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SUMMARY RECORD OF THE FORTY-EIGHTH MEETING

Held at the Neue Hofburg, Vienna,
on Tuesday, 23 April 1963, at 3.25 p.m.

<u>President:</u>	Mr. STANDENAT	(Austria)
<u>Rapporteur:</u>	Mr. AGHASSI	(Iran)

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We regret that some of the pages in the microfiche copy of this report may not be up to the proper legibility standards, even though the best possible copy was used for preparing the master fiche.

GENERAL DEBATE (continued)

1. Mr. ORTIZ de ROZAS (Argentina) thought that it would be appropriate to begin by commenting on the International Symposium on Industrial Development held at Athens, the results of which met with his delegation's approval.
2. He was glad that there had been general support at the Symposium for the concept that UNIDO should concentrate on field activities and avoid centralized bureaucracy while utilizing its resources for the implementation of practical projects in various member countries of the United Nations. The best means of achieving decentralization would be direct action by UNIDO staff in as many countries as possible, in close collaboration with technical experts and authorities in the countries concerned. Although his delegation did not entirely object to the idea of "regionalizing" UNIDO's operational activities, it believed that the immediate establishment of national committees as suggested by the representative of India in keeping with the recommendations adopted at the Athens Symposium offered more advantages.
3. Argentina also agreed with the Symposium's conclusions concerning UNIDO's fundamental role in the sphere of co-ordination. As in the past, his delegation was prepared to support any initiative to strengthen the mandate given to UNIDO under General Assembly resolution 2152 (XXI), because that was the only way of ensuring an efficient and harmonious action that would be of real benefit to the less industrialized countries. In that connexion he suggested that UNIDO should consider how best to work in co-operation with the recently created GATT-UNCTAD Information Centre, particularly with a view to promoting exports of manufactured and semi-manufactured goods, and he noted with satisfaction that contacts had already been established with the Secretariats of other specialized agencies of the United Nations.
4. Industrialization efforts could only be reflected in concrete achievements if two essential conditions were fulfilled. First, each Government and people must contribute by taking decisive and forceful action within its own field of competence. The measures taken by Argentina to re-orient its industrial process and promote its exports were being coupled with sacrifices which were considered

indispensable at the national level. The second condition was assistance and support from the highly industrialized countries, which should make generous voluntary contributions to the UNIDO programme. He hoped that the example set by a number of countries in that respect would be followed.

5. With regard to the allocation of funds received through voluntary contributions, he felt that preference should be accorded to the relatively less developed countries. Nevertheless, his delegation did not think that national and international efforts of long standing, which were about to bear fruit, should be abandoned in favour of totally different policies in the matter of international assistance. An equitable apportionment which would take into account the interests of all communities would achieve the best results.

6. With regard to the proposed establishment of an inter-sessional committee, he wondered if there was any advantage in adding yet another body to the number already in existence and whether the problem could not be solved either by holding more frequent Board sessions or by setting up a group which could meet a few days or weeks ahead of the regular session and submit a summary report on its findings.

7. Much had been said about the need to accelerate industrial development in the less advanced countries, but the gap between the developed and the developing areas was so great that even if present efforts were doubled, it could not be closed. The disparity could only be reduced if the countries grouped together under the heading "developed" appreciated the situation and progressively increased their development activities, which would ultimately be of benefit to themselves. Peace, social tranquillity and a better understanding between nations would not be possible so long as such differences existed. That was the real danger confronting the world in the second half of the twentieth century and perhaps UNIDO could be considered a symbol of the general will to find a solution; it was in that hope that his delegation reaffirmed its support for the organization.

8. Mr. LORENZI (Uruguay) recalled the statement made by Uruguay's Minister of Foreign Affairs at the recent Conference in New Delhi, said that his delegation had come to the present session with an open mind, a progressive outlook and a full awareness of the difficulties and problems facing the developing countries. However, it was also convinced that only solidarity and co-operation between all States, large and small, developed and developing, regardless of political

system or ideology, could provide the necessary encouragement for continued joint efforts to win progress and well-being for all mankind.

