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| Economic development of under-developed countries (continued): | |
| (a) Question of the establishment of a Special United Nations Fund for Economic Development: report submitted in accordance with resolution 822 (IX) of 11 December 1954 (continued) | 117 |

Chairman: Mr. Ernest G. CHAUVET (Haiti).

AGENDA ITEM 24

Economic development of under-developed countries (A/2955) (continued):

(a) Question of the establishment of a Special United Nations Fund for Economic Development: report submitted in accordance with resolution 822 (IX) of 11 December 1954 (A/2906, A/C.2/186) (continued)

1. Mr. ISMAIL (Pakistan) expressed his delegation's appreciation of the report Mr. Scheyven had presented (A/2906) and the statement he had made to the Committee (366th meeting). Mr. Scheyven had thoroughly understood the urgency of the problem. In order to ensure the long-term development of the under-developed areas, it would be necessary, in the initial phase, to devote more than 50 per cent of the investments to the creation of a socio-economic infrastructure. Obviously, such investments did not attract private capital; in most of the under-developed countries they were beyond the means of the Government, which had at the same time to finance programmes of a directly productive nature, for agriculture and industry; lastly, the existing international lending institutions and technical assistance programmes could not adequately provide for the financing of non-self-liquidating projects. Hence the need for the establishment of the Special United Nations Fund for Economic Development (SUNFED).

2. The Special Fund would further concern itself with economic and social programmes which could not be wholly financed by private capital or by lending institutions such as the International Bank for Re-

construction and Development and it would thus play a very useful supplementary role. However, as Mr. Scheyven had said, to finance isolated activities was not enough: the Special Fund must have at its disposal the necessary funds to enable it to finance comprehensive programmes on a world-wide scale.

3. In that connexion, he noted with satisfaction that, according to *The New York Times* of 2 November 1955, the United States of America was at present reviewing its entire policy of overseas aid. It was to be hoped that appropriate provision would be made in the United States Government's foreign aid budget for the Special Fund, to expedite its establishment.

4. He would also draw attention to the importance of the plan suggested by France at the Four-Power Conference of the Heads of Government at Geneva, whereby the capital that was released as a result of the reduction of military expenditure would be devoted to financing the development of the under-developed countries, without waiting for the achievement of internationally supervised world-wide disarmament.

5. Furthermore, the possibility of using atomic energy, not only for generating power but also in the field of public health, should not be lost sight of and it was to be hoped that a suitable proportion of the funds at the disposal of the Special Fund would be used to enable the under-developed countries to profit by the progress made in that connexion.

6. The world was becoming increasingly aware of the fact that political instability was to a large extent due to the disparity between the levels of living of the under-developed countries and those of the more advanced countries. It was to the interest of the industrialized countries to reduce that disparity, for in so doing they would be opening up new markets and lessening the danger of recession. The establishment of the Special Fund was in keeping with that objective and would demonstrate the willingness of countries to co-operate for the good of all mankind. It would also help to create that mutual trust without which it would be impossible to achieve internationally supervised world-wide disarmament, which in turn would result in an increase of the resources available to the Special Fund.

The meeting rose at 11.20 a.m.