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• D04152 —



DISTR.  
GENERAL

ID/B/SR.83  
23 June 1969

ENGLISH  
Original: ~~FRANCE~~

United Nations Industrial Development Organization

**Industrial Development Board**

Third Session

Vienna, 24 April - 15 May 1969

**SUMMARY RECORD OF THE EIGHTY-THIRD MEETING**

Held at the Neue Hofburg, Vienna,  
on Saturday, 10 May 1969, at 10.30 a.m.

President: Mr. ORTIZ de ROZAS (Argentina)

Reporteur: Mr. BILLNER (Sweden)

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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.

STATEMENT BY THE REPRESENTATIVE OF CEDIMON

1. Mr. PRE (European Centre for Industrial and Overall Development) said that his organization's chief aim was to establish contacts between European industrialists of both the public and the private sectors and the representatives of Third-World countries, especially in Africa, to examine the terms on which industry could be developed in those countries. CEDIMON also undertook specific studies in fields where its intervention might pave the way to industrial progress. Thus, it had recently undertaken to study standardization of mining and petroleum regulations in the countries of the Common Afro-Malagasy Organization. CEDIMON also tried to help European investors and those responsible for economic development to become more aware of new technological factors which could quicken industrial progress, concentrating more particularly on the effect of changes in air and sea transport on the overall cost of industrial investment in countries where industry was widely dispersed.

ADOPTION OF THE REPORT OF THE THIRD SESSION (ID/B/L.44/Add.2 to 5, ID/B/L.51) (continued)

Co-ordination

Paragraph 32

2. Mr. SCHEJBAL (Czechoslovakia) observed that the socialist countries had proposed the addition, at the end of paragraph 32, of the text of document ID/B/L.51, paragraph 9.
3. Miss RICHARDS (United Kingdom) said that the first sentence of the second paragraph proposed by the socialist countries would be better placed in paragraph 43 of the draft report, where the problems of strategy and priorities were considered. The last two sentences seemed merely to duplicate paragraph 41.
4. Mr. SCHEJBAL (Czechoslovakia) agreed that only the first paragraph of the proposed amendment should be added to paragraph 32.
5. The amendment proposed by the socialist group (ID/B/L.51, paragraph 9, first sub-paragraph) was adopted.
6. Paragraph 32, as amended, was adopted.

Paragraph 33

7. Paragraph 33 was adopted.

Paragraph 34

8. Paragraph 34 was adopted.

Decentralization

Paragraph 35

9. Paragraph 35 was adopted.

Paragraph 36

10. The amendment proposed by the socialist group (ID/B/L.51, paragraph 12) was adopted.

11. Paragraph 36, as amended, was adopted.

Programme of work

Paragraph 37

12. The amendment proposed by the socialist group (ID/B/L.51, paragraph 14) was adopted.

13. Paragraph 37, as amended, was adopted.

Paragraph 38

14. Mr. ILEOUDO (Upper Volta) proposed the addition to paragraph 38 of the following sentence: "One delegation particularly emphasized the need to give continuous attention to health problems arising in the industrialization of developing countries".

15. The proposed amendment was adopted.

16. Paragraph 38, as amended, was adopted.

Paragraph 39

17. Paragraph 39 was adopted.

Paragraph 40

18. Mr. VAVASSEUR (France) proposed that in the second line of the text of the amendment proposed by the socialist countries (ID/B/L.51, paragraph 7) the word "socialist" should be replaced by the word "industrialized".

19. Mr. SHATSKY (Union of Soviet Socialist Republics), on behalf of the group of socialist countries, accepted the change in the text of the amendment suggested by the representative of France.

20. The amendment proposed by the group of socialist countries (ID/B/L.51, paragraph 16) was adopted with the change proposed by the representative of France.

21. Paragraph 40, as amended, was adopted.

#### Paragraph 41

22. The amendment proposed by the group of socialist countries (ID/B/L.51, paragraph 17) was adopted.

23. Mr. SENEZAL (Czechoslovakia) proposed that at the beginning of the second sentence the words "Some delegations" should be replaced by the words "Several delegations".

