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AGENDA ITEMS 12, 29 AND 74

Report of the Economic and Social Council (chapters II
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Land reform (A/4439) (*continued*)

CONSIDERATION OF DRAFT RESOLUTIONS (A/C.2/
L.461/REV.4 AND A/C.2/L.465) (*continued*)

1. Mr. DUDLEY (United Kingdom) said that the spon-
sors accepted the Polish proposal to amend the title
of the eight-Power draft resolution (A/C.2/L.461/
Rev.4) to read "Concerted action for economic de-
velopment of economically less developed countries".

2. The sponsors had done their best to meet the
views of the Guinean representative and had sug-
gested additional wording in operative paragraph 2 in
order to include the points raised in the second part
of his amendment (A/C.2/L.485). However, that word-
ing had not proved acceptable to him.

3. With regard to the first of the two Ukrainian
amendments (A/C.2/L.483/Rev.1), the sponsors still
felt that the additional paragraph should not be in-
cluded. The second of the Ukrainian amendments, to
add the words "and other assistance" in operative
paragraph 4 (c), would involve an appreciable change
in the meaning, since it would remove the emphasis
placed on technical training, education and pre-
investment. The various forms of assistance to the
under-developed countries had already been stressed
in paragraphs 3 (b) and 3 (c), while paragraph 4 (d)
stated that technical assistance and the supply of
development capital should be increased. There was
little point therefore in stating in effect in paragraph
4 (c) that assistance of all sorts should be regarded
as an important factor in the economic development
of the under-developed countries.

4. With regard to the Bulgarian amendment (A/C.2/
L.497), the sponsors of the draft had already added
the words "political, economic, military or other"
in order to incorporate the Romanian amendment
(A/C.2/L.480). However, in order to meet the point
raised by the Bulgarian representative, the sponsors
would now delete that phrase and paragraph 4 (d)
would end with the words "... should involve no un-
acceptable conditions for them".

5. Mr. CAMARA SIKHÉ (Guinea) regretted that the
sponsors had been unable to accept the wording of the
second part of his amendment (A/C.2/L.485) and
requested a roll-call vote upon it.

6. In reply to a question by Mr. GEORGIEV (Bul-
garia), Mr. DUDLEY (United Kingdom) explained that
the sponsors had accepted and would still accept the
Romanian amendment to paragraph 4 (d) but had
deleted the words "political, economic, military or
other" in order to meet the views of the Bulgarian
representative.

7. Mr. GEORGIEV (Bulgaria) said that he maintained
his amendment (A/C.2/L.497). It was essential for
the United Nations to uphold the principle that eco-

conomic assistance must be entirely free from political and military conditions.

8. Mr. BOIKO (Ukrainian Soviet Socialist Republic) withdrew the second of his two amendments (A/C.2/L.483/Rev.1) but requested a roll-call vote on the first to insert an additional paragraph 3 in the operative part.

9. Mr. SERBAN (Romania) formally proposed that the words "political, economic, military or other" should be re-inserted in paragraph 4 (d).

10. Mr. ROA KOURI (Cuba) requested a separate vote on the concluding phrase of paragraph 5: "in conformity with the rights and duties of States under international law".

11. Mr. EL-MUTWALLI (Iraq) said that his delegation did not intend to submit a formal amendment at the present stage, but wished to make it clear that it preferred the phrase previously employed in paragraph 4 (e), "without prejudice to the interests of third parties"; the new wording "taking into account the interests of third parties", proposed by the Argentine representative, was much weaker.

12. The CHAIRMAN put the first part of the Ukrainian amendment (A/C.2/L.483/Rev.1) to the vote.

At the request of the Ukrainian representative, a vote was taken by roll-call.

Chile, having been drawn by lot by the Chairman, was called upon to vote first.

In favour: Cuba, Czechoslovakia, Ethiopia, Guinea, Hungary, Indonesia, Libya, Mali, Poland, Romania, Saudi Arabia, Tunisia, Ukrainian Soviet Socialist Republic, Union of Soviet Socialist Republics, Yugoslavia, Albania, Bulgaria, Byelorussian Soviet Socialist Republic.

