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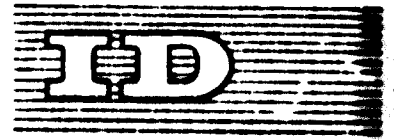
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Industrial Development Board

Third Session

Vienna, 24 April - 15 May 1969

SUMMARY RECORD OF THE EIGHTY-SECOND MEETING

Held at the Neue Hofburg, Vienna,
on Friday, 9 May 1969, at 3.25 p.m.

President: Mr. ORTIZ de ROZAS (Argentina)
Reporters: Mr. BILLNER (Sweden)

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No 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.

ADDITION OF THE REPORT OF THE THIRD SESSION (ID/B/L.44 and Add.1-5, ID/B/L.50, ID/B/L.51 and Corr.1) (continued)

1. The PRESIDENT invited the Board to examine chapter II of the draft report (ID/B/L.44/Add.2) paragraph by paragraph.

Paragraph 24

2. Paragraph 24 was adopted.

Paragraph 25

3. Mr. ILBOUDO (Upper Volta) proposed the insertion after the fourth sentence of a new sentence along the following lines: "Another delegation considered that the Working Group should split up into three sub-groups or working committees, which would each examine one of the items mentioned in resolution 3 (II)."

4. The proposal was adopted.

5. Mr. VAVASSEUR (France) proposed that the phrase "a small number of experts" in the sixth sentence should be replaced by the phrase "technicians responsible for industrial development".

6. It was so decided.

7. Paragraph 25, as amended, was adopted.

Paragraph 26

8. Paragraph 26 was adopted.

Paragraph 27

9. Mr. ROBERTS (Canada) proposed that the word "many" in the first sentence should be replaced by the word "some".

10. Mr. MAJCHER (Poland) thought that the word "several" would reflect the situation more accurately.

11. Mr. ROBERTS (Canada) accepted the Polish representative's suggestion.

12. The amendment suggested by the representative of Poland was adopted.

13. Paragraph 27, as amended, was adopted.

Paragraph 28

14. Mr. KOLO (Nigeria) requested clarification as to the meaning of the phrase appearing between brackets at the end of the paragraph.

15. Mr. BILLNER (Sweden) Rapporteur, said that the chapter to which reference was made would contain a summary of the discussions held during the meetings of the Working Group, during the general debate and during the morning's meeting concerning the question of documentation.

16. The PRESIDENT invited the Board to approve paragraph 28, it being understood that the number of the chapter referred to would be inserted later.

17. Paragraph 28 was adopted.

New paragraphs proposed by Bulgaria, Cuba, Czechoslovakia, Poland and the Union of Soviet Socialist Republics (ID/B/L.51 and Corr.1)

18. The PRESIDENT invited the Board to examine the first of the two new paragraphs whose addition was proposed at the end of the section entitled "Organizational matters" (ID/B/L.44/Add.2, paras. 25-28).

19. Mr. SIMPSON (United States of America), speaking on behalf of the members of Group B, endorsed the view expressed at the meeting by the Rapporteur regarding the advisability of including statements of a political nature in the report. Four of the amendments submitted to document ID/B/L.44/Add.2 fell into that category, namely, the amendment at present under discussion, that contained in paragraph 3.2 on page 2 of document ID/B/L.51, that contained in paragraph 2 on page 7 of document ID/B/L.51, and that contained in document ID/B/L.50. While there was no doubt that every delegation had the right to be given adequate coverage in the summary records, no useful purpose was served by introducing such matters into the Board's report. His delegation and the members of Group B hoped that the sponsors of those four amendments could be persuaded to withdraw them. With regard to the other amendments contained in document ID/B/L.51, his delegation intended to propose certain modifications which would render them more acceptable.

20. Mr. SAHLOOL (Sudan) said that his delegation could not accede to the request that it should withdraw its amendment (ID/B/L.50).

