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United Nations Organization for Industrial Development

Text of Statement to be made by the Representative of Canada, Mr. Donald S. Macdonald, M.P., Parliamentary Secretary to the Secretary of State for External Affairs, in the Second Committee, on Item 41, United Nations Organization for Industrial Development, on December 9, 1966

We have heard a number of delegations suggest that this session of the General Assembly should take a decision on the site of the headquarters of the new United Nations Organization for Industrial Development. We have listened with interest to the reasons advanced for this suggestion, but we remain convinced that it would be better to request the Secretary-General to gather all necessary information about the sites offered and to ask the first session of the Industrial Development Board to consider the question and to make recommendations to the next session of the General Assembly.

Canada is concerned to see that the site of the headquarters of UNIDO is selected on the grounds of where the new organization will probably achieve maximum efficiency. When we come to decide on the site of the headquarters, our only concern should be what is best for the Organization itself, what site will enable it to assist the developing countries in the most effective way possible. If the important question of selecting the site of the headquarters of UNIDO is hastily settled without an objective review of all relevant considerations, the fledgling Organization will not have had a very auspicious beginning. The consideration of this question should be measured and objective. In our view, it would be highly undesirable for the site of the headquarters of UNIDO to be selected in an atmosphere of political overtones. If, on the contrary, the Organization is launched in an atmosphere of calm deliberation, its prestige will be enhanced. We are all aware of the enormous administrative and technical difficulties which are inherent in constituting any new international organization. We would only compound those difficulties by taking a hasty or ill-con sidered decision about the site of the headquarters of UNIDO. It would be an irony if the institution, intended in part to promote that careful planning which is an essential component of industrial development, should itself be launched without the accumulation of the facts necessary for decision or their proper assessment.

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Mr. Chairman, I have referred to the difficult administrative and technical problems which arise in the establishment of a new international organization. The Secretary-General, in his introduction to this year's budget, must have had some difficulties peculiar to the United Nations in mind when he made the following statement in his introduction to this year's budget. I quote:

"....! would like to refer to the more recent phenomenon of creating autonomous organization units within the Secretariat. While I am aware of the considerations which prompt Member States to adopt this course, I feel obliged to draw attention to the administrative consequences which are likely to follow. The creation of autonomous units within the Secretariat. and therefore under my jurisdiction of Chief Administrative Officer, raises serious questions of organizational authority and responsibility. Moreover, such a trend is not altogether consistent with the concept of a unified secretariat working as a team towards the accomplishment of the main goals of the Organization. On the contrary, it may tend to have the adverse effect of pitting one segment of the Secretariat against another, in competition for the necessary financial and political support for its own work programmes. Such a situation might well result in undue preoccupation with future requirements to the detriment of ensuring the effective and efficient use of existing credits and resources. Furthermore, practical experience over the years has shown that substantive arms of t he Secretariat cannot operate effectively in isolation from the central administrative, conference and general services on which they depend. To the heads of these services, I have delegated day-to-day control and planning responsibilities which cannot be diminished without detriment to the general interest of the United Nations. The process of creating autonomous units should therefore be looked at not only in terms of the possible advantages to the particular substantive programmes but also in the context of a secretariat dependent for reasons of economy in administrative efficiency upon central supporting services".

With these cogent observations of the Secretary-General in mind, Mr. Chairman, my delegation would like to direct some questions to him which seem to us important in our consideration of how to deal with the question of the site of the headquarters of UNIDO. We should, of course, like to have a full statement of financial implications for locating UNIDO at a site other than at United Nations headquarters. We should also like to know in

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the case of each site offered the dates when all the necessary facilities would be available. Perhaps the Secretary-General could also give us his views on whether it would be easier to establish an efficient group of expert person nel in the industrial field at United Nations headquarters than at other sites offered. We have in mind the problem of recruiting skilled personnel and we assume that this question is relevant to our consideration. Bearing in mind that we have all agreed that UNIDO should be action-oriented, presumably it should establish close relations with, in particular, the World Bank group and the United Nations Development Programme. If the headquarters of UNIDO were to be somewhere other than at United Nations headquarters, would a liaison office be required in New York, and, if so, what would the financial and administrative implications of such a liaison office be? Finally, Mr. Chairman, in light of the comments of the Secretary-General which I have just read, what would be the operational and possible financial advantages of locating the headquarters of UNIDO in the headquarters of the United Nations so that it could draw on central administrative and financial services?

There are of course other questions which should be answered before any decision is taken concerning the headquarters of UNIDO. The questions I have just asked -- and for which I hope we shall have answers from the Secretary-General -- are only illustrative of many others that could be posed. We hope that information will be forthcoming to answer all such questions. My delegation hopes that when all the necessary information is available, the first session of the Industrial Development Board will be able to address itself to this important question. For these reasons, Mr. Chairman, we should like to propose formally that the Committee note on the question of whether to remit further consideration of the subject of the site of the headquarters of UNIDO to the first session of the Industrial Development Board for recommendation to the next session of the General Assembly.



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