9. A very difficult test had to be completed in a short time. The problem of eliminating the disparity between two different worlds - developed and the developing - was complicated by the fact that the component parts of those worlds were not uniform; in both there were richer and poorer countries, and countries at varying stages of development. As a result the good will of one side could be counteracted by the anxiety for progress of the other. Therefore, UNIDO's main task was to accelerate development both by direct action and by co-ordinating the activities of the various organizations dealing with development so that a concerted effort could be made to convince the developing countries that they should help themselves and to convince the developed nations that they should contribute technical and industrial resources to promote the development of those that lagged behind.

10. Development required capital; but capital must be obtained without sacrifice to the people of the developing country or detriment to its sovereignty. It was also essential to have natural resources and be able to exploit them, to have an adequate domestic market to absorb industrial output while leaving room for exports, to create an infrastructure as a basis for industrial and commercial activity and to modernize agriculture. These were vast and complex problems. Moreover, technological improvements, structural changes and efforts to achieve production at an international level would not secure any results unless foreign trade were liberalized. Although some attempts had been made to ameliorate the situation, they did not appear to be sufficient.

11. Uruguay was a country with an exceptional social tradition that was reflected in its highly progressive labour laws; it had virtually no illiteracy, a highly developed agriculture, a textile and a meat industry, and was at present intent on developing its economic potential in accordance with the new concepts that had won acceptance in the world. Uruguay's development, however, was largely dependent on export opportunities because of the restricted market at home.

12. Mr. MEILLAND (World Health Organization) said that his organization fully realized the necessity for improving economic conditions in the developing countries as a first step towards bettering living conditions in general.

Industrialization and health protection could be considered complementary projects because efficient productivity could hardly be envisaged if workers were suffering from deficiencies or chronic diseases and because health services could only be expanded if the economy could afford it. Great human endeavours, although technically feasible, sometimes failed because of health problems, as had been demonstrated during the construction of the Panama Canal. Investment in health services was an indispensable factor in the general development of a country even though the results could not easily be reckoned. The price of illness was easier to calculate than the returns that good health would yield.

13. The social changes brought about by the urbanization that accompanied industrial development influenced health conditions to such an extent that WHO had proposed that they should be the theme of the World Health Day celebrated on 7 April. The WHO programme in that field comprised many important projects for the study and improvement of environmental factors, particularly by combatting various forms of pollution, many of which were of industrial origin. The WHO section dealing with occupational or industrial medicine was concerned not only with the general effects on public health of various industries but also with such specific problems as traumatism, chemical poisoning and allergies. That work had been carried on since WHO's foundation in co-operation with other agencies such as the ILO.

14. In view of the interdependence of health and industrial development UNIDO and WHO should co-ordinate their complementary activities. The Director General of his organization was very pleased with the preliminary discussions he had had on the subject with the Executive Director of UNIDO.

15. Mr. SHOEB (United Nations Educational, Scientific and Cultural Organization) said that his organization had had long experience in the fields of science and of its application, extending from science policy formulation to the high-level training of technologists and technicians and to technological research and studies. At present some fifty UNDP projects for polytechnics and institutes and twelve projects for research institutions were being executed by UNESCO.

16. The fourteenth General Conference of UNESCO, held in 1966, had stressed the importance of co-operation with other United Nations specialized agencies and had visualized the creation of UNIDO. An example of the work that was being

pursued by UNESCO and UNIDO was provided in paragraphs 120-123 of document ID/B/20/Rev.1, which dealt with industrial research and standardization. While some of the functions of the UNIDO-sponsored industrial research institutes might slightly overlap with those of the technological research institutes which UNESCO was assisting member States to establish, that was not so in the case of standardization and quality control. There UNIDO was concerned with the standardization of production in order to improve quality and interchangeability, whereas UNESCO was concerned with standards and methodology. He hoped that continued collaboration between the two organizations would in due course eliminate all duplication.

