely known among the developing countries. One representative suggested that the lessons of the development of small industries in countries which have acquired

experience in this field should be made known to developing countries which are comparatively new in this field. Another representative stressed the need for devising promotional and assistance measures to suit the special circumstances and conditions of each country as these vary substantially from country to country.

106. Several representatives expressed the view that the Centre should be equally concerned with the development of "traditional" industries such as handicrafts, artisan crafts and cottage industries as with the establishment of modern small-scale industries. In most developing countries, traditional industries constitute the majority of industrial establishments and it may be difficult to draw a clear distinction between traditional industries and modern industries. Modernization of traditional industries should be one of the important objectives of industrialization programmes in developing countries. Several delegates suggested that the Centre should have an active programme in this field. The representative of the Secretariat explained that, by an informal understanding between the Centre and the International Labour Organisation (ILO), the technical assistance programmes in the field of traditional industries had been recognized primarily as the responsibility of the ILO. However, the Centre would take careful note of the views expressed on this subject by the Committee and examine, in further consultation with the ILO, the best means of developing the technical assistance programmes for traditional industries.

107. One representative referred to the recommendation of the United Nations seminar on industrial estates in the region of the Economic Commission for Africa (E/C.5/70, paras. 33 and 34), regarding location of estates and expressed the view that it may not be a sound policy to limit the location to towns as recommended by the seminar. The main merit of the industrial estate was that it had certain built-in facilities, and therefore an estate, even if located outside towns, would provide proper facilities for industrial development. The representative of the Secretariat explained that this matter had been discussed at considerable length at the seminar and the main reason for this recommendation was that in African countries few areas outside the capital cities and towns had the basic facilities required for industrial development. The seminar, therefore, considered it advisable to locate the first series of estates in the towns which provided the basic facilities.

108. One representative expressed the view that the documents submitted by the Secretariat should reflect a more balanced view of the role of small-scale industries in developing countries. For example, document E/C.5/89 stresses only the positive aspects of small-scale industries. It was equally important for developing countries to know the limitations of small industries so that they would get a more balanced picture of the role of small industries in industrial development. Otherwise, the documents might create a misleading impression that small-scale industries offered the best solution to the basic problems of industrialization in developing countries.

109. The Committee expressed general satisfaction with the documents prepared by the Secretariat and endorsed the new research projects and seminars which had been planned by the Centre for 1965 and 1966 (E/C.5/89, paras. 21-25).

G. Social aspects of industrialization

110. Working Group I considered this item at its 33rd meeting. It had before it the note by the Secretariat (E/C.5/92), containing the conclusions of two major meetings held during 1964 that were of special relevance to the Committee's work in this field. The first meeting was an Inter-regional Seminar on the Social Aspects of Industrialization, held in Minsk, from 11 to 25 August 1964, and the second, a Symposium on the Planning and Development of New Towns, held in Moscow from 24 August to 7 September 1964.

111. In introducing the discussion, the representative of the Secretary-General stressed that the two meetings held in 1964 and the conclusions reached by their participants marked some progress in studying problems related to the social aspects of industrialization. She noted that the projects undertaken in this field had been carried out in close co-operation between the Centre for Industrial Development and the Bureau of Social Affairs. The aim of the Seminar on Social Aspects of Industrialization, she pointed out, was to study and exchange experience on social policy and social planning related to industrial development, with a view to easing the transition of the developing countries to industrialized societies, and to creating the social conditions necessary for industrialization. Thanks to the competence of the participants and the organizational arrangements provided by the Government of the Byelorussian SSR, the Seminar had a useful exchange of experience and reached a consensus on many important issues. The Symposium on the Planning and Development of New Towns concentrated on the problems of relationships between economic, social and physical planning and between new towns and industrial development. The work of the symposium was the beginning of an extended programme in this area which is to be undertaken jointly by the Bureau of Social Affairs and the Centre for Industrial Development.

112. The representative of the Secretary-General further outlined the main direction of past and future work related to the social aspects of industrialization. The sixteenth session of the Social Commission which was held from 3 to 19 May 1965, emphasized the importance of a number of projects connected with or related to industrial development. The Commission adopted resolutions on regional development and on distribution of income ^{7/} which are closely related to the work of the Committee. The 1965 Report on the World Social Situation will contain a separate section on incentives in industry which will have a direct relevance to the work of the Committee. The Social Commission also decided to reappraise its work programme, and one of the areas to be given special emphasis would be the social aspects of industrialization.

113. Members of the Committee commended the achievements of the Inter-regional Seminar on Social Aspects of Industrialization and the Symposium on the Planning and Development of New Towns, and remarked on the value of their conclusions. At the same time, delegates regretted that the reports of the two meetings were still unavailable. It was noted that more substantive material had been gradually introduced into the discussion of the social aspects of industrialization, as a separate item on the agenda of the Committee. Several representatives expressed satisfaction with the relations established between the work of the Committee for Industrial Development and that of the Social Commission. It was stressed that this close co-operation should be further developed.

7/ Ibid., Thirty-ninth Session, Supplement No. 12, resolutions 3 (XVI) and 4 (XVI).

114. During the discussion of the conclusions of the Seminar on Social Aspects of Industrialization, it was emphasized that since the solution of certain social problems is a precondition of successful industrial development, the developing countries should pay increasing attention to effective ways of dealing with these problems in order to remove social obstacles to industrial development or to create the social prerequisites to industrialization.

115. One member particularly noted the conclusions of the seminar regarding the necessity for changes in the social structure in the developing countries in relation to industrialization, as well as the role of the State in the planning and implementation of industrial development programmes. He stressed the importance of the Seminar's conclusion that although small-scale industry played an important role at certain stages of development in some countries, it could be of little help to countries in overcoming their economic backwardness, except where it was linked to large-scale industry.

116. Several representatives drew attention to the role of trade unions in industrial development and to the necessity of integrating their activity into the whole complex of organizations involved in the process of industrialization. It was recognized that the role of the unions in this area should be encouraged, through participation of trade unions in the work of planning bodies at all levels, and that Governments should give serious consideration to the concerns and recommendations of trade unions with respect to problems of employment and unemployment. The reported conclusions of the seminar, according to one of the delegates, did not sufficiently emphasize the role of trade unions other than in welfare work.

117. In discussing the conclusions and recommendations of the Symposium on the Planning and Development of New Towns related to the location of industry, some members of the Committee stressed the following points:

(a) That the planning and building of new towns should be carried out within a framework of comprehensive national and regional planning to achieve the dual purpose of providing a better physical environment for the economic and social activities of modern industrial society and to serve as a model to improve conditions in existing towns;

(b) That the industrial estates of new towns, with their associated infra-structure facilities, can attract "foot-loose" industries to such locations;

(c) That new towns should adopt measures for the diversification of the economic base, and especially the industrial base, at the earliest stage of the planning process;

(d) That the plan for a new town should harmoniously blend different land uses with adequate land reserved for expansion, grouping like industries to use the same infra-structure and locating industry with the minimum of conflict in relation to residential areas, to provide an attractive and desirable physical environment;

(e) That an integral part of programming of extensive new town construction should be the industrialization of building;

(f) That further research and study is required on a number of proposals, including the relationship between economic growth and physical development, the formation of models of urban patterns within regional frameworks, and research on industrial and physical development programming methods.

One representative pointed out that another important recommendation of the Symposium not included in the Secretary-General's note, was that land in new towns should be under public ownership.

118. The Committee noted with satisfaction the increasing collaboration in the fields of regional development and industrialization in general and in building materials and construction, and expressed the wish to see this collaboration expanded. One member of the Committee expressed the view that housing and urban development are more closely related to economic and industrial development than to social programmes, especially as building materials and components are often an important part of an industrialization programme. It was pointed out that there is a close relationship between economic development, industrial incentives and the production of building materials. In particular, new towns could be seen as training centres for incoming labour from rural areas.

119. The Committee endorsed the conclusions and recommendations of the Seminar and the Symposium and expressed the wish that their reports be published and circulated as soon as possible. The Committee also endorsed the suggestion that a series of regional seminars be held on the topic of new towns.

120. In relation to the future work of the Secretariat in this area, the opinion was expressed that the conclusions of the Seminar on Social Aspects of Industrialization should serve as a basis for further studies and practical action. One representative felt that more emphasis should be given to the social consequences of industrialization, and that the problem of involvement of people in community activities should be added to the discussion of aspects dealt with by the seminar. She also suggested that the Secretariat prepare a report and an integrated programme of activities in co-operation with the specialized agencies concerned, for consideration by the next session of the Committee for Industrial Development with a view to approaching the whole set of problems concerning social aspects of industrialization. It was urged by another delegate that the study on social policy relating to industrial development be prepared for the next session of the Committee. The Committee noted with satisfaction that consideration of social aspects of industrialization in the regional symposia on industrial development was envisaged. It was also suggested that studies be undertaken of certain social problems directly related to industrialization at a country level.

IV. ACTIVITIES IN THE FIELD OF TECHNICAL CO-OPERATION

121. The report by the Secretariat on the support activities of the Centre for Industrial Development, related to United Nations programmes of technical co-operation (E/C.5/91), was introduced by the representative of the Secretariat. The Committee had also before it paragraphs 28 to 30 of the report on the activities of the Centre for Industrial Development (E/C.5/73).

122. In reviewing the work of the Centre for Industrial Development in the field of technical co-operation, there was general consensus that the need for technical co-operation remained great, and attention was drawn to the nature of projects to be promoted.

123. The Committee considered the increase in 1964 compared to 1963, both to total funds spent and number of experts employed, to be still inadequate in relation to the resources available under the various United Nations programmes.

124. A number of delegations stated that there was need for closer links between Headquarters and the field. In order to strengthen the relationships between the Centre for Industrial Development and the officials concerned with industrialization in developing countries, it was thought advisable to post experts from the Centre to the offices of resident representatives for appropriate period of time. One delegation stated that it would also be desirable to station advisers from the Centre at the headquarters of the regional economic commissions, for the sake of providing better co-ordination with the regions. And a number of delegations stated that more staff from the Centre should serve on field assignments.

125. One delegation noted that the implementation of industrial development projects was seriously hampered by the shortage of experts. The number of experts posted to industrial development projects in the field, which had grown to about 230 in 1964, was still too small and in the view of that, delegation recruitment from centrally planned economies was insufficient.

126. Some delegations stated that developing countries needed more concrete help from the United Nations, particularly in identifying their own specific problems of industrial development and in formulating their requests for technical assistance. Assistance was needed in the selection as well as formulation of the requests, which should be presented in such a way and with such supporting information that review by government authorities as well as agencies granting aid could be accelerated. Part of the duties of the Centre is to assist in clarifying and improving requests through the provision of technological, economic and financial feasibility surveys.

127. With regard to Special Fund projects, it was noted that although the projects thus far approved were vital pre-conditions for industrial growth, some of them were closer to the periphery than to the central core of industrial production.

128. Some delegations stated that the activities of the United Nations organizations in the field of industrial development would be better co-ordinated if the Centre served as the focal point.

129. Many delegations stated that more resources should be devoted to expand the United Nations assistance in the field of industrial development. Some hoped that the ratio of industrial programmes to the total programmes undertaken by the Expanded Programme of Technical Assistance would be increased and that the number of experts at Headquarters and in the field would be considerably augmented. It was observed by some delegations that the ratio between funds devoted to industrial projects serviced by the Centre and the funds devoted to the over-all size of the technical assistance programmes was low; so was the ratio between staff in the Centre and experts in the field. They therefore favoured immediate expansion of the budget and personnel of the Centre.

V. INTERNATIONAL AND REGIONAL SYMPOSIA ON INDUSTRIAL DEVELOPMENT

130. The Committee had before it paragraphs 162 to 176 of document E/C.5/73 which contained an outline of the preparations being undertaken for the regional and international symposia on industrial development. A note on the costs in 1966 for holding the regional symposia and carrying out preparatory work for the international symposium (E/C.5/L.53) was distributed. These preparations were being carried out in accordance with General Assembly resolution 1940 (XVIII) and the Committee's resolution 1 (IV) (E/3869, para. 118), which was endorsed by the Economic and Social Council in resolution 1030 C (XXXVII). In a report presented to the Council at its thirty-seventh session, 8/ the Secretary-General had informed the Council that replies from Governments indicated a consensus in favour of holding the symposia and that the regional commissions of Africa, Asia and the Far East, and Latin America had endorsed the holding of an international symposium preceded by meetings in their respective regions. The Economic Commission for Europe had asked its Executive Secretary to co-operate in the preparations for these regional and international symposia.