Against: China, Colombia, Costa Rica, Cyprus, Denmark, Ecuador, El Salvador, Federation of Malaya, Finland, France, Iceland, Ireland, Italy, Japan, Luxembourg, Netherlands, New Zealand, Nicaragua, Nigeria, Norway, Sweden, Turkey, Union of South Africa, United Kingdom of Great Britain and Northern Ireland, United States of America, Uruguay, Australia, Austria, Belgium, Canada.

Abstaining: Chile, Dominican Republic, Ghana, Greece, Guatemala, India, Iran, Iraq, Israel, Laos, Lebanon, Liberia, Madagascar, Mexico, Morocco, Nepal, Niger, Pakistan, Panama, Peru, Philippines, Portugal, Senegal, Spain, Sudan, Thailand, Togo, United Arab Republic, Venezuela, Yemen, Afghanistan, Argentina, Brazil, Burma, Cambodia, Ceylon.

The Ukrainian amendment was rejected by 30 votes to 18, with 36 abstentions.

13. The CHAIRMAN put the second part of the Guinean amendment (A/C.2/L.485) to the vote.

At the request of the Guinean representative, a vote was taken by roll-call.

The Union of Soviet Socialist Republics, having been drawn by lot by the Chairman, was called upon to vote first.

In favour: Union of Soviet Socialist Republics, Yugoslavia, Afghanistan, Albania, Bulgaria, Burma, Byelorussian Soviet Socialist Republic, Cambodia, Cuba, Czechoslovakia, Ethiopia, Ghana, Guinea, Hungary,

Libya, Mali, Morocco, Poland, Romania, Saudi Arabia, Ukrainian Soviet Socialist Republic.

Against: United Kingdom of Great Britain and Northern Ireland, United States of America, Uruguay, Australia, Belgium, Canada, China, Colombia, Costa Rica, Denmark, Federation of Malaya, Greece, Italy, Japan, Luxembourg, Netherlands, New Zealand, Nicaragua, Norway, Spain, Sweden, Turkey, Union of South Africa.

Abstaining: United Arab Republic, Venezuela, Yemen, Argentina, Austria, Brazil, Ceylon, Chile, Cyprus, Dominican Republic, Ecuador, El Salvador, Finland, France, Guatemala, Iceland, India, Indonesia, Iran, Iraq, Ireland, Israel, Laos, Lebanon, Liberia, Madagascar, Mexico, Nepal, Niger, Nigeria, Pakistan, Panama, Peru, Philippines, Portugal, Senegal, Sudan, Thailand, Togo, Tunisia.

The Guinean amendment was rejected by 23 votes to 21, with 40 abstentions.

14. The CHAIRMAN put the Bulgarian amendment (A/C.2/L.497) to the vote.

The Bulgarian amendment was rejected by 35 votes to 20, with 28 abstentions.

15. The CHAIRMAN put to the vote the Romanian oral amendment to reintroduce the words "political, economic, military or other" in paragraph 4 (d).

The Romanian oral amendment was adopted by 53 votes to 2, with 22 abstentions.

16. The CHAIRMAN put to the vote the phrase "in conformity with the rights and duties of States under international law" in paragraph 5.

The phrase was adopted by 54 votes to none, with 26 abstentions.

17. The CHAIRMAN put the eight-Power draft resolution (A/C.2/L.461/Rev.4), as amended, to the vote.

The draft resolution, as amended, was adopted unanimously.

18. U HLA MAUNG (Burma) said he had supported the draft resolution because it not only reaffirmed important principles, but also set out to achieve a definite purpose, although it did not go as far as the resolutions his delegation would sponsor at a later stage. He had abstained on the Ukrainian amendment, not because he disagreed with its substance, but because in its present context it would tend to distort the purpose of the resolution, which was primarily concerned with external assistance to under-developed countries. While his own country did not accept any assistance that was subject to political or military conditions, he had abstained on the Bulgarian and Romanian amendments to paragraph 4 (d) because he believed that the decision on such matters should rest with the recipient countries themselves.

19. Mr. ALI (Pakistan) said that although he had voted in favour of the resolution as a whole, he wished to express a reservation concerning the phrase "thus contributing to safeguarding their independence" in paragraph 1. The phrase was not in his delegation's view relevant to the resolution, since independence was not contingent upon economic development; Article 55 of the Charter associated economic development with peace and stability and not

with independence. His delegation did not, however, attach undue importance to the phrase and had not wished to delay the Committee's work by requesting a separate vote on it.