17. Mr. WOODLEY (United International Bureaux for the Protection of Intellectual Property (BIRPI)) said that his statement would deal with the question of the transfer of technology, which was an essential factor in industrialization. BIRPI was the secretariat of the International Union for the Protection of Industrial Property, established under the Paris Convention of 1883. The Union was composed of seventy-nine member States, at all stages of economic development and representing all shades of political opinion.

18. Almost all technology was patented, and in most cases it was transferred by means of a licence issued under the patent to the Government of or to an enterprise in a developing country. The patent system was sometimes criticised on the grounds that a patent created a monopoly, but there were restrictions on the monopoly: a patent gave an inventor the exclusive right to his invention only for a limited period and only on condition that the details of the invention were published. The fact was that inventors needed an incentive, which the patent system provided.

19. The transfer of technology by means of patent licences required, firstly, some financial inducement for the patentee to grant a licence and, secondly, appropriate legislation in the receiving country to ensure protection for the invention. The function of BIRPI was mainly to assist developing countries to create a legislative and administrative climate that would attract patented technology. With that purpose in view, BIRPI had prepared model laws on patents and trademarks which sought to balance the rights of the inventor against the rights of the receiving country. It also conducted seminars in various parts of the world to draw attention to the problem, and arranged for officials in the developing countries to be sent for periods of training to some of the more

sophisticated patent offices in developed countries. The advice of FIRPI was available to all Governments, whether members of the Union or not.

20. He wished to stress that it was in the interests of developing countries themselves to establish patent legislation or to modernize existing legislation, which was often extremely archaic. Many features of the patent system which countries regarded as evils could be guarded against by appropriate legislation.

21. Developing countries often complained of the burden of licence royalties on their balance of payments, but it should be borne in mind that, in exchange for a relatively modest outlay, the country concerned could obtain the fruits of some millions of dollars' worth of research.

22. The PRESIDENT said that, in accordance with the understanding reached at the beginning of the previous meeting, he would now give the floor to the representative of an intergovernmental organization, the Common Afro-Malagasy Organization (OCAM).

23. Mr. KABORE (Common Afro-Malagasy Organization) said that, very soon after winning their independence, the fourteen African countries now grouped together in OCAM had realized the importance, in view of their limited resources and small domestic markets, of harmonizing and co-ordinating their policies and their activities, particularly in the economic sphere. The member States of OCAM had a total population of more than 50 million, and a total external trade of more than \$2,500 million. Many joint enterprises and co-operative arrangements were already in existence, either involving all the members of OCAM or those in individual sub-regions.

24. Although the question of economic relations between developing countries in different continents was important, it was at the regional level that co-operation could be particularly fruitful. The successes of the members of OCAM in that regard were partly due to political, cultural and historical factors. At a conference held at Bangui in 1962, it had been agreed that a first step should be the creation of two viable economic sub-regions, in Central Africa and West Africa respectively, on the basis of customs unions. The ultimate objective would be a vast economic zone that would cover a large section of Africa and, if possible, include Nigeria and Ghana. Customs unions seemed to be the best instrument for initiating sub-regional co-operation and integration.