131. During the general debate, the Committee heard statements by the representatives of the regional economic commissions on their preparations for the regional meetings which were scheduled as follows: ECAFE, December 1965, at Manila; ECA, January 1966, at Cairo; ECLA, February 1966, at Santiago.

132. The representative of the Government of Kuwait informed the Committee that his Government had invited other Arab States to attend a meeting on the subject of industrialization in March 1966; the Centre, as well as other United Nations organs concerned, would be invited to attend that meeting.

133. The representative of the Secretariat indicated that an important feature of the regional meetings would be the submission of country reports, as recommended by the Committee at its fourth session. The regional symposia would provide an opportunity to consider problems of industrialization requiring action at the national level as well as those requiring regional and international action. On the basis of the reports of the several regional symposia and other materials, the international symposium would provide for an exchange of views between the developing and industrial countries and among the developing countries of different regions. The specialized agencies were being invited to make contributions to the symposia in certain fields of their competence. It was expected that an important part of the international symposium, on which a limited amount of preliminary work had been started, was the preparation of studies of certain industrial sectors on a world-wide basis. In this connexion, following an initiative of the Economic Commission for Europe 9/ the Centre for Industrial Development was arranging, in co-operation with the ECE, for the enlargement of certain ECE groups of expert rapporteurs to include experts from the developing countries; these joint groups would advise the Secretariat in the preparation of studies.

8/ Ibid., Thirty-seventh Session, Annexes, agenda item 11, document E/3921.

9/ See E/C.5/73, annex B.

134. In the following discussion, the Committee supported the holding of the regional symposia. Satisfaction was expressed with the constructive and practical approach of the provisional agenda that had been formulated in pursuance of recommendations of the several regional commissions, with the fact that the organization of the regional symposia had been geared to the specific interests of the countries of the regions and with the co-operation achieved between the Centre and the regional economic commissions in the preparations. It was considered that the country studies were an important feature of the symposia, as they would engage the participating countries directly in the examination of their own industrial situation and would also facilitate the programming of technical assistance.

135. Some views were expressed in respect to topics that should be discussed at the regional symposia, including the training of technicians, the financing of industry, the regulation of foreign private investment, and the role of the State sector in industrial development. It was suggested that care should be taken to utilize the results of various regional and interregional seminars conducted by the Centre for Industrial Development, such as the United Nations Interregional Conference on the Development of Petrochemical Industries in Developing Countries and that maximum use should be made of the resources and studies of the regional economic commissions. One delegation expressed the view that every effort should be made to restrict the general debate to a minimum, so that attention could be concentrated on the agenda items dealing with specific problems.

136. It was generally agreed that the international symposium should be held early in 1967. This would fit the anticipated schedule of conferences and would extend the time available for careful preparation, and enable the Committee at its sixth session to examine the Secretary-General's report on the results of the regional symposia and also the proposed agenda and organization of the international meeting. The Committee leaves it to the Commissioner to examine, in consultation with the United Nations organs concerned, the question of convening joint groups of experts to assist in the preparation of certain studies for the international symposium.

137. One representative emphasized the importance to the success of the international symposium of the comparability of the results of the regional meetings. Several delegations also expressed the opinion that the need, at the international meeting, was not for broad general studies, but for the presentation of blueprints for the development of specific industrial projects and institutions.

138. In answer to questions, the representative of the Secretariat indicated that a substantial amount of work in the field of industry had been accomplished by the several regional economic commissions and that the regional symposia would provide an opportunity for its integration, that the duration of the international symposium was tentatively expected to be about three weeks, and that it was envisaged that a group of distinguished international experts would be requested to examine the results of the regional symposia and advise on the agenda for the international meeting.

139. The representative of Pakistan, on behalf also of Algeria, Argentina, Austria, Brazil, Cameroon, Chile, Czechoslovakia, Ecuador, Gabon, Greece, Iraq, Kuwait, Mexico, Morocco, Peru, Philippines, Romania, Sweden and Turkey introduced a draft resolution (E/C.5/L.50).

140. During the discussion an amendment was submitted orally by the representative of the United States of America and accepted by the co-sponsors. It consisted in the following revision:

In operative paragraph 5, replace the words "report to the Committee at its sixth session" by the words "report to the forty-first session of the Economic and Social Council through the Committee at its sixth session".

141. The Committee adopted the draft resolution, as amended, unanimously. In explanation of his vote, the representative of one country stated that his Government's support of the holding of an international symposium in 1967 was conditional to the satisfactory result of the regional symposia.

142. The text of the resolution adopted by the Committee at its forty-sixth meeting, on 28 May 1965, is the following:

2 (V) International and regional symposia and industrial development

The Committee for Industrial Development,

Recommends to the Economic and Social Council the adoption of the following draft resolution:

For the text of the draft resolution, see chapter VII below, draft resolution II/

147. The representative of the Philippines submitted a draft resolution to Working Group II on this item (E/C.5/L.49). This resolution was subsequently revised by the representative of the Philippines (E/C.5/L.49/Rev.1).

148. During the discussion of this draft the following revisions were made by the representative of the Philippines:

(a) On the proposal of the representative of Luxembourg the words "on an urgent basis" in paragraph 1 following the words "in particular to implement" were replaced by the words "as rapidly as possible".

(b) The words "and report" following the words "of the Final Act" in operative paragraphs 1 and 4 were deleted on the basis of a proposal by the representative of the Cameroon, and

(c) On the basis of a proposal by the representative of the Cameroon the words "recommendations contained in" were added following the words "Industrial Development pursuant to the" in operative paragraph 4.

149. The draft resolution contained in document E/C.5/L.49/Rev.1 as revised during the discussion was adopted unanimously.

150. The text of the resolution adopted by the Committee at its 46th meeting, on 28 May 1965, reads as follows:

3 (v) Relations with the United Nations Conference on Trade and Development

The Committee for Industrial Development,

Recommends to the Economic and Social Council the adoption of the following draft resolution:

For the text of the draft resolution, see Chapter VII below, draft resolution III.

B. Activities of the United Nations system in the field of industrial development

151. The Committee had before it reports by the executive heads of the International Bank for Reconstruction and Development, the International Development Association and the International Finance Corporation (E/C.5/71), the Food and Agriculture Organization of the United Nations (E/C.5/71/Add.1), the United Nations Educational, Scientific and Cultural Organization (E/C.5/71/Add.2), the International Atomic Energy Agency (E/C.5/71/Add.3), the International Labour Organisation (E/C.5/71/Add.4) and by the Managing Director of the Special Fund (E/C.5/94). It heard statements by the representatives of the Bank, FAO, UNESCO, IAEA, WHO and the ILO.

152. The representative of the Bank gave details of the development finance supplied to industry by the Bank, IDA and IFC as outlined in document E/C.5/71. Reference was made to the statement of the President of the Bank at the thirty-eighth session of the Economic and Social Council (1362nd meeting) in the sense that while IFC had

been reluctant in the past to finance State industry, it was at present re-examining this position, as a large proportion of industrial development was carried out in the newer countries under the auspices of the government sector.

153. The representative of FAO observed that his organization's major task is to assist its member States in increasing the availability of food and in developing a chain of food processing industries and distribution and marketing channels. To these ends, a number of regional conferences had been held during the past year in which the subject of industrial development had formed an important item on the agenda. The FAO also had special programmes dealing with the fertilizer and chemical industries, farm implements and machinery, food technology and pulp and paper. It was noted that FAO had participated in a number of projects in co-operation with the United Nations and other specialized agencies and was looking forward to increased co-ordination in the future.

154. The representative of UNESCO pointed out that the process of industrialization includes the educational, social and cultural changes and adjustments involved in the transformation process, and that the work of UNESCO includes educational development, the study of natural resources and the provision of scientific and technical infra-structure. In an effort to increase co-operation between UNESCO and the Centre, a senior staff member of UNESCO had been seconded to the Centre during 1964. A number of studies which did not appear in the report were mentioned, including the role of education during the transition from a subsistence to a monetary economy, the economic and social repercussions of a literacy programme, the role of science and technology in economic development, scientific and technological research and the economic and social aspects of educational planning.

155. The representative of IAEA drew attention to three principal areas of the Agency's activities in the field of industrialization: the development of nuclear power for electricity production, the use of nuclear power for water desalination and the industrial uses of radio-active isotopes. Work in these three areas has been undertaken in developing countries. IAEA is also engaged in training personnel from developing countries in different applications of atomic energy. Steps have been taken to increase co-operation and co-ordination with other members of the United Nations family.

156. The representative of WHO emphasized the importance of the parallel development of adequate health services with industrialization and outlined WHO's work in the fields of occupational and environmental health. The organization is concerned with assisting countries in the establishment of industrial health services as well as in improving the control of environmental conditions, such as water and air pollution, and the training of personnel by supporting institutions in these fields. Many of these activities are co-ordinated with the work of other United Nations organizations concerned.

157. Supplementing the information contained in document E/C.5/71/Add.4 on ILO activities related to industrial development, the representative of the ILO mentioned, inter alia, the work of his organization's industrial committees, which provided a channel for two-way collaboration with the Centre and the contribution envisaged in respect of the regional symposia. He stressed the importance attached by the ILO to practical means of collaboration with the Centre, and underlined the support of the Governing Body of the ILO for intensified and effective action by all agencies concerned within a broad, co-operative programme of international action in the field of industrial development.

158. The Committee expressed its appreciation of the information furnished by the specialized agencies. It was suggested by one representative, and subsequently supported by all speakers, that the agencies' reports did not completely fulfil the function intended by this item on the agenda. It would be more useful to have a single co-ordinated report, based on questionnaires to the agencies, to be prepared by the Centre as the co-ordinating agency in the United Nations system. This report should be analytical in nature and should contain an outline of the organizational structure of the section of each agency dealing with industry. One delegate suggested that an inventory should be prepared of work undertaken by all agencies in the field of industrial development and submitted to the Committee at its sixth session. This would enable the Committee to review the existing division of labour between the agencies and make suggestions for its rationalization. Several representatives feared that the Centre would be unable effectively to carry out these measures for increased co-ordination with its present available resources and staff.

159. One delegation thought that the Bank was placing too much emphasis on pre-investment activities and on investments in infra-structure, at the expense of directly productive industrial development, and that the Bank and IFC were ignoring the need for capital investment in the State sectors and were charging too high a rate of interest for the loans they granted. Another delegation expressed the view that there was a tendency to regulate the funds loaned in such a way as to make their disbursement very slow. Some other delegations called attention to the role of the IDA in making loans without interest, and stated that, while the IFC had been created for the purpose of granting loans to enterprises predominantly private in character, many loans of the Bank itself were in fact for State enterprises. Some delegations supported the work of the Bank and its affiliates, and hoped that the Bank would be able to extend assistance to projects of the Centre for Industrial Development and thus increase the effectiveness of the existing co-operation.

160. Another delegation considered that the work of the specialized agencies in industrial development was only incidental to their regular activities, but it noted with interest that they were endeavouring to strengthen their activities in this field. It was suggested that the work of UNESCO for the establishment of experimental projects for adult education for illiterate workers in areas where industrial development is planned, should be co-ordinated with the Centre's development of industrial estates.

161. During the discussions in Working Group II, the representative of the United States of America, on behalf, also, of the representative of France, submitted a draft resolution (E/C.5/L.48).

162. The representative of the Union of Soviet Socialist Republics proposed the following amendments to operative paragraph 2 which was accepted by the United States of America and France:

(a) Replace the words "summarizing the work of the United Nations system" by the words "summarizing the work in this field of the United Nations";

(b) Replace the words "system in this field" at the end of the paragraph, by the words "including the regional economic commissions and the work of the other agencies of the United Nations system";.