21. Mr. SHATSKY (Union of Soviet Socialist Republics) said that his position was the same as that of the previous speaker. It should be borne in mind that delegations were representatives of Governments. A majority of delegations present had subscribed to the principle that favourable conditions for overall economic development were a prerequisite for industrial development. The Board's task could not be limited to the purely technical aspects of industrial development, as the obstacles in the way of industrial development in many regions of the world were not purely technical obstacles.

22. Mr. YOMEKPE (Ghana) said that the Board's report ought to reflect the views and positions of all delegations on matters which were of particular importance to them. As the sponsors of the amendments under discussion attached a great deal of importance to their insertion in the report, he suggested that those amendments should be included in the report together with a list of their sponsors, on condition that the sponsors had actually expressed the views in question during the Board's discussions.

23. Mr. MAJCHER (Poland) said that the sponsors of the amendments under discussion were firmly convinced that the political considerations referred to did in fact influence the development process; it was only fair that that conviction should be reflected in the report.

24. Mr. DIXIT (India) agreed with the representative of the Union of Soviet Socialist Republics that political issues could not always be completely ignored; however, he doubted whether the amendments in question constituted a real contribution to the industrial development of the developing countries. With regard to the specific amendment which the President had invited the Board to consider (ID/B/L.51, p.1), its aim was to promote universality in the membership of UNIDO. Had the amendment been couched in general terms, his delegation would have had no difficulty in accepting it, but specific reference to certain countries made it far more difficult to accept. The same observation could be made with regard to the Sudanese amendment (ID/B/L.50). If the sponsors of those amendments insisted on their inclusion in the report, as was their right, he agreed with the representative of Ghana that their names should appear in the report; furthermore, the names of those who opposed the inclusion of the amendments should also be mentioned.

25. Mr. SAHLOOL (Sudan) said that he wished to make his delegation's position quite clear. He could not agree with the Rapporteur's view that political issues should be excluded from the report of the Board. His delegation's amendment concerned the economic development of the Arab countries, an issue which had been referred to by several of these countries during the general debate. It could not be denied that the Zionist aggressions had had a detrimental effect on the economic development of the Arab countries; a true picture of the situation could not be obtained if that element was ignored. It had been emphasized during the Board's discussions that economic progress was not possible in the absence of conditions of peace and stability. His delegation considered that the report should reflect accurately the views which had been expressed during the discussion and should lay due stress on the points which were regarded as particularly important by the delegations concerned. The amendment submitted by his delegation could not be viewed as political, since it had been limited to purely economic issues. He urged the Board to agree to the inclusion in the report of the new paragraphs proposed by his delegation and by the socialist countries, without putting them to a vote; that would be the normal procedure.
26. The PRESIDENT said that it would be undesirable to prolong the discussion further. The best course would be for the representative of the United States of America to submit Group B's text; it would then be possible to avoid putting the amendments to the vote and thus setting an unfortunate precedent.
27. Mr. SIMPSON (United States of America) suggested that a general approach along the lines of paragraph 35 of the Board's report on the work of its second session (ID/B/41) should be adopted to cover the points raised in the amendments.
28. Mr. SHATSKY (Union of Soviet Socialist Republics) said that the first sentence of the first new paragraph proposed by the five socialist countries was in keeping with the approach suggested by the United States representative. The rest of the new paragraph simply illustrated the general statement at the beginning of the paragraph. The German Democratic Republic was a highly industrialized country and had made a significant contribution to the development of the developing countries, with which it enjoyed good relations.