24. The proposal was adopted.

25. Paragraph 41, as amended, was adopted.

#### Paragraph 42

26. Paragraph 42 was adopted.

#### New paragraph

27. Mr. RIPPSON (United States of America) proposed that the following sentence should be added to the text of the new paragraph proposed by the group of socialist countries (ID/B/L.51, Work Programme; paragraph 3): "One other delegation pointed out that industrial experience in many countries showed clearly that centrally-directed economies were by no means the only or best path to industrial progress".

28. Mr. SHATSKY (Union of Soviet Socialist Republics) was prepared to accept that change, on condition that a further new sentence was added indicating that another delegation had expressed a different point of view.

29. Mr. DIXIT (India) did not see the need for recording in the report doctrinal differences between groups of countries which, whatever their political philosophy, could contribute substantially towards the industrial progress of developing countries.

30. Mr. VAVASSEUR (France) thought that, if the delegations of the socialist countries were willing to accept the omission of the reference to the public sector in the first line of their proposed amendment, there would be a subtle but no difficulty in having the amendment accepted.
31. Mr. KOLO (Nigeria) suggested that in the text proposed by the United States delegation the words "in the best" should be omitted.
32. Mr. SIMPSON (United States of America) accepted the change in the text suggested by the representative of Nigeria.
33. Mr. VAVASSEUR (France) proposed that, in the first sentence of the amendment proposed by the socialist countries, the words "Some delegations" should be replaced by "Other delegations".
34. The text of the new paragraph proposed by the group of socialist countries was adopted with the changes proposed by the delegations of the United States and of France.

#### Strategy and priorities

##### Paragraph 13

35. Mr. DELVAUX (Belgium) proposed the addition of the following sentence at the end of the paragraph: "One delegation considered that both at Headquarters and in the field the operational, promotional and supporting activities of UNIDO should form a coherent whole and conform to specific guidelines designed to help the developing countries to lay the foundations for their future progress, and to select and carry out the projects which would have the greatest effect upon their industrial development".
36. Mr. ILSOUDO (Upper Volta), supported by Mr. CASILLI (Italy) and by Mr. KOLO (Nigeria), observed that other delegations had expressed the same point of view during the general discussion; he therefore proposed to replace "One delegation ..." by "Some delegations....".
37. The amendment submitted by the delegation of Belgium, as modified by the delegation of Upper Volta, was adopted.
38. The PRESIDENT reminded the Board that it had decided to add to the paragraph the first sentence of the second paragraph of the amendment initially submitted by the socialist countries as an addition to paragraph 32 (ID/W/1.51, page 3). The Belgian amendment would then follow the socialist countries' text.

39. The amendment submitted by the socialist countries was adopted.

40. Paragraph 43, as amended, was adopted.

Paragraph 44

41. Paragraph 44 was adopted.

Paragraph 45

42. Mr. WAN (Pakistan) considered that mention should be made of the needs of the developing countries in connexion with the priorities referred to in that paragraph in a list which, incidentally, was incomplete. He suggested, therefore, that between the word "priorities" and the words "that would enable", the Board should insert some such phrase as "taking fully into account the requirements of developing countries in the field of industrial development ..."

43. The amendment submitted by the delegation of Pakistan was adopted.

44. Paragraph 45, as amended, was adopted.

Industrial investment promotion

Paragraph 46

45. Mr. BLAISSE (Netherlands) proposed that the following text be added at the end of the paragraph: "In this respect they particularly referred to the United Nations Panel on foreign investment in developing countries, held in Amsterdam in February of this year. At that time great significance was attached to the contribution of foreign private investment to industrial development. These delegations considered close relations between UNIDO and industrial circles, both in developed and developing countries, to be important, since a direct association with a task and an interest of industry would help to make UNIDO activities more realistic and more effective. These delegations underlined UNIDO's role of stimulating a better understanding between people in developing countries and foreign private investors". He pointed out to the representative of the Soviet Union that the text was an almost literal expression of an opinion expressed by the Union of Soviet Socialist Republics' delegation during the general debate, and that other representatives, the representative of the United States in particular, had also expressed that point of view.