163. The representative of Kuwait also proposed an amendment, which was accepted by the United States of America and France: to insert the word "analytical" between the words "single" and "annual" in operative paragraph 2.

164. The representative of Chile, supported by the representative of Cameroon, proposed to replace in operative paragraph 1 the words "Reaffirms the role of the Centre for Industrial Development as the focal point for co-ordination" by the words "Reaffirms that one of the principal functions of the Centre for Industrial Development is to act as the focal point for co-ordination". This proposal made during the consideration of its draft report, was agreed to by the Committee without objection.

165. During consideration of the draft resolution, it was suggested that in preparing the report, the Commissioner should take into account the comments which had been made by delegations during the discussion of this agenda item.

166. The text of the resolution unanimously adopted by the Committee at its forty-sixth meeting, on 28 May 1965, is the following:

4 (V). Activities of the United Nations system in the field of industrial development

The Committee for Industrial Development,

Recommends to the Economic and Social Council the adoption of the following resolution:

For the text of the draft resolution, see Chapter VII below, draft resolution IV.

C. United Nations machinery in the field of industrial development

167. The Committee had before it resolutions 1030 B (XXXVII) and 1030 B (XXXVII) of the Economic and Social Council, the report of the Secretary-General on the establishment of a specialized agency for industrial development (A/5826) prepared pursuant to resolution 1030 (XXXVII) and the recommendation A.III.1 of the United Nations Conference on Trade and Development. ^{10/} The attention of the Committee was also drawn to documents A/5835 and E/C.5/62/and Add.1 in which the views of the ILO and the FAO respectively were given. A note on the resources of the Centre for Industrial Development (E/C.5/L.52) was distributed subsequently.

168. The discussion in the Committee revealed the existence of general agreement on the need to expand the United Nations activities in the field of industrial development.

169. There was unanimous agreement on the need to increase substantially the resources of the Centre for Industrial Development.

^{10/} See Proceedings of the United Nations Conference on Trade and Development, Vol. I, Final Act and Report (United Nations publication, Sales No.: 64.II.B.11).

170. Some delegations felt that the needs of the developing countries in the field of industrial development could best be served by the establishment of a specialized agency endowed with broad administrative independence and strong financial resources. They drew attention to the fact that specialized agencies existed for a number of other fields of activity which in their view were not more important than industrial development. They felt that United Nations action in this field should be systematic in nature and of very extensive scope so as to meet the growing needs of the developing countries for assistance in the planning and implementation of industrial development projects.

171. A number of delegations felt that the need for a specialized agency in the field of industrial development had been fully justified during past discussions in the Committee, the Economic and Social Council, the United Nations Conference on Trade and Development and the General Assembly and that the establishment of such an agency remained the basic aim towards which action by the Committee should be oriented. At the same time, it was essential to strengthen the Centre for Industrial Development and improve the conditions under which it carried out its activities. Pending the establishment of a specialized agency for industrial development, practical measures should be taken rapidly to make available substantially increased resources to the Centre.

172. Several delegations felt that the need to increase the budgetary resources and personnel of the Centre was a prerequisite for any strengthening of the United Nations work in the field of industrial development. But they also stressed that it was important to expand the programmes of technical assistance and of the Special Fund in the field of industrialization. It was suggested that the latter should devote more attention to manufacturing industry and also assist in the establishment of pilot and demonstration plants.

173. Other delegations felt that the need for a specialized agency in the field of industrial development had not been demonstrated. One delegation felt that the direction of the United Nations work in the field of industrial development has not been fully established. This could only be done progressively through the accumulation of experience. It was, therefore, premature to propose such drastic organizational changes as the establishment of a specialized agency. What was needed at the moment was to achieve a large increase in the resources of the Centre so that it would be in a position to carry out to a greater extent its programme of work and to expand its operational activities, the usefulness of which had been widely recognized.

174. Some delegations pointed out that the matter of establishing a specialized agency raised new questions, including that of the relationship between the proposed agency and some of the existing specialized agencies which were already devoting much of their activities to matters related to industrial development. The fear was expressed that the creation of a new agency would result in duplication of activities and waste of resources.

175. One delegation stressed that it was important to set in motion as much as possible the machinery of industrial development. It pointed out that the United Nations activities in this field represented only a small part of what was being done in the world at large, particularly under bilateral assistance programmes or through other international organizations such as the Organization for Economic Co-operation and Development(OECD). New organs, especially at the regional level,

were being set up; for instance, the African Development Bank was now in existence and consultations were in progress with a view to establishing an Asian development bank. The United Nations should work within existing institutional arrangements. The establishment of a specialized agency might tie up considerable sums which could be spent on more urgent and more specific tasks. In the view of this delegation and that of others, the only real problem was that of strengthening the Centre for Industrial Development. The latter was only at the beginning of its existence and after solving certain problems, such as the recruitment of experts and qualified staff, it would be in a position to do its work more effectively.

176. Some delegations stated that activities in the field of industrialization still fell far short of the needs of the developing countries. To try to remedy this situation by considering the establishment of a specialized agency was, therefore, well justified. But since the final decision on that proposal may take some time, it was necessary to act quickly and to take practical measures so that the programmes and activities related to industrialization receive the special priority that they deserve. What was important at this stage was to take constructive action.

177. One delegation, referring to the need for defining how the new specialized agency would co-ordinate its activities with those of the existing agencies, pointed out that if a progressive approach were followed and efforts were made first to strengthen the Centre by increasing its resources and staff and by improving the co-ordination of its functions with those of the specialized agencies, the question of co-ordination would have resolved itself without difficulties at the time when the Centre is transformed into a specialized agency.

178. During the discussions in Working Group II, the representatives of Canada and the United States submitted a draft resolution (E/C.5/L.45).

179. The representatives of Algeria, Argentina, Brazil, Cameroon, Chile, Ecuador, Gabon, Iraq, Kuwait, Mexico, Morocco, Peru and the Philippines submitted another draft resolution (E/C.5/L.46).

180. The representative of Argentina proposed the following amendments (E/C.5/L.47) to the draft resolution submitted by Canada and the United States of America (E/C.5/L.45):

(a) In the first preambular paragraph of the draft recommended for adoption by the Economic and Social Council, replace the words "resolution 1030 A (XXXVII)" by the words "resolution 1030 (XXXVII)";

(b) Insert the following text as operative paragraph 1:

"1. Declares that, pending the establishment of a specialized agency for industrial development pursuant to the terms of Economic and Social Council resolution 1030 (XXXVII), it is necessary to take the measures and follow the principles indicated below;"

(c) Renumber the subsequent paragraphs accordingly.

181. The representative of Argentina subsequently withdrew his amendments, the intent of which he felt had been taken care of by other proposals which were accepted by the sponsors.

182. The representative of Iraq proposed, and the sponsors of the draft resolution (E/C.5/L.45) agreed to accept, the following amendment to the preamble.

"Recalling General Assembly resolution 1940 (XVIII), dated 11 December 1963, and Economic and Social Council resolution 1030 A (XXXVII), dated 13 August 1964, and reaffirming paragraph 1 of that resolution,";

183. The representative of Poland, supported by the representative of the USSR, proposed that paragraph 3 of the two-Power draft resolution be amended by the addition of:

"... for example, as far as the Special Fund projects are concerned, industrial pilot plants, in establishing industrial estates, in organizing industrial development advisory centres, and in carrying out industrial feasibility studies and surveys."

184. This amendment was accepted by the representatives of the United States and Canada.

185. The representative of the USSR made the following suggestions in respect to the two-Power draft resolution: (a) the invitation contained in paragraph 4 should be addressed to the Commissioner for Industrial Development; (b) the invitation contained in paragraph 5 should be addressed to the Committee for Industrial Development.

186. The representative of the USSR further suggested that paragraph 6 of the two-Power draft resolution (E/C.5/L.45) and paragraph 4 (b) of the thirteen-Power draft resolution (E/C.5/L.46) might be merged, as they were closely related and both aimed at providing greater flexibility to the Centre.

187. The co-sponsors of draft resolution E/C.5/L.45 proposed to amend paragraph 7 in their text as follows:

"Considers that a substantially increased percentage of technical assistance funds from the United Nations programmes of technical assistance and the Expanded Programme of Technical Assistance should be devoted to projects related to manufacturing industry, and expresses the view that an appropriate share of the resources of the Expanded Programme over the period 1967-1968 would be an approximate doubling of the amount provided for this purpose in the approved programme for this biennium;"

188. The representative of the USSR proposed that paragraph 8 of draft resolution E/C.5/L.45 should be amended to read as follows:

"Expresses the hope that the Governing Council of the Special Fund will take steps to provide a substantial increase in:

(a) funds made available for preparatory assistance for Special Fund projects in order that, inter alia, adequate funds can be made available to assist countries in the development of Special Fund projects directly related to manufacturing industry, and

(b) funds for direct investments in industrial projects, in particular in pilot and demonstration projects."

189. The representatives of the United States and Canada indicated that the amendment proposed by the representative of the USSR would be acceptable to them if paragraph (b) were changed to read:

"(b) in the number of projects which would lead directly to industrial production, including in particular the establishment of pilot and demonstration projects."

190. The representative of Poland suggested that if the last word of paragraph 8 (b) as amended by the representatives of the United States and Canada would be changed from "projects" to "plants", it would be more acceptable to many representatives. The representatives of the United States and Canada concurred in this change, and the paragraph was accepted as follows:

"Expresses the hope that the Governing Council of the Special Fund will take steps to provide a substantial increase in:

(a) funds made available for preparatory assistance for Special Fund projects in order that, inter alia, adequate funds can be made available to assist countries in the development of Special Fund projects directly related to manufacturing industry, and

(b) in the number of projects which would lead directly to industrial production, including in particular the establishment of pilot and demonstration plants."

191. The Committee voted unanimously to adopt the draft resolution of the United States and Canada (E/C.5/L.45), as amended by the delegations of the USSR and Poland, and as revised by the co-sponsors.

192. By 18 votes to 9, with 1 abstention, the Committee voted to retain operative paragraph 2 of draft resolution E/C.5/L.46, on which a separate vote had been requested by the representative of Turkey. The Committee then adopted the draft resolution as a whole by 19 votes to 9, with no abstentions.

193. The texts of the two resolutions adopted by the Committee at its forty-sixth meeting, on 28 May 1965, are the following:

5 (V). United Nations machinery in the field of industrial development

The Committee for Industrial Development,

Recommends to the Economic and Social Council the adoption of the following draft resolution:

/For the text of the draft resolution, see Chapter VII below, draft resolution V./

6 (V). United Nations Machinery in the field of industrial development

The Committee for Industrial Development,

Recommends to the Economic and Social Council the adoption of the following draft resolution:

For the text of the draft resolution, see Chapter VII below, draft resolution VI.

D. Inter-Sessional Working Group

194. During the discussion in Working Group II, it was recalled that at its third session the Committee had decided that the main task of the Inter-Sessional Working Group should be to establish the provisional agenda for the Committee.

195. The Committee decided to continue the Inter-Sessional Working Group for the next year. The Chairman designated the following delegations to serve on the Group in 1965-1966: Algeria, Argentina, Austria, Canada, Brazil, Cameroon, Chile, Ecuador, Federal Republic of Germany, France, Iraq, Japan, Kuwait, Luxembourg, Mexico, Pakistan, Peru, Philippines, Poland, Sweden, Turkey, Union of Soviet Socialist Republics, United Kingdom of Great Britain and Northern Ireland and United States of America.

VII. DRAFT RESOLUTIONS FOR ACTION BY THE ECONOMIC AND SOCIAL COUNCIL

I

Activities of the Centre for Industrial Development and considerations relating to its programme of work

The Economic and Social Council,

Recalling Economic and Social Council resolution 751 (XXIX), dated 12 April 1960, and General Assembly resolution 1525 (XV), dated 15 December 1960,

Bearing in mind the objectives stated in the United Nations Charter concerning the employment of international machinery for the promotion of economic and social advancement,

Also bearing in mind General Principle Ten enunciated in the Final Act of the United Nations Conference on Trade and Development 11/ and recommendation A.IV.10 of the Conference, and in particular paragraph 1 which recommends that economic integration should be promoted among developing countries,

Considering the important efforts being made by the developing countries in certain areas to co-ordinate and integrate their economies,

1. Declares that it is necessary to pay particular attention, in those areas interested in regional integration, to the following aspects:

(a) Promotion of integrated and co-ordinated industrial development on the sub-regional and regional levels;

(b) Study and promotion of the complementarity of sub-regional and regional industries;

(c) Increase of technical assistance to Governments and enterprises for regional and sub-regional industrial integration and complementarity;

2. Requests that, in the rendering of technical assistance in the industrial field, the United Nations agencies should be guided by the decisions and recommendations of United Nations economic bodies on industrial development and that adequate co-ordination should be sought with the other United Nations agencies and international economic and financial assistance organs that act in the areas in question.