20. Mr. HASSAN (Sudan) said that he had supported the draft resolution because it embodied provisions that were important to the economic development of the less developed countries. The discussion had been valuable and the sponsors were to be congratulated on their conciliatory attitude and the exemplary way in which they had dealt with the numerous amendments. His delegation had abstained on the amendments, not because it disagreed with their substance, but because they were either irrelevant or unsuitably worded.

21. Mr. ROA KOURI (Cuba) explained that he had abstained when the phrase "in conformity with the rights and duties of States under international law" had been put to the vote because, in the context of the resolution, his delegation interpreted the phrase as qualifying the sovereign rights of the State over its natural resources. In that connexion he recalled that the Commission on Human Rights had adopted a provision (article 1, paragraph 3) of the draft Covenant on Economic, Social and Cultural Rights, which stated that "The right of peoples to self-determination shall also include permanent sovereignty over their natural wealth and resources".^{1/}

22. Mr. MARAMIS (Indonesia) said that he had supported the draft resolution because his Government was in agreement with the principles and objectives it set out, particularly in regard to fluctuations in commodity trade, trade restrictions, the conditions governing assistance, and the need for increased capital and technical assistance. He had abstained from voting on the phrase at the end of paragraph 5 because international law should not be regarded as immutable or perfect. In the past, international law had in some respects been only a code of rules laid down by a few economically developed countries, and he hoped that, through the active participation of all nations, international law would become a more mature and universal institution.

23. Mr. RODRIGUEZ (Chile) said that he had abstained on that phrase in paragraph 5 because the question of obligations under international law in the area concerned was being studied by the United Nations Commission on Permanent Sovereignty over Natural Resources set up by the General Assembly at its thirteenth session. Delicate issues were involved and his delegation did not wish to prejudge the Commission's work.

24. Mr. PAYNE (United States of America) believed that the draft resolution represented a consensus of the views held in the Committee on the subjects it touched upon, but wished to make it clear that, in supporting the recommendation for increased capital and technical assistance in paragraph 4 (d), his Government was not assuming an obligation to increase still further the already substantial assistance it was affording.

25. Mr. FLERE (Yugoslavia) said that his delegation had welcomed the draft resolution, which not only reaffirmed valuable principles and objectives, but also recommended measures that would be of great

importance to the development of the less developed countries. He regretted that the Bulgarian amendment had not been adopted, since it reflected a principle that had always been steadfastly observed by his Government. Nevertheless, the belief that economic assistance should not be linked with political or military considerations was gaining ground and he was confident that it would ultimately be reflected in a United Nations decision. Economic development and economic independence were closely interrelated and he was glad that the draft resolution reaffirmed the sovereign right of every State to dispose of its natural resources. He had abstained on the phrase in paragraph 5 because international law on the subject of nationalization was controversial and offered little guidance.

26. Mr. CARANICAS (Greece) said that his delegation had no strong objection to the substance of any of the amendments, but had abstained on the Ukrainian amendment because, according to the Ukrainian representative's own explanation, it was not intended to encourage private foreign investment. He had opposed the Guinean amendment as he considered that its general intention had been met by the revised draft resolution. He wished that the sponsors had been able to incorporate the Bulgarian amendment, the grounds for which had been logically argued, but they had been unable to do so and he had therefore abstained from voting on it. He had voted against the Romanian amendment because it did not separate economic from political and military conditions.

27. Mr. KORTEWEG (Netherlands) had also opposed the Romanian amendment because the term "unacceptable conditions" represented an absolute concept. If the term was qualified, a distinction should be made between political or military and economic conditions.

28. Mr. WODAJO (Ethiopia) said that he had supported the Ukrainian and Guinean amendments because both were based on indisputable economic truths. Few would deny that natural resources should play a leading role in the development of under-developed countries and that foreign aid and investments were only complementary factors. Nearly all under-developed countries suffered from the basic weakness of insufficient economic diversification and the subject, although mentioned in the draft resolution, warranted fuller treatment in a separate paragraph, as suggested by the Guinean representative. He had voted in favour of the phrase in paragraph 5 because he believed that the rights of a nation to dispose of its natural resources were safeguarded under international law.