46. The amendment submitted by the delegation of the Netherlands was adopted.

47. Paragraph 46, thus amended, was adopted.

Paragraph 47

48. Mr. ENSOR (United Kingdom) suggested that for the sake of accuracy, after the words "internal resources" and before the words "and that a great deal of caution should be exercised ...", should be inserted between commas the phrase "while acknowledging that foreign private capital could play a certain role in the industrialization of the developing countries".

49. The amendment submitted by the delegation of the United Kingdom was adopted.

50. The PRESIDENT observed that the socialist countries had submitted an amendment (ID/B/L.51, pages 5-6) intended to replace the second and third sentences of paragraph 47. The last two sentences as drafted by the Rapporteur would be retained.

51. Mr. VAVASSEUR (France) considered that it would be more logical to insert these two sentences at the end of the first paragraph of the amendment submitted by the socialist countries, since they referred to the same subject.

52. Mr. BRILLANTES (Philippines) considered that the first paragraph of the amendment submitted by the socialist countries, as worded, gave the erroneous impression that the view expressed in it was that of the delegation referred to in the first sentence of the Rapporteur's text of paragraph 47. It might be wise, therefore, to replace the words "in the view of these delegations" by "in the view of other delegations".

53. Mr. GLINSKI (Poland) suggested that the views of the socialist countries and of the representative of the Philippines might be reconciled by the wording "in the view of these and other delegations".

54. The amendment submitted by the socialist countries, as modified by the delegations of France, the Philippines and Poland, was adopted.

55. Paragraph 47 was adopted.

Paragraph 48

56. Mr. LERENA (Argentina) wished the report to reflect accurately the views which his delegation had expressed on the matter during the debate. He therefore proposed the introduction, at the beginning of the paragraph, of the following words: "It was stressed during the debate that the expression 'export-oriented industries' generally encompassed all industrial activities, including the exploitation of hitherto unused capacities, which could generate exports".

57. The amendment submitted by the delegation of Argentina was adopted.

58. Mr. AMAN (Pakistan) considered that the wording of the sentence dealing with preferential tariffs, favourable terms of trade, etc. was too vague, since it was not clear in what context these measures had been referred to during the debate. He therefore proposed that the following words be added to the sentence: "... and their potential role in promoting the accelerated industrialization of developing countries was noted".

59. The amendment submitted by the delegation of Pakistan was adopted.

60. The PRESIDENT invited the Board to take a decision on the text proposed by the socialist countries to replace the last sentence of the paragraph. He repeated the observation by the representative of Kuwait that the word "developed" in the final phrase of the English text of that amendment should be replaced by "developing".

61. The amendment submitted by the socialist countries was adopted.

62. Paragraph 48, so amended, was adopted.

Paragraph 49

63. Mr. VAVASSEUR (France) called the attention of members of the Board to the ungracious wording of the end of the third sentence, which might give the impression that most delegations cast doubt on the secretariat's efficiency and diligence in carrying out projects. He therefore considered it advisable to delete the phrase beginning "and if UNIDO demonstrated...".

64. The amendment submitted by the delegation of France was adopted.

65. Mr. LERENA (Argentina) considered that if the words of the sentence were deleted, the preceding words "if a greater number of well-conceived requests were forthcoming" should also be deleted. For the same reason, a note of dissent, implying that some countries were not capable of submitting a sufficient number of well-conceived requests. Consequently the third sentence of the paragraph should end with the word "increased".

66. The amendment submitted by the delegation of Argentina was adopted.

67. The PRESIDENT invited the Board to decide on the text proposed by the socialist countries for addition at the end of the paragraph (ID/3/1.51, para. 6).

68. Mr. SIERRA (Spain) could see no objection to adopting the amendment proposed by the socialist countries, but hoped that its form might be rendered more concise and that it would not contain elements which added unnecessary weight to the report. The enumeration added nothing to the substance and might be deleted, so that the second sentence of the second paragraph could end with the word "contribution".

69. Mr. ZHAROVY (Union of Soviet Socialist Republics) considered that the proposals were specific and bound to add value to the report and not encumber it; he therefore requested that the amendment be retained as drafted.