11/ United Nations publication, Sales No.: 64.II.B.11.

International and regional symposia on industrial development

The Economic and Social Council,

Recalling General Assembly resolution 1940 (XVIII), dated 11 December 1963, Economic and Social Council resolution 1030 C (XXXVII), dated 13 August 1964, and resolution 1 (IV) of the Committee for Industrial Development, dated 17 March 1964, on the holding of international and regional symposia on industrial development,

Noting that the replies of Governments ^{12/} to consultations undertaken by the Secretary-General under General Assembly resolution 1940 (XVIII) and the resolutions on the subject adopted by the regional economic commissions reveal general support in favour of holding an international symposium on industrial development preceded by meetings in the several developing regions,

Considering that the schedule of an international symposium on industrial development should take into account that the second United Nations Conference on Trade and Development is to be held in 1966,

1. Welcomes the decisions taken by the Economic Commission for Asia and the Far East to hold a regional conference on industrial development in December 1965, by the Economic Commission for Africa to hold a regional symposium on industrial development in Africa in January 1966, and by the Economic Commission for Latin America to hold a regional symposium on industrial development in Latin America in February 1966, as well as the resolution of the Economic Commission for Europe requesting its Executive Secretary and the subsidiary bodies of the Commission to assist in the preparation of the regional and international symposia;

2. Notes with satisfaction the close co-operation between the Centre for Industrial Development and the regional economic commissions in the preparations for the regional and international symposia;

3. Reaffirms its invitation to Governments of Member States of the United Nations or members of the specialized agencies, the specialized agencies and the International Atomic Energy Agency to co-operate with the Secretary-General in the preparatory work for the symposia;

4. Requests the Secretary-General to complete the preparations required for holding the regional symposia as scheduled above and to take all necessary steps, including the preparation of appropriate studies, to assure the holding of an international symposium on industrial development in developing countries early in 1967;

5. Requests the Secretary-General to report to the forty-first session of the Council through the Committee for Industrial Development at its sixth session on the results of the regional symposia and on the preparatory work for the international symposium and to submit for the approval of the Committee the proposed agenda and organization of the latter.

^{12/} See Official Records of the Economic and Social Council, Thirty-seventh Session, Annexes, agenda item 11, document E/3921, and documents E/3921/Add.1-3.

III

Relations with the United Nations Conference on Trade and Development

The Economic and Social Council,

Noting with appreciation the Final Act and Report of the first United Nations Conference on Trade and Development 13/ as they relate to industrial development,

Considering the vital importance of those recommendations of the United Nations Conference on Trade and Development which recognize in particular the urgent need for accelerating the industrial development of developing countries through the promotion and diversification of their exports of manufactures and semi-manufactures, and the establishment and development in the developing countries of industries with export potential,

1. Requests the Secretary-General, in consultation with the appropriate specialized agencies and other United Nations bodies, to accord priority, in carrying out the work programme for the Centre for Industrial Development, to the activities provided for in the Final Act of the United Nations Conference on Trade and Development relating to industrial development, and in particular to implement, as rapidly as possible, the recommendation A.III.3 of the Conference, concerning the establishment and development of industries with an export potential in developing countries within the framework of their over-all development programmes;

2. Invites the attention of Governments of developing countries to the importance of adopting measures and effective programmes for the promotion, establishment, and development of export-oriented industries in line with the recommendations of the Conference;

3. Calls upon the Secretary-General to consolidate the working relationship between the Centre for Industrial Development and the secretariat of the Conference in the consideration of problems related to industrial development, and the establishment and development of export industries in developing countries;

4. Requests the Secretary-General to submit to the fortieth session of the Economic and Social Council a report on the work of the Centre for Industrial Development pursuant to the recommendations contained in the Final Act of the Conference relating to industrial development.

13/ United Nations publication, Sales No.: 64.II.B.11.

IV

Activities of the United Nations system in the field
of industrial development

The Economic and Social Council,

Recalling paragraph 1 (i) of its resolution 1030 A (XXXVII), dated 13 August 1964, which requests the Centre for Industrial Development to follow closely the activities in the industrial field of the various organizations of the United Nations family, undertake joint projects and make arrangements for adequate reporting to the Committee for Industrial Development, and the Economic and Social Council,

Noting with satisfaction the fact that the specialized agencies and other organizations of the United Nations system have reaffirmed their desire to co-operate with the Secretary-General in achieving this co-ordination and arranging for such reporting,

Expressing its appreciation for the reports submitted by the organizations of the United Nations system on their activities in the field of industrial development,

1. Reaffirms that one of the principal functions of the Centre for Industrial Development is to act as the focal point for co-ordination of the work of the organizations of the United Nations system in the field of industrial development;

2. Expresses the conviction that the role of the Centre in carrying out such co-ordination activities would be greatly facilitated by the availability, in addition for the time being to the reports now prepared by the various organizations of the United Nations, of a single analytical annual report summarizing the work in this field of the United Nations including the regional economic commissions and the work of the other agencies of the United Nations system;

3. Requests the Secretary-General to undertake consultations with other agencies of the United Nations system with the objective of developing a framework for such a co-ordinated report, which would provide information with regard to the various types of work in the field of industrial development such as training, industrial development institutes, regional and sub-regional activities and pilot projects, together with related organizational arrangements;

4. Further requests the Secretary-General to submit to the forty-first session of the Council through the Committee for Industrial Development at its sixth session, a progress report on the development of this framework, including a preliminary sample of the consolidated report;

5. Invites the Secretary-General to undertake further consultation with specialized agencies, the International Atomic Energy Agency and other agencies of the United Nations system with a view to increasing the number of projects undertaken jointly by the Centre and other organizations of the United Nations system and to exploring opportunities for establishment of joint staffs for selected activities responsible both to him and to the executive head of the appropriate agency.

United Nations machinery in the field of industrial development

The Economic and Social Council,

Recalling General Assembly resolution 1940 (XVIII), dated 11 December 1963, as well as Council resolution 1030 A (XXXVII), dated 13 August 1964, and reaffirming paragraph 1 of that resolution,

Noting with appreciation the work of the Centre for Industrial Development in initiating the dynamic programme outlined in that resolution of the Council,

Taking note of recent expressions by the Managing Director of the Special Fund and the Executive Chairman of the Technical Assistance Board of their interest in increasing the volume of resources devoted to assistance to manufacturing industry,

1. Recognizes the need for adequate resources to permit the Centre to implement the dynamic programme outlined in Council resolution 1030 A (XXXVII);
2. Supports substantial expansion of the resources of the Centre as an essential prerequisite for achieving the objectives set forth in that resolution;
3. Draws the attention of States Members of the United Nations, or members of the specialized agencies and the International Atomic Energy Agency to the interest expressed by the Managing Director of the Special Fund and the Executive Chairman of the Technical Assistance Board in receiving requests for well-conceived projects directly related to manufacturing industry, for example, as far as the Special Fund projects are concerned, to assist in constructing industrial pilot plants, in establishing industrial estates, in organizing industrial development advisory centres and in carrying out industrial feasibility studies and surveys;
4. Invites the Secretary-General and the regional economic commissions to take all appropriate steps to assist developing countries in preparing sound projects related to manufacturing industry;
5. Further invites the Secretary-General to strengthen relationships between the Centre for Industrial Development and officials concerned with industrialization in developing countries by posting experts from the Centre for Industrial Development to the offices of resident representatives for appropriate periods of time;
6. Expresses the hope that the Secretary-General will further use the resources of the Centre with flexibility by making available to the regional economic commissions, as necessary, specialists in various branches of industry from the staff of the Centre;
7. Considers that a substantially increased percentage of technical assistance funds from the United Nations programmes of technical assistance and the Expanded Programme of Technical Assistance should be devoted to projects related to manufacturing industry, and expresses the view that an appropriate share of the resources of the Expanded Programme over the period 1967-1968 would be an approximate doubling of the amount provided for this purpose in the approved programme for this biennium;

8. Expresses the hope that the Governing Council of the Special Fund will take steps to provide a substantial increase in:

(a) The funds made available for preparatory assistance for Special Fund projects in order that, inter alia, adequate funds can be made available to assist countries in the development of Special Fund projects directly related to manufacturing industry;

(b) The number of the projects which would lead directly to industrial production, including in particular the establishment of pilot and demonstration plants.

VI

United Nations machinery in the field of industrial development

The Economic and Social Council,

Recalling General Assembly resolution 1940 (XVIII) dated 11 December 1963, and Economic and Social Council resolution 1030 B (XXXVII) dated 13 August 1964 which declares that there is an urgent need to establish a specialized agency for industrial development,

Bearing in mind the recommendation of the United Nations Conference on Trade and Development that a specialized agency for industrial development within the framework of the United Nations system should be promptly established,

1. Notes with appreciation the report prepared by the Secretary-General on the scope, structure and functions of a specialized agency for industrial development (A/5826) which has been submitted to the General Assembly in response to Economic and Social Council resolution 1030 B (XXXVII);

2. Reaffirms the need for urgent action towards the establishment at the earliest date possible of a specialized agency for industrial development in line with the recommendations contained in the Final Act of the Conference on Trade and Development, 14/ and the terms of Council resolution 1030 B (XXXVII);

3. Requests the General Assembly to consider this matter at its twentieth session with a view to an early decision on the establishment of a specialized agency for industrial development within the framework of the United Nations system, capable of assisting effectively the developing countries in the promotion and acceleration of their industrial development;

4. Requests the Secretary-General, pending the establishment of a specialized agency for industrial development:

(a) To provide a substantial increase in the budget of the Centre for Industrial Development with a view to carrying out its existing and expanding functions, particularly those listed in the recommendation A.III.1 of the United Nations Conference on Trade and Development;

14/ Ibid.

(b) To make suitable organizational arrangements with a view to endowing the Centre for Industrial Development with the necessary operational flexibility and autonomy consistent with the nature and requirements of a broadly based programme of action to accelerate the industrialization of the developing countries.