29. Mr. WOULBROUN (Belgium) had opposed the Guinean amendment because its substance, with which he agreed, was already embodied in the revised draft. He had supported the draft resolution because it reaffirmed the major objectives of the United Nations in the economic field.

30. Mr. ABDALLAH (Ghana) regretted that the Guinean amendment had not been adopted, since it was of particular significance for the economies of countries like Ghana and held no harmful implications for other countries. His delegation would have voted for the sub-amendment proposed by the sponsors to

^{1/} Official Records of the Economic and Social Council, Eighteenth Session, Supplement No. 7, Annex I.

the Guinean amendment, which would have added to the substance of the draft resolution.

31. Mr. OMAR (Afghanistan) considered that the draft resolution reaffirmed principles and aims which were of great importance to the less developed countries. He had voted in favour of the Guinean amendment, which would have strengthened the resolution, but had abstained on the Ukrainian amendment because he preferred the main emphasis to remain on international assistance. His delegation believed that all assistance should be free from political or military conditions, but had abstained in the vote on the Bulgarian amendment, the substance of which was already incorporated in paragraph 4 (d).

32. Mr. CAMARA Sikhé (Guinea) observed that, while the draft resolution appeared to cover all the essential requirements for the economic development of the less developed countries, he regretted that his amendment had not been accepted. The idea it embodied was of fundamental importance to countries like his own and he could wish that it had been clearly and fully expressed.

33. Mr. DOE (Liberia) said that his delegation welcomed the genuine desire for concerted action shown in the Committee and paid a tribute to the way in which the sponsors had accepted the numerous amendments. He hoped that in the future members would not consider it necessary to submit amendments involving relatively insignificant textual variations.

34. Mr. KAKITSUBO (Japan) stated that he had supported the draft resolution on the understanding that the reference in paragraph 4 (d) to increased technical and capital assistance would not impose any immediate financial burden on his Government. He wished to make the further reservation that the words "taking into account" in paragraph 4 (e) should not weaken the original expression "without prejudice to", which they had replaced in the final draft.

35. Mr. CHERNYSHEV (Union of Soviet Socialist Republics) believed it was the generally held view that the unanimous adoption of the draft resolution, which dealt mainly with the relationships between developed and under-developed countries, did not dispense with the need for the draft declaration on international economic co-operation submitted by his delegation (A/C.2/L.466). He was confident that the Economic and Social Council would give due consideration to the draft declaration and refer it back to the Committee at the next session of the General Assembly. He regretted that the Ukrainian and Guinean amendments had not been accepted and hoped that the important points they raised would find expression in later decisions of the Committee.

36. The CHAIRMAN invited the Committee to resume consideration of the Czechoslovak draft resolution (A/C.2/L.465).

37. Mr. OMAR (Afghanistan), introducing the amendments to the Czechoslovak draft resolution submitted by his delegation and that of the United Arab Republic (A/C.2/L.487/Rev.1), said that the draft resolution had been put forward in an effort to help the under-developed countries accelerate their economic development, in particular by creating a sound industrial basis for development, and reflected a recognition of the interdependence of all countries. The

sponsors of the amendments therefore supported the draft resolution, but considered that their amendments would improve and clarify the text.

38. Since it was the aim of the under-developed countries to accelerate their economic development as a whole, with due regard not only for industrialization but for other important aspects of development, the sponsors of the amendments felt that the word "industrialization" in the first preambular paragraph should be replaced by the words "economic development". Their second amendment would replace the word "profits" by the more meaningful and appropriate word "earnings". His delegation and that of the United Arab Republic fully shared the aspiration which had led the sponsor of the draft resolution to refer to the idea of the international division of labour, but would point out that the idea was interpreted differently by different countries; for example, in the socialist countries it implied a planned co-ordination of activities by all the countries concerned, whereas in the market economy countries it implied merely a recognition of comparative cost factors. In order to avoid controversy, the sponsors of the amendment therefore proposed that the reference to the international division of labour should be deleted and replaced by language expressing the same aspirations in a different form: that did not imply that they were opposed to a progressive and dynamic interpretation of the idea of an international division of labour.