70. Mr. SIMMON (United States of America) had no objection to the addition of the amendment by the socialist countries, but wished it to be followed by the following text: "One other delegation expressed the view that contributions earmarked for special purposes could create considerable difficulties for the administration of UNIDO. They tend to interfere with the overall planning of programmes and projects, to make difficult the use of available funds where they were most needed, and thus to distort programmes and operations. This was true particularly when contributions were made in non-convertible currencies."

71. Mr. CASILLI (Italy) wondered whether it might not be more suitable to consider the amendments presented by the delegations of the socialist countries and the United States during the consideration of chapter 5 of the report, dealing with financial questions (ID/3/1.50/Add.6). To avoid repetition he proposed that those amendments be inserted in paragraph 3 of that chapter, which dealt with voluntary contributions.

72. Mr. SHARBEY (Union of Soviet Socialist Republics) insisted that the amendment to the socialist countries be maintained in the present chapter, since the question had been considered during the general discussion. When the Board examined chapter 5, care would be taken to avoid repetition.

73. The amendment submitted by the socialist countries was adopted.

74. The amendment submitted by the delegation of the United States was adopted.

75. Paragraph 49, as so amended, was adopted.

76. Paragraph 50 was adopted.

Paragraph 51

77. The PRESIDENT said that the group of socialist countries had proposed the addition at the end of the paragraph of the following text: "The delegations of [followed by the names of the delegations expressing the opinion] pointed to the need for a more objective approach by UNIDO to the fulfilment of requests made by developing countries for purposes of their industrialization, and the avoidance of situations in which requests by certain countries, for example Israel, are considered promptly while the consideration of requests by other, especially Arab, countries is often obstructed. One delegation remarked on the difficulties met by the UNIDO secretariat in discharging its duties under General Assembly resolution 2152 (XXI) because UNDP continued in practice to act as the co-ordinator of industrial development activities by distributing projects among the various United Nations agencies".

78. The amendment proposed by the group of socialist countries was adopted.

79. Paragraph 51, as amended, was adopted.

80. The PRESIDENT recalled that the group of socialist countries had proposed the insertion, after paragraph 51, of a new paragraph worded as follows: "One delegation suggested that ten to fifteen pilot undertakings should be constructed every year in developing countries, with priority for the least developed, at the expense of UNDP and in accordance with UNIDO proposals and plans".

81. The new paragraph proposed by the group of socialist countries was adopted.

82. Paragraphs 52 to 54 were adopted.

83. Mr. DIXIT (India) proposed the insertion after paragraph 54 of the following new paragraph: "Some delegations felt that appropriate national technical institutes or other industrial training centres already existing in developing countries which had achieved acceptable international standards could be utilized by UNIDO for its training programmes. In fact they could even be converted by UNIDO into international training centres for the purpose of industrial development. In this way the resources available to UNIDO could be augmented and considerable savings might accrue."

84. The new paragraph proposed by the delegation of India was adopted.

85. Paragraph 55 was adopted.

Paragraph 56

86. The PRESIDENT pointed out that the group of socialist countries had proposed that the second sentence of paragraph 56 should be replaced by the following: "Several delegations stressed the need for observance of the principle of equitable geographical distribution, and suggested that the number of experts from the developing and socialist countries be increased. One delegation regretted that, although at the request of the Secretariat it had submitted a list of experts, not enough of these had been appointed to specific posts at Headquarters or in the field".

87. Mr. LERENA (Argentina) thought it would be preferable to replace the second part of the first sentence of the amendment submitted by the group of socialist countries by the words "and some delegations requested that the number of experts from developing countries be increased, while others urged that more experts should be recruited in the socialist countries", which appeared in the original text of the draft report.

88. Mr. SHATSKY (Union of Soviet Socialist Republics) said that the change proposed by the representative of Argentina might give the erroneous impression that a divergence of views between the developing countries and the socialist countries had been revealed. It would therefore be better to say: "... that the number of experts from developing countries should be increased and the number of experts from socialist countries should likewise be increased".