29. Mr. BILLNER (Sweden), Rapporteur, referring to the statement of the Sudanese representative said that he had stressed at the preceding meeting that he was not referring to any specific paragraph in the draft report or to any specific amendment. He had been concerned with the General principle that in the longer perspective UNIDO would greatly benefit by concentrating on the fundamental task of industrial development, and not becoming involved in political issues, which were the responsibility of other United Nations organs.
30. Mr. KOLO (Nigeria) agreed with the principle enunciated by the Rapporteur at the previous meeting. It was important that as far as possible the Board should avoid controversial political issues which were not directly connected with furthering the industrial development of developing countries. While the first new paragraph proposed in document ID/B/L.51 was justified in principle, as it was desirable that UNIDO should be a truly world-wide organization, discussion of controversial issues might distract the Board from its essential work. However, every delegation had a right to have its views recorded. He therefore supported the Ghanaian suggestion that, instead of formulae which referred in general terms to a number of delegations, the names of the countries sponsoring the amendments should be listed. If the Ghanaian suggestion were adopted, a factual report of the proceedings would result and the likelihood of counter-amendments would be reduced.
31. The PRESIDENT said that he was inclined to share the view of the Sudanese delegation that some political issues, which had economic consequences and could affect industrial development, could legitimately be referred to in a report on industrial development. But it was important that the Board should not become a forum for political debate and duplicate the work of the General Assembly. The Board's report should deal exclusively with the process of industrial development. He thought that the Ghanaian suggestion provided the best solution.
32. Mr. SHATSKY (Union of Soviet Socialist Republics) and Mr. NAJCHER (Poland) supported the Ghanaian suggestion which, in their view, provided a suitable compromise.
33. The PRESIDENT suggested that the Board should approve the two new paragraphs proposed by Bulgaria, Cuba, Czechoslovakia, Poland and the Union of Soviet Socialist Republics (ID/B/L.51, pp. 1-2) for inclusion at the end of the section entitled "Organizational matters", subject to the change suggested by the Ghanaian delegation.
34. It was so decided.

Paragraph 29

35. The PRESIDENT drew attention to the amendments proposed by Bulgaria, Cuba, Czechoslovakia, Poland and the Union of Soviet Socialist Republics contained in paragraph 1 on page 2 of document ID/B/L.51.
36. The amendments were adopted.
37. Paragraph 29, as amended, was adopted.

Paragraph 30

38. The PRESIDENT drew attention to the amendment proposed by Bulgaria, Cuba, Czechoslovakia, Poland and the Union of Soviet Socialist Republics in paragraph 2 on page 2 of document ID/B/L.51.
39. The amendment was adopted.
40. Mr. LACROIX (Argentina) proposed that the following sentence should be inserted after the second sentence: "Several delegations considered that the spirit and letter of General Assembly resolution 2411 (XXIII) provided the framework in which UNIDO should make its contribution to formulating the strategy for development during the Second Development Decade."
41. It was so decided.
42. Mr. BITTENCOURT (Brasil) said that, in view of the adoption of the Argentinian amendment, the following sentence, which began with the words "A few delegations", seemed to require amendment, since a considerable number of delegations considered that UNIDO should develop its own strategy.
43. After an exchange of views, the PRESIDENT suggested that the words "A few delegations" should be amended to read "Several delegations".
44. It was so decided.
45. Mrs. RICHARDS (United Kingdom) and Mr. SHATSKY (Union of Soviet Socialist Republics) suggested that further discussion of paragraph 30 should be deferred until the Board took up the three new paragraphs proposed by the five socialist countries.
46. It was so agreed.

Paragraph 31

47. Paragraph 31 was adopted.

New paragraph proposed by the Sudanese delegation (ID/B/L.50)

48. Mr. MAHBOUB (Iraq), Mr. DIALLO (Guinea), Mr. SHATSKY (Union of Soviet Socialist Republics), Mr. MADOUN (Kuwait), Mr. AWIL (Somalia) and Mr. MAJCHER (Poland) expressed strong support for the Sudanese amendment, and said that they would like to co-sponsor it.

49. After some discussion, the PRESIDENT said that the names of those delegations which had asked to be co-sponsors of the Sudanese amendment would appear in the first line of the text.