ANNEXES

Annex I

LIST OF DELEGATIONS

Members of the Committee

ALGERIA

Representative

M. Hocine DJOUDI,
conseiller, membre de la mission permanente

ARGENTINA

Representative

Sr. Carlos SALAZAR,
Director de
Promoción Industrial

AUSTRIA

Representative

Dr. W.R. BACKES,
Counsellor of Embassy,
Deputy Permanent Representative to
the United Nations

Alternate Representative

Dr. Georg HENNIG,
Attaché,
Permanent Mission

Advisers

Mr. Bruno GARUNKSTIS,
Austro-Plan Association

Dr. Peter FITZ,
Trade Expert

BRAZIL

Representative

Mr. Oscar S. LORENZO FERNANDEZ,
Counsellor,
Permanent Mission

Alternate Representative

Miss Celeste D.C. HASSLOCHER,
Second Secretary,
Permanent Mission

CAMEROON

Representative

M.J.B. BELEOKEN,
conseiller aux affaires économiques
et commerciales, membre de la
mission permanente

Alternate Representative

M.E.B. CHAMFOR,
attaché commercial, membre de la
mission permanente

CANADA

Representative

Mr. S. ABELL,
Department of Industry

Alternate Representative

Mr. J.O. PARRY,
Department of External Affairs

Advisers

Mr. J.A. MACPHERSON,
Department of Finance

Mr. Roy MacLAREN,
Second Secretary,
Permanent Mission

CENTRAL AFRICAN REPUBLIC

Representative

S.E.M. Michel GALLIN-DOUATHE,
ambassadeur extraordinaire et
plénipotentiaire,
représentant permanent auprès de
l'Organisation des Nations Unies

Alternate Representative

M. Isidore OUAMBA,
deuxième secrétaire d'ambassade,
membre de la mission permanente

CHILE

Representative

Sr. Enrique VIAL,
Gerente de la Oficina de Corporación
de Fomento de la Producción de
Chile en Nueva York

Alternate Representatives

Sr. Gregorio WAISSBLUTH,
Vice Presidente Ejecutivo,
Compañía de Acero del Pacífico

Sr. Uldaricio FIGUEROA,
Tercer Secretario,
Misión permanente

CZECHOSLOVAKIA

Representative

Mr. D. SCHEJBAL,
Head of Department,
State Planning Commission

Alternate Representative

Mr. Luděk HANDL,
Third Secretary,
Permanent Mission

ECUADOR

Representative

Dr. Gustavo POLIT,
Ministro Consejero,
Embajada en Washington

Alternate Representative

Dr. Gonzalo ALCÍVAR,
Consejero,
Misión permanente

FEDERAL REPUBLIC OF GERMANY

Representative

Mr. Wilhelm-Guenther von HEYDEN,
Foreign Office

Alternate Representative

Dr. Guido BRUNNER,
First Secretary,
Office of the Permanent Observer
to the United Nations

Adviser

Dr. Walter STOCK,
Diplomkaufmann,
Federal Ministry for Economics

FRANCE

Representative

M. Jean VAVASSEUR,
inspecteur général au Ministère
de l'industrie

Alternate Representatives

M. Philippe BERNARD,
chargé de mission au Commissariat
général au Plan

M. Jean-Claude RENAUD,
conseiller commercial, membre de
la mission permanente

FRANCE (continued)

Advisers

M. Raymond CESAIRE,
secrétaire au ministère des affaires
étrangères

M. Daniel GEORGE,
attaché commercial

GABON

Representative

M. Simon PITHER,
conseiller aux affaires économiques,
membre de la mission permanente

GREECE

Representative

Mr. Theodore KOKKINOS,
Special Adviser to the Department
of Industry

IRAQ

Representative

Mr. Burhan M. NOURI,
First Secretary,
Permanent Mission

Alternate Representative

Mr. Abdul Hussein ALISA,
Third Secretary,
Permanent Mission

JAPAN

Representative

Mr. Hiroshi YOKOTA,
Counsellor,
Permanent Mission

JAPAN (continued)

Alternate Representatives

Mr. Ryozo MOGI,
Second Secretary,
Permanent Mission

Mr. Kunio MURAOKA,
Second Secretary,
Permanent Mission

Adviser

Mr. Minoru IIDA,
Secretary, Economic Section,
United Nations Bureau,
Ministry of Foreign Affairs

KUWAIT

Representative

H.E. Mr. Rashid Abdul-Aziz AL-RASHID,
Ambassador Extraordinary and
Plenipotentiary,
Permanent Representative to the
United Nations

Alternate Representatives

Mr. AHMAD-DUAIJ,
Director General,
The Planning Board

Mr. Soubhi KHANACHET,
Envoy Extraordinary and Minister
Plenipotentiary

Adviser

Mr. Fouad K. HUSSEIN,
Adviser, The Planning Board

LUXEMBURG

Representative

S.E.M. Pierre WURTH,
ambassadeur extraordinaire et
plenipotentiaire,
représentant permanent auprès de
l'Organisation des Nations Unies

LUXEMBOURG (continued)

Alternate Representatives

M. Jules WOULBROUN,
conseiller aux affaires économiques,
membre de la mission permanente de
la Belgique auprès de
l'Organisation des Nations Unies

M.P.-H. HOUBEN,
premier secrétaire d'ambassade,
membre de la mission permanente des
Pays-Bas auprès de l'Organisation
des Nations Unies

M. André ONKELINX,
secrétaire d'ambassade, membre de
la mission permanente de la
Belgique auprès de l'Organisation
des Nations Unies

MEXICO

Representative

Sr. Luis URRUTIA MENDÉZ,
Subdirector General de Industrias,
Secretaría de Industria y Comercio

Alternate Representative

Dr. Gabino VAZQUEZ ALFARO,
Tercer Secretario,
Misión permanente

Adviser

Sr. Manuel BRAVO,
Asesor de la Dirección General
del Banco de Mexico

MOROCCO

Representative

M. Abderrahmane FILALI,
directeur du commerce extérieur au
Ministère de l'économie nationale

PAKISTAN

Representative

H.E. Mr. Amjad ALI,
Ambassador Extraordinary and
Plenipotentiary,
Permanent Representative to the
United Nations

Alternate Representative

Mr. Rafeuddin AHMED,
Second Secretary,
Permanent Mission

PERU

Representative

Dr. Jorge Pablo FERNANDINI,
Ministro Consejero,
Misión permanente

Alternate Representative

Sr. Jaime CÁCERES,
Segundo Secretario,
Misión permanente

PHILIPPINES

Representative

H.E. Mr. Salvador P. LOPEZ,
Ambassador Extraordinary and
Plenipotentiary,
Permanent Representative to the
United Nations

Alternate Representative

Mr. Pablo R. SUAREZ, Jr.,
Adviser,
Permanent Mission

Advisers

Mr. Francisco M. RODRIGUEZ,
Permanent Mission

Miss Nona A. ZALDIVAR,
Permanent Mission

POLAND

Representative

Professor Kazimierz LASKI,
Central School of Planning and
Statistics

Alternate Representative

Mr. Wlodzimierz NATORF,
First Secretary,
Permanent Mission

ROMANIA

Representative

M. Ionel DESMIREANU,
chef de section à l'Institut des recherches économiques
de l'Académie de la République populaire roumaine

Advisers

M. Marcel MAMULARU,
deuxième secrétaire au Ministère
des affaires étrangères

M. Aurel COSTEASCU,
deuxième secrétaire, membre de la
mission permanente

SWEDEN

Representative

Mr. Bertil BOLIN,
Director for International Affairs,
Swedish Federation of Trade Unions

Alternate Representatives

Mr. Helge BERG,
Assistant Vice-President,
Federation of Swedish Industries

Mr. Gustav EKHOLM,
First Secretary,
Ministry for Foreign Affairs

SWEDEN (continued)

Adviser

Miss Irene LARSSON,
Second Secretary,
Permanent Mission

TURKEY

Representative

Mr. Fikret ALTINEL,
Deputy Under-Secretary of the
Ministry of Industry

Adviser

Mr. Aynan KAMEL,
First Secretary,
Permanent Mission

UNION OF SOVIET SOCIALIST REPUBLICS

Representative

Mr. E.N. MAKEEV,
Envoy Extraordinary and Minister
Plenipotentiary,
Deputy Permanent Representative to
the United Nations

Alternate Representatives

Mr. E.V. KUDRYAVTSEV,
First Secretary,
Permanent Mission

Mr. M.M. TARASOV,
Counsellor,
Permanent Mission

Mr. S.S. GABELKO,
Counsellor,
Permanent Mission

Advisers

Mr. V.A. YULIN,
Second Secretary,
Permanent Mission

UNION OF SOVIET SOCIALIST REPUBLICS (continued)

Advisers

Mr. V.I. PIROGOV,
Third Secretary,
Permanent Mission

Mr. I.N. MOSIN,
Attaché,
Permanent Mission

UNITED KINGDOM OF GREAT BRITAIN AND NORTHERN IRELAND

Representative

Mr. D.E.M. FIENNES,
Controller of Operations,
Commonwealth Development Corporation,
London

Alternate Representative

Mr. W.E.H. WHYTE,
First Secretary,
Permanent Mission

Adviser

Miss L.M. DEAS,
Third Secretary,
Permanent Mission

UNITED STATES OF AMERICA

Representative

H.E. Mr. Franklin H. WILLIAMS,
Ambassador, Representative on the
Economic and Social Council,
Permanent Mission

Alternate Representative

Mr. Clarence I. BLAU,
Senior Adviser, Economic and Social
Affairs,
Permanent Mission

UNITED STATES OF AMERICA (continued)

Advisers

Mr. Robert B. BANGS,
Office of Industrial Economics,
Business and Defense Services
Administration,
Department of Commerce

Miss Marjorie BELCHER,
Adviser, Economic and Social Affairs,
Permanent Mission

Mr. Frederick G. DRAPER,
Deputy Director for Industrial
Development,
Office of Human Resources and
Social Development,
Agency for International Development

Miss Helen E. KAVAN,
Office of International Economic
and Social Affairs,
Department of State

MEMBERS OF THE UNITED NATIONS REPRESENTED BY OBSERVERS

BYELORUSSIAN SOVIET SOCIALIST REPUBLIC

Observers

Mr. S.A. BRONNIKOV,
First Secretary,
Permanent Mission

Mr. A.E. SITNIKOV,
Second Secretary,
Permanent Mission

HUNGARY

Observer

Mr. Géza SELMECI,
Third Secretary,
Permanent Mission

INDIA

Observer

Mr. J.R. HIREMATH,
First Secretary,
Permanent Mission

ITALY

Observer

Mr. Giovanni SCOLAMIERO,
Adviser, Social Affairs,
Permanent Mission

NEPAL

Observer

Mr. DEVENDRA Raj Upadhya,
Counsellor,
Permanent Mission

UKRAINIAN SOVIET SOCIALIST REPUBLIC

Observer

Mr. Y.N. KOCHUBEI,
Second Secretary,
Permanent Mission

YUGOSLAVIA

Observer

Mr. Zoran LAZAREVIĆ,
Second Secretary,
Permanent Mission

SPECIALIZED AGENCIES

International Labour Organisation

Mr. Philippe BLAMONT,
Director,
Liaison Office with the United Nations

Mr. L.H. SEGOVIA,
Liaison Office with the United Nations

Food and Agriculture Organization of the United Nations

Mr. J.L. ORR,
Director, Liaison Office with the
United Nations

Mr. A. ATEN,
Technical Officer (Industrialization),
Technical Department

United Nations Educational, Scientific and Cultural Organization

Mr. Arthur GAGLIOTTI,
Director,
Liaison Office with the United
Nations

World Health Organization

Dr. Rodolphe L. COIGNEY,
Director, Liaison Office with the
United Nations

Dr. C.M. NORMAN-WILLIAMS,
Director of Health Service,
African Region

Mrs. V. Kalm,
Reports Officer, Liaison Office
with the United Nations

International Bank for Reconstruction and Development

Mr. Federico CONSOLO,
Special Representative to the
United Nations

Mr. Lewis PERINBAM,
Liaison Officer, Liaison Office
with the United Nations

International Finance Corporation

Mr. Philippe DUVIEUSART

* * * * *

International Atomic Energy Agency

Mr. E.V. PISKAREV
Representative of the Director
General, Liaison Office with the
United Nations

NON-GOVERNMENTAL ORGANIZATIONS

Category A

International Chamber of Commerce: Mr. Stephen P. LADAS, Mrs. Roberta M. LUSARDI

International Confederation of Free Trade Unions: Mr. Irving BROWN, Mr. Paul BARTON

Annex II

TERMS OF REFERENCE OF THE COMMITTEE

For the text of the terms of reference of the Committee, see Official Records of the Economic and Social Council, Thirty-third Session, Supplement No. 2, Annex II.