89. Mr. LORENZI (Uruguay) proposed that the following sentence should be added at the end of paragraph 56: "One delegation was of the opinion that the recruitment of experts should be expedited but that they should be recruited in the developing countries so that their technical skills should always be in touch with the actual conditions".
90. Mr. WIAFE-ANNOR (Ghana) proposed that in the last sentence of paragraph 56 the words "One delegation" should be replaced by the words "Some delegations".
91. The amendments proposed by the group of socialist countries, the delegation of Uruguay and the delegation of Ghana were adopted.
92. Paragraph 56, as amended, was adopted.
93. Mr. SIMPSON (United States of America) reminded the Board that agreement had been reached at the previous meeting that the United States delegation would submit on behalf of the countries in Group B a new paragraph referring to certain amendments that had aroused differences of view. The new paragraph would be inserted at the end of the part of the report dealing with the general debate, during which those amendments had been discussed. The text would read: "During the Board's discussion of its draft report, many delegations noted with regret the inclusion of a number of paragraphs reporting views expressed in debate by some members on current political issues. These delegations, without expressing judgement on the substance of those paragraphs, expressed their strong view that the Board's report should be addressed to the issues assigned to the Board by the General Assembly in its resolution 2152 (XXI). They regretted accordingly that the Board's report should be burdened with references to political issues. In their view this was a most undesirable practice. They felt that such issues were clearly outside the competence of the Industrial Development Board".
94. Mr. SHATSKY (Union of Soviet Socialist Republics) pointed out that it had been agreed that the report should only reflect opinions which had in fact been expressed during the general debate. The views expressed in the amendment proposed by the United States delegation had, however, not been put forward in the general debate but during the discussions on the report of the Board. They should therefore not appear in the part of the report dealing with the general debate.

95. Mr. SIMPSON (United States of America) explained that the new paragraph which the Group B countries proposed for inclusion in the report merely expressed the opinions put forward at the previous meeting and that, moreover, it had been agreed earlier that words to that effect should be included in the report.

96. The PRESIDENT agreed that that part of the report should indeed only reflect opinions actually stated during the general debate; but it had been further agreed, to avoid a vote on the socialist group's amendment, to include in the report a text in the sense of the amendments submitted by the Group B countries. He therefore proposed that the text submitted by the Group B countries be included as a footnote, with an appropriate reference at the end of paragraph 56.

97. Mr. SHATSKY (Union of Soviet Socialist Republics) maintained his opinion that that text should only appear in the part of the report dealing with the discussion on the Board's report. In any case, in order to follow the procedure adopted for amendments submitted by the group of socialist countries, the Union of Soviet Socialist Republics' delegation requested that the names of the delegations which had stated those opinions should be given. Moreover, it must be pointed out that some statements made by the United States representative at other meetings had an obvious political bearing.

98. The PRESIDENT proposed that the text submitted by the Group B countries should appear in a footnote on the last page of the part of the report dealing with the general debate, and that that declaration should be attributed to the Group B countries by name.

99. On those terms the text proposed by the Group B countries was adopted.

100. Paragraphs 57 to 62 were adopted.

101. Mr. SCHEJ BAL (Czechoslovakia) said that, since it had been agreed to name the countries submitting a certain number of amendments, his delegation wished to be named among those which had expressed the opinions set forth in the amendment proposed by the Sudan delegation (ID/B/L.50).

102. The PRESIDENT explained that it had been agreed that only those countries should be named which had actually stated opinions in the general debate. Other delegations were, however, entitled to co-sponsor any amendment. The Rapporteur would therefore name the Czechoslovak delegation in either category as appropriate.

103. Chapter II of the report (ID/B/L.44/Add.2), as amended, was adopted.

Organization of work

104. After an exchange of views between Mr. SHATSKY (Union of Soviet Socialist Republics), Mr. FILLMETT (Rapporteur) and Mr. SIERRA (Spain), the PRESIDENT proposed that discussion of Chapter III of the draft report (ID/B/L.44/Add.4) should be postponed to the next meeting, on the understanding that the discussion and proposals for amendment should be limited to those parts of the report which had been inserted in the proper places in the Working Group's report (ID/B/WGFC/2) to take account of the comments made by delegations in discussion on the Working Group's report, and of certain passages of the Executive Director's speech concerning particular items of the Programme of Work. These additions were enumerated in the Rapporteur's note (ID/B/INF.18).

