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MEETING

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Chairman: Mr. Leo MATES (Yugoslavia).

Economic development of under-developed countries (A/2430, A/2447 and Corr.1) (*continued*):

- (a) **Question of establishing a special fund for grants-in-aid and for low-interest long-term loans: report of the Economic and Social Council (A/C.2/L.204, A/C.2/L.205, A/C.2/L.206/Rev.1, A/C.2/L.207, A/C.2/L.208);**
- (b) **Status of the proposal for the establishment of an international finance corporation: report of the Economic and Social Council**

[Item 26]*

1. The CHAIRMAN reminded the Committee that the United Kingdom representative had suggested at the previous meeting that the United States draft resolution (A/C.2/L.204) and the draft resolutions contained in documents A/C.2/L.205, A/C.2/L.206/Rev.1 should be considered separately. The United Kingdom representative had also proposed that a working party should be set up to consider the two draft resolutions last mentioned. He asked whether representatives had any comments to make on that proposal.

2. Mr. CUADERNO (Philippines) did not wish to take a stand for or against the establishment of a working party, but felt that if a working party was set up there was no reason to limit its terms of reference to the consideration of the resolutions submitted by the delegations of under-developed countries. The working party should also be free to study any of the other drafts, including the text submitted by the United States delegation.

3. Mr. UMARI (Iraq) supported the United Kingdom representative's proposal for the establishment of a working party. There was every reason to hope that the working party would be able to combine the draft resolutions contained in documents A/C.2/L.205 and A/C.2/L.206/Rev.1, which had a number of points in common. He thought that the Committee should not vote on the United States draft resolution until it had received the working party's report.

* Indicates the item number on the agenda of the General Assembly.

4. Mr. CHAUVET (Haiti) said that he and the representatives of Greece and Pakistan, who had joined him in sponsoring draft resolution A/C.2/L.205, were in favour of setting up a working party, which, he hoped, would be able to harmonize the views expressed in that draft resolution and in the twenty-Power draft (A/C.2/L.206/Rev.1).

5. Mrs. WRIGHT (Denmark) thought that the United Kingdom representative's proposal was a useful one, but felt that it would be better to proceed in the reverse order, i.e., to set up a working party to combine the draft resolutions submitted by the delegations of the under-developed countries and to vote on the United States draft resolution after receiving the working party's report.

6. Mr. JUNG (India) noted that the United Kingdom representative's proposal was supported by some of the sponsors of the joint draft resolutions. For his part, he was prepared to support the establishment of the working party. He felt that the Committee could take up consideration of the United States draft resolution but should not vote on it until it had received the working party's report.

7. Mr. DE SEYNES (France) said that, whatever the procedure adopted in examining the draft resolutions, it would be possible to submit a single text to the General Assembly including the resolution adopted by the working party and the United States draft. There were many precedents for such a procedure.

8. Mr. JONKER (Netherlands) pointed out that the United States draft resolution was very different from the other two draft resolutions. He did not think it could appropriately be referred for consideration to the working party, which should be concerned merely with combining the draft resolutions contained in documents A/C.2/L.205 and A/C.2/L.206/Rev.1. He saw no reason why the Committee should not begin consideration of the United States draft immediately.

9. Mr. ENCINAS (Peru) observed that there was no precedent to prevent the working party from studying all the draft resolutions submitted. If it did so, the Committee's work would be facilitated, and it was in any case only fair to treat all the draft resolutions alike. All the draft resolutions before the Committee, including the United States draft resolution, should therefore be referred to the working party. He hoped that the United States delegation would participate in the working party's discussions.

10. Mr. UMARI (Iraq) asked whether the recommendations of the working party would be voted upon by the Committee before consideration of any draft resolution relating to the establishment of an international finance corporation.

11. The CHAIRMAN said that no vote would be taken on any draft resolutions, including any submitted in connexion with the finance corporation, until the working party had reported back to the Committee.

12. Mr. ZELLERBACH (United States of America), said in reply to the Peruvian representative that he was prepared to take part in the working party's discussions, even if the latter did not consider the United States draft resolution (A/C.2/L.204).

13. The CHAIRMAN noted that the Committee seemed generally to be in favour of setting up a working party. It remained therefore to decide on the membership of the party and its terms of reference. The working party would have to be as representative and as small as possible, if it was to succeed in harmonizing the draft resolutions submitted without undue delay. The most appropriate procedure would therefore be that adopted in connexion with the question of technical assistance: a small working party would be appointed and any delegations that had constructive suggestions to offer would be free to take part, directly or indirectly, in its work. Before that point was decided, however, the terms of reference of the working party should perhaps be defined.