Annex III

LIST OF DOCUMENTS BEFORE THE COMMITTEE AT ITS FIFTH SESSION

- E/C.5/66 Report of the Inter-regional Seminar on Industrial Research and Development Institutes in Developing Countries
- E/C.5/67 Report of the Inter-regional Seminar on the Role of Industrial Complexes in Economic Development
- E/C.5/68 Repair and maintenance of machine tools in developing countries
- E/C.5/69 Financing of Industrial Development - Review of activities: note by the Secretariat
- E/C.5/70 Report of the United Nations Seminar on Industrial Estates in the Region of the Economic Commission for Africa
- E/C.5/71 Report submitted by the International Bank for Reconstruction and Development, the International Development Association and the International Finance Corporation
- E/C.5/71/Add.1 Report submitted by the Food and Agriculture Organization of the United Nations
- E/C.5/71/Add.2 Report submitted by the United Nations Educational, Scientific and Cultural Organization
- E/C.5/71/Add.3 Report submitted by the International Atomic Energy Agency
- E/C.5/71/Add.4 Report submitted by the International Labour Organisation
- E/C.5/72 Provisional agenda
- E/C.5/72/Add.1 Annotations to the provisional agenda
- E/C.5/73 Report of the activities of the Centre for Industrial Development
- E/C.5/74 Industrial policies, including policies for the promotion of export-oriented industries: note by the Secretariat
- E/C.5/75 Industrial Development Problems and issues: note by the Secretariat
- E/C.5/76 Parameter Patterns for Industrial Development - Study of manufacturing establishments: note by the Secretariat
- E/C.5/77 Industrial Project Evaluation: note by the Secretariat

- E/C.5/78 Summary report of the first United Nations Inter-regional Conference on the Development of Petrochemical Industries in Developing Countries
- E/C.5/79 Report on the Inter-regional Seminar on the Food Canning and Preservation Industries
- E/C.5/80 Report of the Inter-regional Seminar on the Cement Industry: note by the Secretariat
- E/C.5/81 Activities of the Centre for Industrial Development in the field of engineering industries: note by the Secretariat
- E/C.5/82 Activities of the Centre for Industrial Development in the field of the iron and steel industry: note by the Secretariat
- E/C.5/83 Activities of the Centre for Industrial Development in the field of chemical industries: note by the Secretariat
- E/C.5/84 Activities of the Centre for Industrial Development in the field of industrial standardization: note by the Secretariat
- E/C.5/85 and Corr. 1 A preliminary study of the current situation of the machine tool industry
- E/C.5/86 Organization and administration of public and semi-public agencies in the field of industrial development: note by the Secretariat
- E/C.5/87 Management problems of industrial research and development institutes in developing countries: note by the Secretariat
- E/C.5/88 Industrial training and management: note by the Secretariat
- E/C.5/89 Development of small-scale industries: note by the Secretariat
- E/C.5/90 Industrial Estates: policies, plans and progress (A comparative analysis of international experience)
- E/C.5/91 Support activities of the Centre for Industrial Development: report by the Secretariat
- E/C.5/92 Social aspects of industrialization: note by the Secretariat
- E/C.5/93 Decisions of the United Nations Conference on Trade and Development relating to industrial development: note by the Secretariat
- E/C.5/94 Report by the Managing Director on the activities of the United Nations Special Fund in the field of industrial development
- E/C.5/95 Activities of the Economic Commission for Latin America related to industrialization: report by the Executive Secretary

- E/C.5/96 Activities of the Economic Commission for Europe related to industrialization: report by the Executive Secretary
- E/C.5/97 Activities of the Economic Commission for Africa related to industrialization: report by the Executive Secretary
- E/C.5/L.42 Statement by Mr. I.H. Abdel-Rahman, Commissioner for Industrial Development, at the opening meeting of the Committee
- E/C.5/L.43 and Add.1-11 Draft report of the Committee to the Economic and Social Council: draft chapters submitted to the Committee
- E/C.5/L.44 Decisions of the United Nations Conference on Trade and Development relating to industrial development: note by the Secretary-General
- E/C.5/L.45 United Nations machinery in the field of industrial development - Canada and United States of America: draft resolution
- E/C.5/L.46 United Nations machinery in the field of industrial development - Algeria, Argentina, Brazil, Cameroon, Chile, Ecuador, Gabon, Iraq, Kuwait, Mexico, Morocco, Peru, Philippines: draft resolution
- E/C.5/L.47 United Nations machinery in the field of industrial development - Argentina: amendment to document E/C.5/L.45
- E/C.5/L.48 Activities of the United Nations system in the field of industrial development - France and United States of America: draft resolution
- E/C.5/L.49 Decisions of the United Nations Conference on Trade and Development relating to industrial development - Philippines: draft resolution
- E/C.5/L.49/ Rev.1 Decisions of the United Nations Conference on Trade and Development relating to industrial development - Philippines: revised draft resolution
- E/C.5/L.50 International and regional symposia on industrial development - Algeria, Argentina, Austria, Brazil, Cameroon, Chile, Czechoslovakia, Ecuador, Gabon, Greece, Iraq, Kuwait, Mexico, Morocco, Pakistan, Peru, Philippines and Sweden: draft resolution
- E/C.5/L.51 Review of the activities of the Centre for Industrial Development and considerations relating to its future programme of work - Chile: draft resolution
- E/C.5/L.51/ Rev.1 Review of the activities of the Centre for Industrial Development and considerations relating to its future programme of work - Algeria, Argentina, Brazil, Central African Republic, Chile, Ecuador, Gabon, Mexico, Morocco, Pakistan, Peru, Turkey: revised draft resolution

- E/C.5/L.52 United Nations machinery in the field of industrial development - Resources of the Centre for Industrial Development: note by the Secretary-General
- E/C.5/L.53 International and regional symposia on industrial development: note by the Secretary-General
- E/C.5/L.54 Statement by Mr. David Owen, Executive Chairman of the Technical Assistance Board, at the 45th meeting of the Committee, on 28 May 1965
- E/C.5/L.55 Statement by Mr. Martin Rosen, Executive Vice-President of the International Finance Corporation, at the 45th meeting of the Committee, on 28 May 1965

Annex IV

DOCUMENTS SUBMITTED TO THE COMMITTEE ON THE REQUIREMENTS FOR THE SYMPOSIA ON INDUSTRIAL DEVELOPMENT AND ON THE RESOURCES OF THE CENTRE FOR INDUSTRIAL DEVELOPMENT

1. During the consideration of agenda item 5 (International and regional symposia on industrial development), a/ and agenda item 9 (United Nations machinery in the field of industrial development), b/ the Committee had before it documents E/C.5/L.53 and E/C.5/L.52, whose texts are reproduced in full below.

A. International and Regional Symposia on Industrial Development

2. The draft resolution in document E/C.5/L.50 requests the Secretary-General to complete the preparations required for holding a series of regional symposia on industrial development during 1965-66 and to take all necessary steps, including the preparation of appropriate studies, to assure the holding of an international symposium in developing countries early in 1967.

3. Pursuant to General Assembly resolution 1940 (XVIII) and Economic and Social Council resolution 1030 C (XXXVII), the Secretary-General had presented relevant cost estimates for the regional symposia and for the preparatory work on the international symposium to the General Assembly at its nineteenth session in his report on revised estimates for 1965 (A/C.5/1016).

4. In the absence of action on the 1965 budget estimates, the Secretary-General has, under the provisions of resolution 2004 (XIX) of the General Assembly, made available funds for the preparatory work during 1965 on the regional and international symposia; and for the holding of the symposium for the Asia and the Far East region in December 1965. He is including necessary amounts in the initial estimates for 1966 for the holding of the regional symposia in the Latin American and African regions in the first quarter of 1966, and for carrying forward work on the preparatory documentation for the international symposium to be held early in 1967.

5. It may also be noted that the preparatory work during 1965 has included work on the industrial development of the Middle East. The Government of Kuwait has indicated its intention to be host to a symposium for countries of the Middle East region, and to defray the expenses for conference servicing and local facilities.

6. Provision is being included in the Secretary-General's initial estimates for 1966 in an amount of \$602,000 for the international and regional symposia.

7. It is anticipated that the expenditures in 1967 will relate mainly to the Conference servicing and printing of the proceedings of the international symposium. The magnitude of these expenditures will depend on the scope and agenda of the international symposium, decisions on which are to be taken at the sixth session of the Committee and the forty-first session of the Economic and Social Council. Cost estimates based on these decisions will be presented at the appropriate time.

a/ See above, chapter V of the report.

b/ See above, chapter VI, section C, of the report.

B. United Nations Machinery in the Field of Industrial Development:
Resources of the Centre for Industrial Development

8. In compliance with the request contained in paragraph 5 of resolution 1030 A (XXXVII) of the Economic and Social Council, the Secretary-General submitted to the nineteenth session of the General Assembly the report (A/C.5/1021) which contains an itemized account of the budgetary resources devoted to industrial development activities in the years 1963, 1964 and 1965. The figures for 1965 represented at the time the level of the budget estimates recommended by the Advisory Committee on Administrative and Budgetary Questions which the General Assembly was expected to approve at the nineteenth session.
9. As is well known, the General Assembly did not take up formally the 1965 budget estimates but instead approved interim financial arrangements and authorizations for 1965 as reflected in its resolution 2004 (XIX). In this resolution, the Secretary-General was authorized to enter into commitments at levels not exceeding those for the year 1964. He was also authorized "to transfer funds between categories of expense and to enter into such minimum commitments as may be required for the purpose of financing certain new priority programmes and supporting services in 1965, notably in the field of trade and industrial development". Thus, the final allocations for the Centre for Industrial Development under the 1965 budget remained substantially those shown in document A/C.5/1021 which has been made available to the Committee.
10. In connexion with item 9 of the agenda, the Committee has before it two draft resolutions (E/C.5/L.45 and E/C.5/L.46). Both recognize the need for a substantial strengthening of the Centre for Industrial Development. In line with the wishes already expressed by the Economic and Social Council, the Secretary-General has proposed, in connexion with his budget estimates for 1966, the gradual building up of the Centre for Industrial Development to an adequate target establishment along a carefully programmed plan over the next two or three years. As an initial step, the Secretary-General has included in his budget estimates for 1966 provision for increasing the Centre's manning table by the addition of seventy-three professional posts as well as adequate provisions for consultant services, ad hoc expert groups, travel, publications, etc., to meet the needs of an expanding programme of activities in the field of industrial development. In accordance with the request contained in resolution 1046 (XXXVII) of the Economic and Social Council, the Secretary-General intends to provide the Council with adequate information on the budgetary implications for 1966 in each major area of work, including industrial development.
11. Without prejudice to decisions that may be taken by the General Assembly and the Economic and Social Council on the question of the United Nations machinery for industrial development, and any resulting changes in the organizational framework for industrial development, the Secretary-General intends to include in his future budget estimates for 1967 and 1968, further increases in the resources for the Centre for Industrial Development in line with the target establishment mentioned in paragraph 10 above.

Annex V

STATEMENT MADE BY THE COMMISSIONER FOR INDUSTRIAL DEVELOPMENT AT THE OPENING MEETING OF THE COMMITTEE, ON 11 MAY 1965

It is indeed an honour to address the Committee again at the opening of its annual session.

The Committee has before it a comprehensive agenda which I shall not attempt to review item by item. Developments over the last year are reported in the documentation prepared for this session in accordance with the various items on the provisional agenda (E/C.5/72). I will endeavour to address my remarks to certain aspects of our work, which in my view are characteristic of the situations with which we are dealing as well as of the problems which we must face in the field of industrial development.

Short-run needs and long-term requirements

As I had the opportunity of saying last year, we are faced with two different, although not unrelated, sets of requirements. In the first place, we must face up to the immediate tasks; namely the work in hand and the need to continue the implementation of the existing projects. At the same time, we also have to lay the foundation for a wider programme of activities in line with the expansion and strengthening of the work in industrial development sought by the Committee and the General Assembly. In essence, this adds up to a situation which must, perforce, remain fluid. We are at a transitional stage during which it is necessary to balance short-term needs with the requirements of building up a more permanent and enlarged structure in the longer run. In doing this, we have had the guidance of the Committee through the discussions held at its last session and, in particular, the guiding principles contained in the resolutions approved at the fourth session to which I shall refer presently.

Proposed establishment of a specialized agency

In response to General Assembly resolution 1940 (XVIII), the Committee adopted a draft resolution, subsequently approved by the Council, on the question of the establishment of a specialized agency for industrial development. It may be recalled that the Council also had before it a similar recommendation from the United Nations Conference on Trade and Development which, starting almost immediately after the Committee's fourth session, had devoted a great deal of attention to the need for accelerating the industrialization of the developing countries and the requirements for enlarged international action in this field.