105. It was so decided.

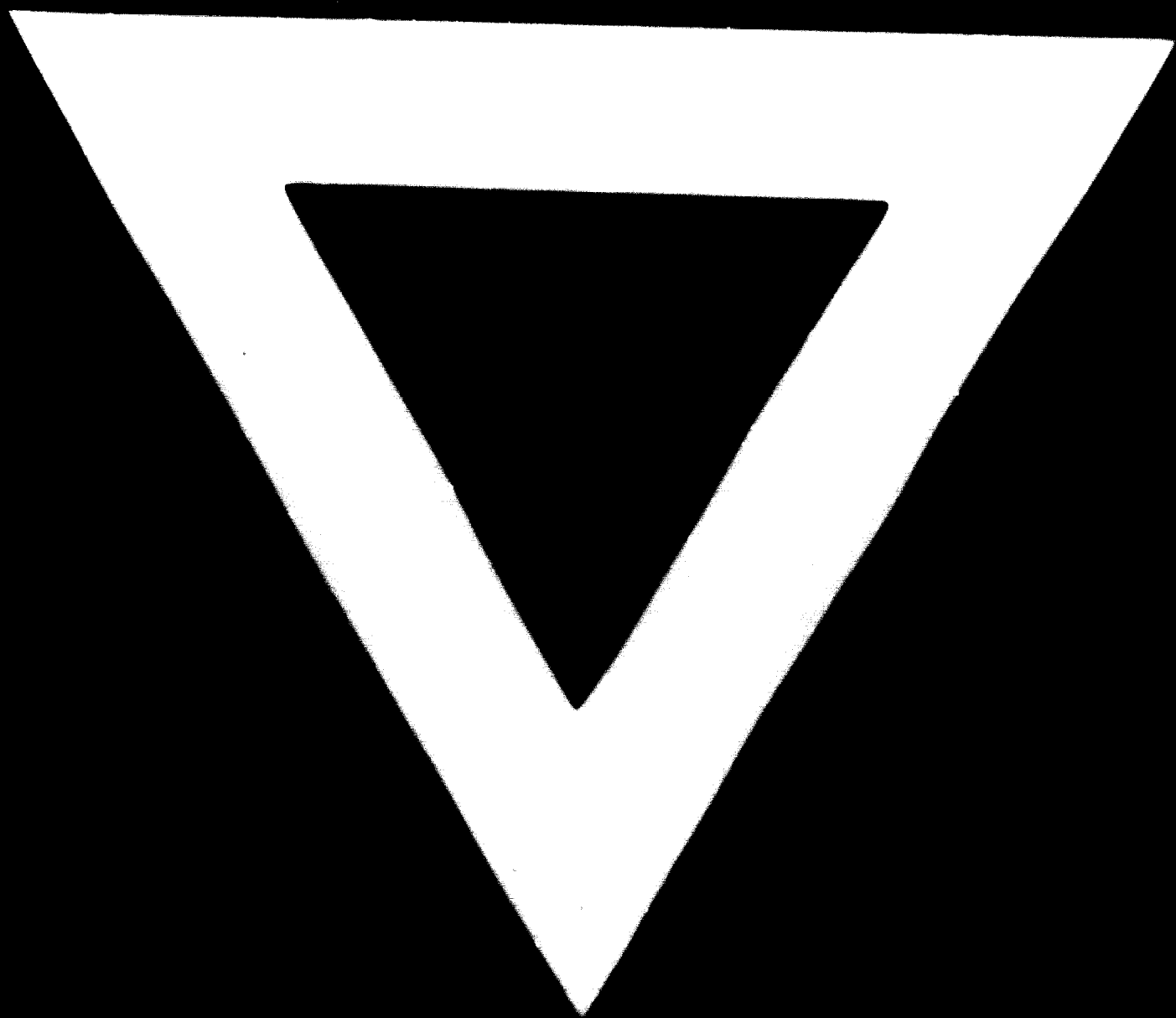
106. Mr. BRECROFT (Nigeria) proposed and Mr. PROBST (Switzerland) seconded a motion that, to facilitate negotiation on the various draft resolutions and to allow delegations to consult together on the drafting of joint texts, the time limit for deposit of amendments to draft recommendations and resolutions, originally set at one o'clock on Monday, 12 May, be extended sine die.

107. It was so decided.

The meeting rose at 2 p.m.







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