50. The Sudanese amendment (ID/B/L.50), co-sponsored by the delegations of Guinea, Iraq, Kuwait, Poland, Somalia and the Union of Soviet Socialist Republics, was adopted.

New paragraphs proposed by Bulgaria, Cuba, Czechoslovakia, Poland and the Union of Soviet Socialist Republics (ID/B/L.51 and Corr.1, pp. 2-3)

Paragraph 30 (continued)

51. Miss RICHARDS (United Kingdom) suggested that the first new paragraph (ID/B/L.51, p. 2, para. 3.1) should be inserted at an appropriate place, to be decided by the Rapporteur, in paragraph 30.

52. Mr. SHATSKY (Union of Soviet Socialist Republics), speaking on behalf of the sponsors, agreed to that suggestion.

53. The United Kingdom suggestion was adopted.

54. Mr. BLITTENCOURT (Brazil), recalling the statement made by his delegation during the debate, proposed that a new sentence should be included in paragraph 30 along the following lines: "One delegation stated that the country which it represented was against discussing the Second Development Decade in the Economic and Social Council, for in its view UNCTAD would be the ideal forum for it."

55. The Brazilian amendment was adopted.

56. Paragraph 30, as amended, was adopted.

57. Mr. SHATSKY (Union of Soviet Socialist Republics) said that in the light of the approval of the Sudanese amendment he wished, with the agreement of the other sponsors, to revise the text of the second new paragraph proposed in document ID/B/L.51 (p. 2, para. 3.2). The first two sentences should be deleted and the third sentence amended to read: "Several delegations pointed out that the achievement of the aims of the Second Development Decade also depended upon a consistent struggle by all States, large and small, for general and complete disarmament and the observance of the principles of international trade relations....". Since the amendment in its new form no longer had any political flavour, he thought it would be unnecessary to name the delegations sponsoring it.
58. Miss RICHARDS (United Kingdom) considered that the language used was emotive and political, and that the amendment should be headed by the names of those delegations which had actually expressed such views during the debate.
59. The second new paragraph (ID/B/L.51, p. 2, para. 3.2), as amended, was adopted.
60. Mr. VAVASSIER (France) suggested that, in the third new paragraph proposed (ID/B/L.51, p. 3, para. 3.3) the words "increased levies on the income earned by foreign companies" should be deleted.
61. Mr. SIMPSON (United States of America) said that if the French proposal was not approved, he would feel obliged to request the inclusion of three new balancing sentences.
62. Mr. SHATSKY (Union of Soviet Socialist Republics) said he could not accept the French amendment since the wording used in the third new paragraph reflected the discussion which had actually taken place and represented the point of view of the five socialist countries.
63. Miss RICHARDS (United Kingdom) proposed that the following sentences be added to the end of the third new paragraph: "The representative of one developing country stated that if the developing countries were to maintain a satisfactory rate of growth, they would have to continue for some time yet to use outside sources of finance, and thus would have to offer investors satisfactory profitability and security conditions. Another such representative spoke of the successful steps taken in his country to stabilise the economy, to attract foreign capital and to stimulate investment; that policy had already shown appreciable results".

64. The United Kingdom amendment was adopted.

65. Mr. SIMPSON (United States of America) proposed the further addition of the following sentences: "In this connexion other delegations pointed out that foreign private investment, if economically sound, created new production to a value many times greater than the income returned to the foreign investor. Moreover, the industries once established, remained within the country, provided needed employment and continued to contribute to its economic growth. In addition, the host country obtained the benefits of training of management and manpower and the stimulation of related local industries".