14. Mr. BIRECKI (Poland) thought that if it were decided, as many delegations seemed to wish, not to vote immediately on the United States draft resolution, the Committee should go further and avoid giving the working party unduly restrictive terms of reference, so that it could, if appropriate, present a single resolution combining all the draft resolutions before the Committee.

15. In answer to a question by the CHAIRMAN, Sir Clifford NORTON (United Kingdom) said that he would not object if the vote on the United States draft resolution were taken after the Committee had received the working party's report. He did not think, however, that the United States proposal, which was concerned with the long-term solution of the problem and was therefore quite independent of the other draft resolutions, should be referred to the working party.

16. Mr. SALAMANCA (Bolivia) thought that the working party's freedom of action should not be restricted. If the working party felt that it should consider the United States draft resolution, it should be free to do so; as the United States representative would be a member of the working party, that procedure would have much to recommend it.

17. Mr. CUADERNO (Philippines) supported that view. The working party was being set up primarily to reconcile divergent views, and it was important that there should be no obstacle to its efforts to reach the broadest possible agreement. If too much stress were laid on the fact that the United States proposal was separate, the Committee might produce a resolution comprising two somewhat contradictory parts, as the Economic and Social Council had done.

18. Mr. UMARI (Iraq) said that the fact that the United States would be a member of the working party augured well for the success of its work and justified the assumption that the texts to be considered—including document A/C.2/L.204—might well return to the Committee in a considerably amended form. The working party should therefore be left as much latitude as possible.

19. Mr. STANOVNIK (Yugoslavia) said his delegation was inclined to take the same view as the United Kingdom representative. The working party was being set up to facilitate the Committee's discussions; and, if the long-term aspect of the problem, which was dealt with by the United States proposal, and the preliminary steps to be taken in the immediate future, with which the other two draft resolutions were

concerned, were discussed together, some confusion might result. He therefore felt that the working party should consider only documents A/C.2/L.205, A/C.2/L.206/Rev.1 and A/C.2/L.207.

20. Mr. O'NAGHTEN (Cuba) pointed out that the United States proposal, far from being inconsistent with the under-developed countries' proposals, supplemented them. It could therefore safely be referred to the working party, without detriment to it or to the other proposals.

21. Mr. MARZOUK (Egypt) requested an assurance that any decision concerning the United States draft resolution (A/C.2/L.208) would also apply to his delegation's amendment to that proposal.

22. The CHAIRMAN confirmed that that would be the case, in accordance with the rules of procedure.

23. Mr. HALIQ (Saudi Arabia) suggested that the Committee might set up a working party primarily to consider documents A/C.2/L.205, A/C.2/L.206/Rev.1 and A/C.2/L.207 and to submit its report in the form of a working paper, which would incorporate the United States draft resolution and the Egyptian amendment. The procedure he proposed would have the advantage of removing the misgivings of the under-developed countries, which were anxious that the adoption of the United States draft resolution should not be the only decision taken with regard to the Special Fund, and of satisfying the United Kingdom and the United States, which were anxious to have an assurance that the Committee would vote on document A/C.2/L.204.

24. Mr. UMARI (Iraq) urged that the freedom of action of the working party should not be restricted, and that it should be empowered to examine all the draft resolutions, and even recast them if necessary.

25. Mr. JUNG (India) said that his delegation's original idea had been to ask the working party to examine the proposals of the under-developed countries only, with a view to combining them in a single text. He had, however, been convinced by the Bolivian and Polish representatives that the working party should not be prevented from considering document A/C.2/L.204 also, if it deemed it necessary. He accordingly proposed that the Committee should ask the working party to deal chiefly with documents A/C.2/L.205, A/C.2/L.206/Rev.1 and A/C.2/L.207; if, however, in the course of its work, the working party felt, that it was possible to draft a single text combining all the proposals concerning economic development, and if, for that purpose, it considered that documents A/C.2/L.204 and A/C.2/L.208 should also be examined, it should be free to do so.

26. Mr. CUADERNO (Philippines), Mr. SALAMANCA (Bolivia) and Mr. STANOVNIK (Yugoslavia) supported the Indian representative's proposal.

The proposal was adopted.

The Committee decided to appoint Belgium, Chile, Cuba, Denmark, Egypt, France, Greece, India, Indonesia, Iraq, Netherlands, Pakistan, the Philippines, United Kingdom of Great Britain and Northern Ireland, United States of America and Yugoslavia as members of the working party.

27. The CHAIRMAN announced that the working party would hold its first meeting on Tuesday, 3 November, at 10.30 a.m. The list of members was not restrictive, and any delegation wishing to participate, either directly or indirectly, in the working party could do so.

The meeting rose at 5.15 p.m.