25. The member States of OCAH believed that co-operation was possible in the agricultural fields as well as in industry. That was so in the case of two products in particular, namely sugar and meat. However, it was certainly in the industrial field that co-operation could be most intense.
26. The countries of OCAH hoped for help from UNIDO in a number of fields. The Secretariat General of OCAH had been asked by the Assembly of Heads of State and Government to give attention to a number of specific subjects, including the problem of the establishment of an Afro-Malagasy meat market and the identification and consideration of possible regional industrial projects within the framework of OCAH. It was those two matters which required priority as far as assistance from UNIDO is concerned. The Assembly of Heads of State and Government of OCAH had approved the proposal for an Afro-Malagasy meat market in principle. The necessary detailed studies would require the establishment of an "Afro-Malagasy Meat office", and the services of a team of experts to assist in that project would be welcome. The team could visit the meat-producing or meat-consuming member countries of OCAH in order to draft the necessary recommendations.
27. The need for developing a policy of industrial harmonization and for planning the establishment of multi-national industrial undertakings was now becoming apparent. Under the programme of Special Industrial Services, OCAH would like a team of engineers and economists to examine the industrial development plans of the various States and suggest methods of promoting integration, to identify possible multinational projects, to undertake feasibility studies for such projects, to make suggestions regarding government measures to encourage multinational industries and concerning the organization of a common market for the products of multinational industries.
28. It was hoped that a delegation headed by the Secretary-General of OCAH would be able to visit Vienna in the near future to conclude an agreement with UNIDO regarding the assistance to be offered.
29. Mr. ABDEL-RAHMAN (Executive Director) said that a number of points had been raised in the general debate, and some specific questions put to the Secretariat. A paper was being prepared in response to requests for information on four subjects - namely, the plans of the Secretariat for the utilization of field advisers, the staff and structure of UNIDO, the share of UNIDO in projects financed by UNDP, and the payment of local costs under the programme of Special Industrial Services.

30. Some other questions raised, although not requiring the Secretariat to answer, seemed to call for comment. He would mention these only in greater detail at a later stage, or during the meeting of the Committee. These other points included: (a) the possibility of taking a long-range view of the programme of UNIDO, particularly in the light of General Assembly Resolution 2370(XXII); (b) a suggestion that the structure of UNIDO should be reviewed by an expert group of advisers; (c) the possibility of making greater use of the experience of the developing countries themselves in the activities of UNIDO; (d) a request for more detailed information on the Secretariat's proposal for the establishment of international institutes; (e) the importance of co-ordination at the country level and, in particular, co-operation with UNDP; (f) a suggestion that the Board should consider establishing guidelines in connexion with the regular programme; (g) the evaluation of the results of UNIDO's operational activities; (h) the establishment by States of national committees or similar bodies; (i) the need to establish priorities in view of the fact that UNIDO could not respond to all the requests it might receive.

31. With regard to the last of these points, the Board had established certain guidelines at the previous session, but it might wish to simplify them. The question of priorities could be considered either from the point of view of the subject-matter or from the point of view of the approach or procedure used. In connexion with the second type of criterion, the programme of Special Industrial Services was a procedure that had already proved quite useful, and reference was also made in the documents before the Board to promotion and to the dissemination of information, both of which approaches might deserve priority. Mention might also be made of UNIDO's preparations for participation in the efforts of the second Development Decade, that would provide an opportunity for overall planning for the needs of the developing countries during the coming years. The proposed international institute might represent yet another valuable approach.