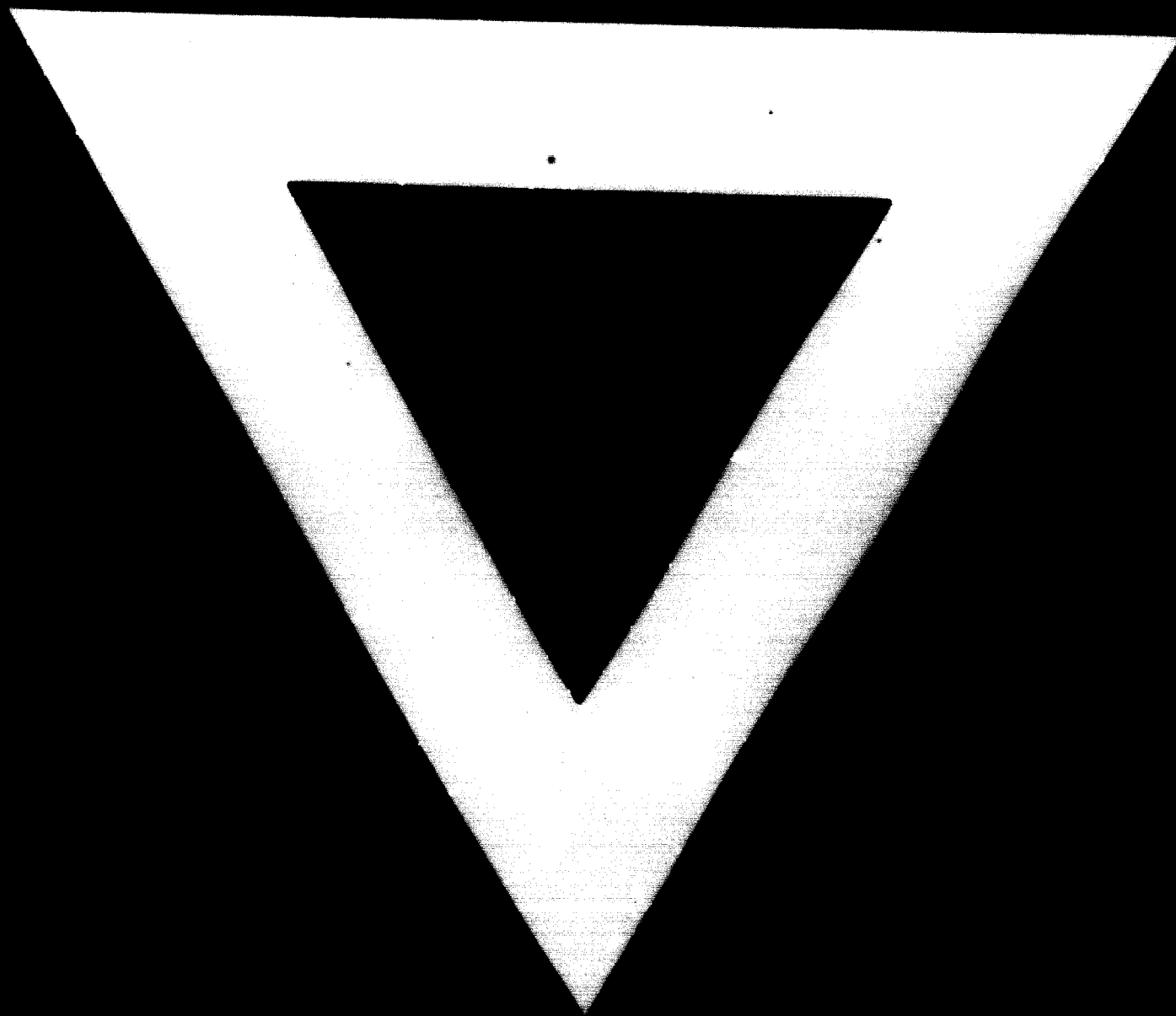
66. The United States amendment was adopted.

67. Mr. BLAISSE (Netherlands) said that he had intended to submit an amendment but would withdraw it in the light of the United States proposal.

68. The third new paragraph (ID/B/L.51, p. 3, para. 3.3), as amended by the United Kingdom and the United States of America, was adopted.

The meeting rose at 6.30 p.m.





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