In response to a request contained in Council resolution 1030 B (XXXVII), a report was prepared on the scope, functions and structure of a specialized agency for industrial development and submitted to the General Assembly at its nineteenth session (A/5826). For reasons that are well known, the General Assembly has not

been able to deal so far with this question and the matter still remains on its agenda. It is worth mentioning that the specialized agencies and the International Atomic Energy Agency have shown considerable interest in the matter of the establishment of a specialized agency for industrial development. Among others, this interest has been reflected in the annual reports of the Administrative Committee on Co-ordination. Indeed, the question is still a matter of lively concern and has continued to be the subject of considerable debate. However, the decision rests now with the General Assembly and ultimately with the Member Governments of the United Nations.

Symposia on industrial development

The Committee also adopted last year a resolution concerning the holding of international and regional symposia. As was pointed out during the discussion on this matter, one of the purposes of the symposia was to examine the status, prospects and problems of industrial development in the developing countries. The symposia are expected to result in a realistic appraisal of the industrial situation and needs of the developing countries, together with an assessment of the national, regional and international action which may be required to accelerate their industrialization. In accordance with General Assembly resolution 1940 (XVIII) and the Committee's resolution of last year on the subject, a report was submitted to the Economic and Social Council at its thirty-seventh session on the consultations undertaken concerning the organization of the symposia. c/ The replies received from a majority of Governments favoured the holding of an international meeting on industrial development, preceded as appropriate by regional and sub-regional symposia. It was also endorsed in decisions taken by the regional economic commissions. As requested in the resolution adopted by the Committee at its last session, the Centre for Industrial Development has co-operated closely with the regional commissions in organizing the regional symposia in the ECAFE, ECA and ECLA regions as preliminary steps towards the holding of an international meeting on industrialization.

Regional symposia

The report of the activities of the Centre (E/C.5/73) provides more details on the co-operation with the regional economic commissions and on the organization of the regional symposia, which are geared in every case to the conditions and interests of the countries in the respective regions. In accordance with the resolution of the Committee, Member countries in each region have been requested to prepare reports on their industrial development programmes and policies to serve as a basis for an examination at the regional symposia of the general situation and recent trends in industrialization. It has been suggested that Governments might establish national committees or special working groups to engage in such studies or surveys relating to the regional and the international symposia on industrialization. Attention is also being devoted to some of the major branches of industry, the problems of external assistance, and industrial finance. The

c/ Official Records of the Economic and Social Council, Thirty-seventh Session, Annexes, agenda item 11, document E/3921.

Centre has made arrangements with the Economic Commission for Europe to assist in the preparatory work for the international and the regional symposia, and the co-operation of the United Nations Economic and Social Office in Beirut is also being engaged to extend the coverage of the preparatory work to certain countries of the Middle East.

I have just returned from the eleventh session of the Economic Commission for Latin America which is meeting in Mexico City. This year's session of ECLA is primarily devoted to the problems of industrialization and particularly the industrial integration of the region. As a matter of fact, this session is a forerunner of the regional symposium inasmuch as it is largely devoted to one of the basic problems of Latin American industrialization. Various other aspects as well as needed follow-up of the present discussions will be further examined at the symposium to be organized next February. The timing of the regional symposia for the Economic Commission for Africa and the Economic Commission for Asia and the Far East has also been set now; in the latter case for December of this year and for January 1966 in the case of the ECA. It is to be expected that the Committee will receive at its next session the reports of the three regional symposia whose preparation is now in progress.

International symposium

In its resolution 1940 (XVIII), the General Assembly had envisaged that the international symposium on industrial development would be held not later than 1966. However, as was stressed at the fourth session of the Committee, the international symposium is an important undertaking of considerable scope which requires both extensive and careful preparation. Furthermore, a decision has meanwhile been taken to hold the second United Nations Conference on Trade and Development in 1966. Since it is an established policy that only one major conference may be held in the same year and since some additional time could be well employed to assure careful preparation of the international symposium, the Committee might wish to consider the possibility of postponing the international symposium on industrial development until 1967, possibly in the early part of that year. There would, of course, be no letting-up in the preparatory work, and the Centre would continue the studies and surveys as requested in the Committee's resolution on the symposia.

The dynamic programme

Concentration of activities

The Committee called for the implementation of a dynamic programme of activities as set out formally in resolution 1030 A (XXXVII) of the Council. Efforts have been made during the past year to orient as far as possible the activities of the Centre in the direction of the guidelines thus provided. Of course, limitations in manpower and financial resources have severely curtailed the extent to which the implementation of this programme could be taken in hand. The efforts made in this direction have led to a concentration of the activities in six major areas as reflected in the report of the Centre (E/C.5/73). It should be borne in mind, however, that the need to serve countries at different levels of industrial development and with different resource endowments precludes any possibility of limiting the activities of the Centre to only certain selected areas or problems of industry. On the contrary, efforts will have to be made to broaden

further the coverage of the basic areas of industrial development so as to meet the wide variety of requests from the Governments of Member States and the need to maintain a representative range of specializations in response to the requirements of the Centre's role as a focal point for the activities of this field within the United Nations system of organizations. Nevertheless, the concentration of the activities of the Centre will be achieved by further streamlining our programme of work along the essential tasks and requirements of industrial development. These can be grouped into three basic fields, namely, industrial development policies and programmes, industrial technology, and the institutional framework for industrialization. The documentation before the Committee provides a detailed review of the work carried out in those areas. Generally, it has been possible to show some progress in all of those areas during the last year.

Programming and project evaluation

In industrial programming, the most important development was perhaps the formulation of a far-reaching programme in the field of industrial project evaluation. It is well known that one of the most needed and still very scarce talents in the under-developed countries is the preparation and evaluation of concrete industrial projects, which must be drawn up in a realistic and technically competent manner to facilitate the financing and the actual establishment of the industrial plant. An international symposium in this field will be held in Prague next October. Its aim will be the assessment of the most appropriate project evaluation techniques and their applicability in the developing countries. The results of the symposium will be used subsequently in a series of regional and sub-regional workshops.

Parallel to this project and closely connected with it, the Centre has broadened its earlier efforts in the field of industry studies. Under the project on parameter patterns for industrial programming we have set out to obtain, as a first phase, detailed input data used in industrial programming in a number of countries. As is well known, there are thousands of different industrial processes and the economic planner in developing countries more often than not is liable to find himself at a loss in respect of the quantitative inputs required for specific industries which on the basis of other criteria may appear suitable for inclusion in the programme. It is hoped that the publication of factual input data reflecting the practice of different countries under different conditions and at different stages of economic development would enable industrial planners to appraise realistically the orders of magnitude involved in each project and to estimate more closely the resources required for their implementation.

Industrial development policies

In the field of industrial development policies, attention has been focused, largely thanks to the impact of the United Nations Conference on Trade and Development, on the questions related to the export of manufactures and semi-manufactures from the developing countries. As was reported last year, the Centre prepared documentation and serviced the Conference in respect to this item of its agenda. In line with the recommendations of the Conference and in close consultation with its Secretary-General, the Centre will continue to devote considerable attention to the problems related to the establishment and promotion of export industries. The documentation before the Committee describes in some

detail the three major projects that the Centre is now initiating in this field, and plans are being laid for broadening the scope of these activities on the assumption that additional resources would be forthcoming in the future.

While the question of policies for export promotion is indeed one of the highest priority in the industrialization efforts of the developing countries, there are many other fundamental questions of policy which cannot be neglected. Work is continuing or being initiated in such areas as industrial financing, fiscal incentives for the establishment of industries, problems of industrial location, regional aspects of industrial development and others on which guidance has been received at past sessions of the Committee. The Centre's activities generally aim at assisting the developing countries in the formulation of consistent policies aimed at accelerating their industrial development. The world industrial development survey envisaged by the Committee last year was intended to provide analytical information useful to policy-makers. It was felt, however, that at its present level of resources the Centre could not yet take in hand the preparation of the Survey on a continuing basis.

Industrial technology

Considerable progress has been made in broadening the scope of the Centre's work in the field of industrial technology. While still lacking by far established cadres of necessary technical staff in at least the major branches of industry, we have nevertheless been able to cover several sectors largely with the assistance of temporary consultants. In the face of rather meagre resources, attention has been devoted to the medium of seminars and technical meetings as a short-cut instrument for promoting interest in new technological developments and bringing participants from developing countries in contact with outstanding experts and large industrial centres. In addition to several regional and inter-regional seminars held on specific industries such as cement, food canning, fertilizer production and chemicals, the Centre also organized two major technical meetings of particular significance.

The Inter-regional Seminar on Industrial Research and Development Institutes in Developing Countries held last December in Beirut (Lebanon), was attended by a large number of specialists from developing countries. In addition to dealing with some of the basic problems of industrial research work in the developing countries, the seminar provided an opportunity for heads of technological and industrial research institutes in developing countries to exchange views on their work and to initiate exchanges of information which may lead to closer co-ordination of individual efforts to develop industrial techniques more appropriate for the conditions in the industrializing countries. Another undertaking of singular importance was the Inter-regional Conference on the Development of Petrochemical Industries in Developing Countries, held November last in Teheran (Iran). The importance of this dynamic industrial branch, the number of technicians and specialists who attended this meeting and the comprehensive representation achieved in terms of countries and industrial interests combined to assure the widest impact of the discussions and recommendations of this meeting.

While these were undeniably successful undertakings, the results of which may eventually have an even wider and more lasting impact than can be anticipated at present, I should not wish to hide my concern over the fact that, in the first place, there is a definite limit to the number of technical meetings that can be

organized with a relatively small staff and, in the second place, the lack of sufficient staff may seriously jeopardize the necessary follow-up action without which the results of some of these meetings may not be fully realized.

Institutions and services for industrialization

The importance of the institutional framework for industrial development has been frequently pointed out in past discussions in the Committee and the Council. In the resolution on the development of a dynamic programme, it was envisaged that the Centre for Industrial Development would assist the developing countries in the establishment and strengthening of national institutions, such as industrial development boards, industrial promotion centres, programming offices, engineering and technological institutes and similar institutional arrangements providing services to industry. In conformity with the guidance thus provided by the Committee, efforts have been made to strengthen the work in the area of industrial services and institutions. In addition to the Inter-regional Seminar on Industrial Research and Development Institutes in Developing Countries which I have already mentioned, efforts have been made to increase the direct assistance to Governments in this important area. Eight institutes of industrial technology and research in various parts of the world are being given support under projects approved by the Special Fund, for which the Centre for Industrial Development has assumed substantive responsibility. The Centre has undertaken work on the problems of management of industrial research institutes and the exchange of information between institutes located in different countries at various levels of industrial development. Another area of practical importance is that of consulting and engineering services, as well as the question of different types of licence agreements and contracting services available to prospective industrialists in the developing countries. There is a need to investigate further the structure and functions of governmental and semi-governmental agencies that play a role in promoting industrial development. Of particular importance for small and medium-sized industries is the development in every country of a comprehensive industrial extension service capable of providing on-the-spot advice on problems of production, management and marketing.

Training

It has been frequently stressed that economic development is essentially the development of a country's human resources. Training, and particularly technical training, is one of the priority items on any programme of industrial development. As requested in General Assembly resolution 1824 (XVII), a report has been prepared on training of national technical personnel for an accelerated industrialization of the developing countries. This report has been prepared by the Centre in close co-operation with FAO, the ILO and UNESCO and was submitted to the Council at its thirty-seventh session. d/ It is now before the Committee for consideration and comments.

The report contains a broad assessment of the requirements of the developing countries for technical personnel and the facilities available at present in developed and developing countries for their training. It is therefore concerned largely with the long-run problems of massive training needs in the industrializing countries. However, there are certain immediate needs for technical and skilled personnel which are of critical importance in many developing countries. To meet as far as possible these needs, the Centre has initiated the organization of group-

d/ Ibid., agenda item 12, document E/3901 and Add.1 and 2.

training programmes in specific branches of industry. We have undertaken broad consultations with a number of industrialized countries to obtain host facilities for in-plant training in specialized industrial fields. As indicated in the report of the Centre (E/C.5/73), the response was extremely encouraging. A number of Governments have already agreed to provide the necessary facilities. The first group-training programme will be initiated this summer and several have been scheduled for next year, while consultations are continuing with other Governments to cover additional industrial areas.