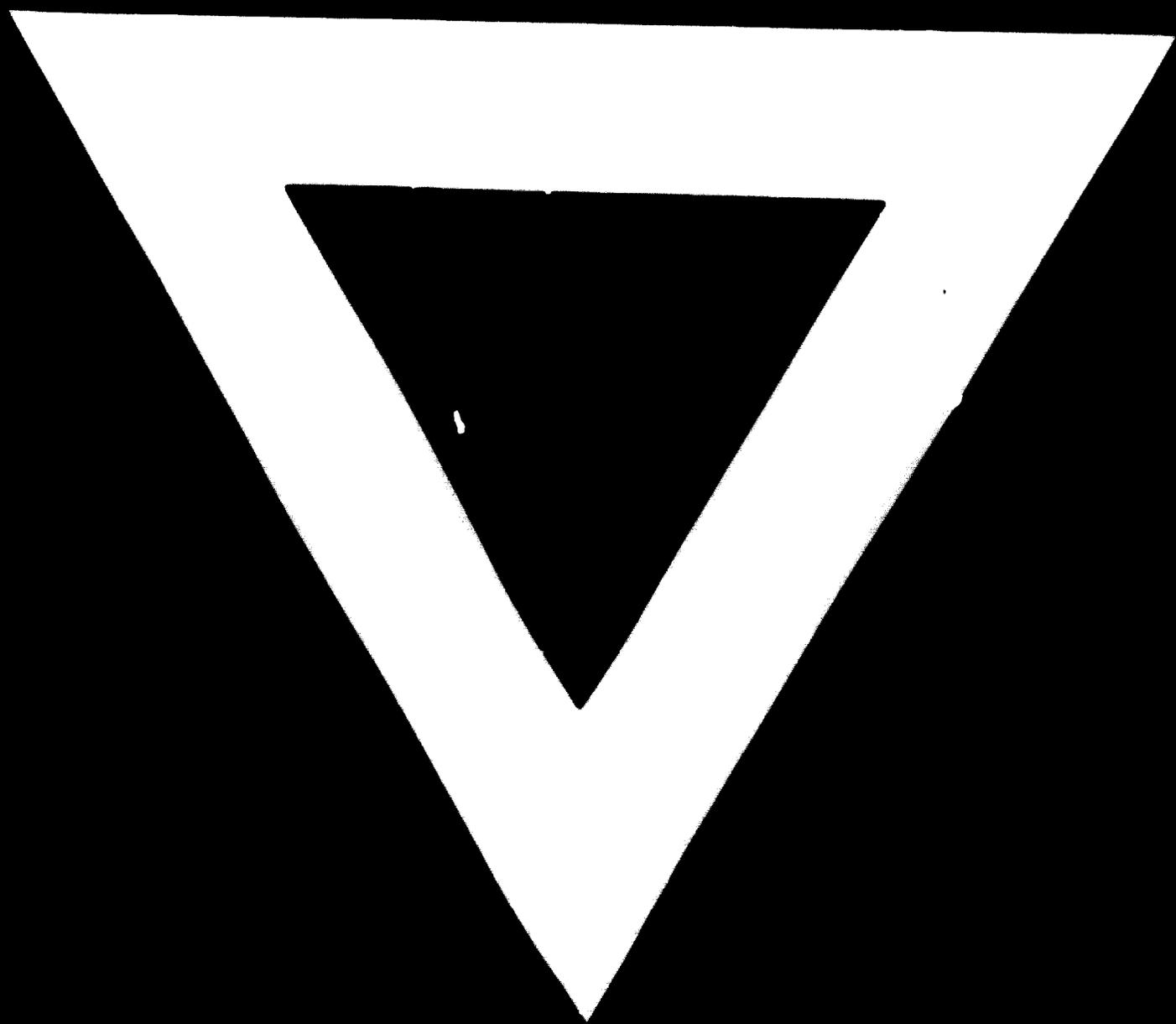
32. The Secretariat had taken careful note of the comments made in the general debate and would bear them in mind as a guide for future activities.

SUMMARY RECORDS FOR THE COMMITTEES

33. Mr. BERNSTEIN (Secretariat) said that the budget estimates for the session had originally provided for the holding of four meetings a day. Subsequently, however, the Advisory Committee on Administrative and Budgetary Questions had reduced the budget by 30 per cent, even though it had been informed by the Controller that the reduction would mean that only two meetings a day could be serviced. When the Board had taken the decision to hold Committee meetings concurrently, it had originally been understood that summary records would not be required for the Committees. It now appeared that the Committees wished to have summary records and, indeed, they were entitled to request them under rule 66 of the Rules of Procedure. However, in view of the limited staff available, the summary records of the Committees would have to be extremely succinct. The Secretariat would do all in its power to provide all the services requested by the Board. He would, however, draw attention to the reference in General Assembly resolution 2292 (XXII) to the need for subsidiary bodies to consider whether they could dispense with summary records and be content with a report or brief minutes.

The meeting rose at 4.55 p.m.





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