39. The changes proposed in paragraph 1 (a) were intended to encourage the extension of credit on both a bilateral and a multilateral basis, to indicate the terms on which credits should be extended, and to draw attention to other desirable forms of capital assistance, thus widening the basis on which assistance might be furnished. The amendment to paragraph 1 (b) was also intended to widen the scope of the co-operation referred to, while the amendment to paragraph 2 was again intended to replace the idea of the international division of labour by a less controversial formulation.

40. The sponsors hoped that their amendments would be accepted by the Czechoslovak delegation and the Committee as a whole. If they were accepted, it would be necessary also to change the title of the draft resolution.

41. Mr. ABDEL GHAFFAR (United Arab Republic) said that his delegation considered the Czechoslovak draft resolution a constructive contribution to the Committee's work and fully supported its recommendation regarding the extension of credits on a bilateral or multilateral basis. However, it had some doubts regarding the wisdom of introducing the idea of an international division of labour. The classical economic theories on which one interpretation of that concept was based were not fully applicable to the contemporary world and any attempt to apply the principle in those terms might have harmful consequences. Moreover, the principle implied a collective effort by all the countries of the world which was too much to hope for in the present state of international tension. The world was at present divided between different economic and social systems and it could not be expected that the principle would by itself cause the existing economic blocs to disappear. For those reasons, his delegation felt that emphasis should be placed on the need for diversification and

industrialization rather than on the international division of labour, and had joined in sponsoring the amendments with that end in view.

42. Mr. PAYNE (United States of America) said that his delegation's amendment (A/C.2/L.486) was intended to introduce into the draft resolution an acknowledgement of the establishment of the International Development Association, the first institution in the United Nations system to provide long-term credits for development at less than commercial rates of interest. IDA had officially begun operations on 8 November 1960 as an affiliate of IBRD and membership in it was open to any member of the Bank. In the past all the less developed countries which were Members of the United Nations had also been members of the Bank, and it seemed probable that they would also participate in IDA. His delegation hoped that the newly independent countries which had become Members of the United Nations in 1960 would also consider membership in the Bank and IDA. If all sixty-eight members of the Bank joined IDA, its initial subscription would total the equivalent of \$1,000 million. The IDA would provide financing which would bear less heavily on the balance of payments of recipient countries than conventional loans; its loans might be repayable in foreign exchange with very long maturities or long periods of grace, or both, or be repayable in local currency, and might be free of interest or carry a low rate of interest. It therefore seemed appropriate to include a reference to IDA in a resolution dealing with the financing of economic development through long-term loans at low interest rates.

43. His delegation supported the amendment proposed by Afghanistan and the United Arab Republic, and was glad to note in particular that the text suggested for operative paragraph 1 (a) gave attention not only to interest rates but to longer periods for repayment of loans and to repayment in local currency. For developing countries, the repayment period might be more important than the interest rate. Development credits repayable in local cur-

rency would also be of great benefit to countries in foreign exchange difficulties. The reference to the influx of other forms of private capital proposed by the two Powers was also a welcome acknowledgement of the importance of foreign private investment in assisting the industrialization of the less developed countries.

44. His delegation would suggest that, in the proposed two-Power amendment to paragraph 1 (a), the words "including grants" should be added after the words "foreign capital and assistance". Grants were one of the important forms of assistance to the less developed countries and certainly imposed the smallest burden of any type of assistance rendered.

45. With regard to paragraph 3 of the draft resolution, his delegation doubted the propriety and tact of calling upon the regional economic commissions to study the question under discussion when they were in fact already doing so, and it would therefore suggest the deletion of that paragraph.

46. Mr. IRWIN (Canada) said that his delegation was submitting its amendments (A/C.2/L.498) to the draft resolution and a sub-amendment (A/C.2/L.499) to the two-Power amendment primarily in the interests of clarity. The two-Power amendments, which his delegation supported, would have the effect of removing from the draft resolution the references to the international division of labour and his delegation considered that the term should also be removed from the title. In its view, the new title it was proposing covered the goals of the draft resolution as they had been stated by its sponsors. Its sub-amendment to document A/C.2/L.487/Rev.1 was intended to introduce a reference to other forms of financing, including outright grants, which were equal in value to, and in some cases of greater value than, those mentioned. The third of its amendments (A/C.2/L.498) was intended to give recognition to the fact that the regional economic commissions were already studying the question.

The meeting rose at 6.10 p.m.