A training programme in industrial planning for African government officials has been organized in co-operation with ECA and the African Institute for Economic Development and Planning as well as the Institute of National Planning in Cairo. The documentation before the Committee also reflects a number of other important activities in the field of management and training which indicate not only the attention devoted to this important field but also the efforts made to channel additional resources into this area and to undertake activities of a practical nature responding directly to the immediate requirements of the industrializing countries.

Technical assistance in industry

In the field of technical assistance operations, there has been further progress in increasing the total size of the programme devoted to industrial development. In line with the Committee's emphasis on the need to strengthen the Centre's activities of direct assistance to the Governments of Member States, a large portion of existing resources has been devoted to the implementation and promotion of technical assistance in the field of industry. Efforts have also been made to maintain increasing contacts with the Governments of Member States and to achieve closer co-ordination with the authorities of the technical co-operation programmes. On this occasion I should like to express my appreciation to the Managing Director of the Special Fund and to the Executive Chairman of the Technical Assistance Board for the interest they have always shown in the promotion and improvement of the programme in the field of industry.

Direct assistance to Governments corresponds to the same major areas as the substantive activities of the Centre. Governments frequently require assistance in the preparation of industrial development plans and the study of markets and investment possibilities as well as advice on various policy measures. There has been a marked increase in requests for technical assistance in respect to technology, that is, the selection of production processes and machinery and the different technical problems that are likely to arise when setting up industrial plants in developing countries. Furthermore, the establishment of industrial and technical research institutes has been an important area in which assistance has been rendered on an increasing scale particularly under Special Fund projects. Provision of assistance in the development of the institutional framework has also been extended to the establishment of industrial development agencies and other facilities related with governmental machinery for industrialization.

The major part of the Centre's work in the field of small-scale industries and industrial estates has been directly concerned with assistance to the Governments of Member States. The field work of staff and experts of the Centre in this area has been concerned both with governmental measures and policies for the promotion

of small- and medium-scale industries as well as in providing assistance to Governments in the formulation of Special Fund requests for the establishment of demonstration centres and industrial estates.

Instruments of action

When reviewing our activities field by field, as I have just done, it should be kept in mind that the instruments available to the Centre for implementing its work remain essentially the following: (a) research and studies, (b) technical meetings, (c) technical assistance and field work, and (d) the co-ordination functions designed to harmonize different activities of an interdependent nature. I shall not go into a detailed examination of these instruments of action but I would like to make a few remarks on each one of them.

Research and studies

In undertaking research work and studies, the Secretariat occasionally has the assistance of consultants, but more often it must draw on the practical field work and on the information and observations emanating from the countries themselves. In the last stage the research work eventually goes to the Committee for review and policy guidance and on technical matters, might be examined by an ad hoc group of experts. One aspect of this type of work for which the United Nations has always been particularly suited is that of compilation and standardization of information, including the preparation of periodic reviews. A large part of the work we are doing in the field of industrial programming is of this nature. In line with the directives of the Committee and in connexion with the preparatory work of the regional symposia, the Centre has sought to organize the preparation of country surveys on industrialization. This work is being done in close co-operation with the regional commissions, who are also instrumental in the preparation of surveys at the regional level. The preparation of a world survey on industrial development proposed by the Committee last year, would also fall within this category of work, and in fact its implementation would be greatly facilitated by the country and regional surveys that are being prepared for the symposia. Of course, in carrying out research work it is necessary to keep abreast of the work being done in the academic and professional world as well as in the various national and international agencies who contribute at present in large measure to the research output.

Technical meetings

The second instrument I have mentioned was technical meetings, including seminars and symposia. The Committee has emphasized in the past the usefulness of seminars as a vehicle for the exchange of ideas and the transfer of technical know-how. So far, technical meetings have been financed largely from the technical assistance programmes and have therefore been organized mainly with a view to providing an opportunity for people from the developing countries to broaden their technical knowledge and to establish contacts with specialists from other countries and discuss their respective experiences. Five seminars and technical meetings were organized by the Centre in 1965. More meetings of this type should be organized, as there is a continuing need to review developments in many fields of industrial technology. Furthermore, these meetings have not always been identical in scope and in each case their organization can be adapted to specific purposes. For instance, the Inter-regional Conference on the Development of Petrochemical

Industries in Developing Countries, held last year turned out to be a large gathering of experts not only from developing countries but also from the advanced countries who were equally interested in exploring the problems of the development of this important industrial sector. On the other hand, in some instances like the experts group on the textile industry which is being organized this year, what is sought is an examination by a small group of experts of the basic problems in a particular sector of industry with a view to base the Centre's activities on well-considered priorities.

It is quite clear that under an expanded work programme additional resources will be required in order to increase the number of seminars and similar meetings, particularly meetings of panels of experts, and in order to assure appropriate follow-up in respect of recommendations made at these meetings. An important outcome of these meetings is the possibility of giving wide publicity to the technical discussions. Thus, funds are also required for the timely publication of the proceedings and their distribution.

Field work

In the third place, I mentioned the practical field work that is being undertaken under the various technical assistance programmes. I wish to point out that, comparing the total magnitude of the technical assistance programmes implemented by the United Nations family of organizations - including particularly the Expanded Programme of Technical Assistance and the projects financed by the Special Fund - with the part devoted to industrial projects serviced by the Centre as reported in document E/C.5/91, it becomes clear that the programme for which the Centre is now responsible amounts to about 1 or at most 2 per cent of the total amount of assistance delivered through the United Nations system. The significance of this very low ratio has already been recognized in the General Assembly as well as in the Technical Assistance Committee. For our part, we have made every effort to increase this proportion in accordance with the mandate given us by the Committee last year and also in earlier years particularly to promote the operational activities. While some success can be reported, it is still a fact that the 1965-1966 programme of industrial development projects approved under the Expanded Programme has shown a further decline compared with the previous biennium. This is indeed symptomatic of the underlying situation. As indicated in document E/C.5/91, we had about 230 experts in the field in 1964. The number of staff of the Centre at the time was about thirty-five professional officers. This gives a ratio of about one staff member to every seven experts in the field. The corresponding ratio for most of the specialized agencies is closer to one staff member for each expert in the field. There can be no question that with the latter proportion, promotion of requests, recruitment of experts and implementation of technical assistance projects is greatly facilitated. In addition, the diversity of specializations in industry is much larger than in other fields and requests for assistance from Governments usually cover a large range of different industries. Thus, it becomes plain that if we wish to increase significantly the total size of the technical assistance programme in industry it will be necessary to augment the staff of the Centre in a much larger proportion than has been the case hitherto. Meanwhile, as I have already noted, some increase in the number of experts in the field and of technical assistance projects handled by the Centre has been achieved as a result of increased staff travel, closer and more frequent consultations with the resident representatives and through co-operative action with the regional

economic commissions. However, these approaches are bound to run into diminishing returns unless the basic staff resources are considerably strengthened.

Co-ordination functions

It may be recalled that the Centre was envisaged by the Council as a focal point for the co-ordination of the United Nations activities in industrial development. In its resolution on the development of a dynamic programme, the Committee stressed the role of the Centre in co-ordinating the activities in the field of industrial development carried out by the United Nations system of organizations. But these functions still have to be established in practice and this again raises the matter of resources needed for their implementation. The Committee was aware last year that some of the Centre's staff and resources would have to be devoted to these tasks. Thus, action in this field was narrowly limited by the over-all shortage of staff in the Centre. I should mention, however, that in connexion with the preparatory work for the industrialization symposia and on specific projects, opportunities have arisen for increased contacts and co-operation. For example, initial discussions with the International Bank for Reconstruction and Development and its affiliated organizations point to possibilities of co-operation in respect of particular projects. The Bank has also seconded a staff member to our training course on industrial development for African administrators and we have explored the Bank's possible contribution to the studies on industry with one or more technical manuals for specific industries.

As mentioned already, the organization of the regional symposia on industrial development has created opportunities for closer co-operation with the regional economic commissions. In this as well as in other aspects of the work we have taken maximum advantage of the possibility of decentralizing our activities to the regional economic commissions so as to use to the best advantage their closeness to the field. I think we can look forward to a continuation of this trend of increasing co-operation with the commissions and I wish to express here my appreciation to their Executive Secretaries for their interest and co-operative efforts in our mutual work. I am pleased to inform the Committee that we will have the opportunity of welcoming at this session the heads of the Industry Divisions of the regional secretariats. They should be here with us next week to provide a review of their work and to follow the deliberations of the Committee in respect to the various items which may be of particular interest to their regions.

As regards co-ordination with the specialized agencies, we must bear in mind that - as reflected in the reports submitted to the Committee by the FAO, the ILO, UNESCO, the Bank and the IAEA - these agencies have been carrying out work related to industrial development and they have already established in some cases quite large programmes of research and assistance which have been developed throughout the years largely in the absence of effective co-ordination through an organism which, like the Centre, is concerned with all aspects of industrial development. In this situation, further effort will be required to work out appropriate modalities of co-operation which should provide a balanced approach to industrialization and be flexible enough to take account of the changing pattern of activities in this field. The over-all responsibilities of the Centre are creating increasing awareness in this respect, particularly as regards the need to develop appropriate modes of co-operation at the working level in addition to the existing formal machinery.

Interdependence of activities and approaches

I should like to offer now some observations on the way in which this set of activities is actually carried out by the staff of the Centre. Essentially, all staff and all units within the Centre are expected to make use, in the course of discharging their specific functions, of these four types of instruments for action. There is of course a close interdependence of the various fields of work and the tools used to implement our activities. Thus, research and studies influence field work and at the same time draw on the experience obtained in the field. Furthermore, the results obtained by these two approaches are quite frequently brought to seminars and technical meetings and in turn the conclusions of the latter provide further guidance to field work and to research. Needless to say, awareness of the need for co-ordination within the Secretariat and with other international organizations is a continuing requirement for all staff members in respect to any work undertaken in the Centre. Therefore, the Centre must be envisaged essentially as an organic unit within which specific tasks and different sections are closely knit by the high degree of interconnection which exists between our areas of work and the various approaches that we are able to use.

These remarks on the four basic instruments for action give only a schematic view of a much more complex process. The Committee itself has pointed out, particularly in its proposals for a dynamic programme, a whole series of possible approaches, including the establishment of close contacts with appropriate persons and institutions in developing countries, the promotion of arrangements for joint or participation projects, and the authority to receive voluntary contributions for the programme in industrial development. We have made efforts to establish such contacts, and the results of our discussions with the Governments of Member States show that the industrialized countries are very interested in our work. Furthermore, a beginning has also been made in respect to voluntary contributions for industrial development. However, in practical terms, we must recognize that we are only at the initial stages in the process of building up an effective programme of action in the field of industrial development.

Target expansion

At its last session the Committee approved the guidelines for a dynamic programme which set out the basic principles for our work. The same principles for the activities of the Centre were approved by the United Nations Conference on Trade and Development. The latter also requested the Centre to take in hand the implementation of certain specific functions listed in recommendation A.III.1 of the Conference.

When the proposals for a dynamic programme were approved, the Committee had before it an estimate of the additional resources required for the initial steps to be taken under the programme in 1965. The Committee is indeed aware that only part of those requirements were made available. As a result, the initial stages of the programme have necessarily been slowed down. But we must recognize that this is not only a problem for the current year. The problem is to assure the longer-term objectives set out by the Committee, which can be achieved only by continued strengthening of our activities in a planned and orderly manner. This, in my view, makes it imperative that we should from the outset work on the basis of some definite, although perforce, limited target for the expansion of the Centre.

This would give a tangible basis for the practical measures that need to be taken as well as for the organization of our work and the establishment of our programmes on a longer-term basis.

Concluding remarks

I have quite frequently referred to the paucity of resources. This is indeed a very important problem. However, to avoid misunderstandings I also wish to state that in spite of these handicaps I think that progress has been made over the past year, and I wish to take this opportunity to express my thanks to the staff and advisers of the Centre for their co-operation and devotion to duty which contributed greatly to the achievement of these results.

But, above all, it was the guidance given by the Committee at its last session which has influenced the orientation as well as the results of our work during the past year. In this spirit, we are all looking forward to your deliberations and decisions at this session.

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