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Chairman: Mr. Mohammad MIR KHAN (Pakistan).

AGENDA ITEM 26

Programmes of technical assistance (*concluded*):
(a) Report of the Economic and Social Council
(A/3154)

ADOPTION OF THE RAPPOREUR'S REPORTS
(A/C.2/L.325, A/C.2/L.326)

1. The CHAIRMAN suggested that the Committee should adopt the two draft reports presented by the Rapporteur, one on the question of the membership of the Technical Assistance Committee (A/C.2/L.325) and the other on administrative and operational services' costs of the Expanded Programme of Technical Assistance (A/C.2/L.326).

It was so decided.

AGENDA ITEM 27

Economic development of under-developed countries (A/3154, A/3192) (*continued*):

(a) Question of the establishment of a Special United Nations Fund for Economic Development: report of the *Ad Hoc* Committee (A/3134 and Corr.1 and 2, A/C.2/L.296, A/C.2/L.315/Rev.2, A/C.2/L.316, A/C.2/L.321) (*continued*)

2. The CHAIRMAN requested the Committee to consider the forty-three-Power draft resolution (A/C.2/L.315/Rev.2).

3. Mr. KENNEDY (Ireland) said that the Danish-Irish draft resolution (A/C.2/L.321) was, as he had explained when introducing it, the outcome of strenuous efforts on the part of many delegations to reconcile the wishes of the under-developed countries and the preoccupations of the major industrialized countries whose contributions to the Special United Nations Fund for

Economic Development (SUNFED) would be vital. The Danish representative and he had examined the forty-three-Power draft resolution and were prepared to vote for it, if it commanded the support of the majority, although it went further than their joint draft in regard to the steps to be taken towards the establishment of SUNFED. The Danish and Irish delegations were now co-sponsors of the forty-three-Power draft and had decided to withdraw their own draft resolution.

4. Mrs. WRIGHT (Denmark) said that her delegation's amendments (A/C.2/L.317) to the original text (A/C.2/L.315) of the forty-three-Power draft resolution and the Danish-Irish draft resolution had been presented in the hope of working out a compromise between the positions of the under-developed countries on the one hand and of the industrialized countries on the other. She had agreed to withdraw the Danish-Irish draft in favour of the forty-three-Power draft.

5. Mr. GLOWER (El Salvador) announced that the sponsors of the eighteen-Power draft resolution (A/C.2/L.296) wished to withdraw their text in favour of the forty-three-Power draft resolution, of which most of them were co-sponsors.

6. Mr. Gopala MENON (India), introducing the forty-three-Power draft resolution, said that the sponsors had worked hard to reach a compromise. Forty-one States had joined in sponsoring the previous version (A/C.2/L.315/Rev.1) and, although they considered that it would have the support of the majority in the Committee, they had also wished to gain the support of delegations holding different positions. The new text had been prepared with an eye to the future. The sponsors believed that the request that the *Ad Hoc* Committee should set forth the different forms of legal framework on which a special United Nations fund for economic development might be established and statutes drafted would be acceptable to all.

7. Mr. CHAUVET (Haiti) said that his delegation's position could best be explained by referring to a recent article by the United States representative, Mr. Hoffman, whose role in the execution of the Marshall Plan was familiar to all. The views expressed in Mr. Hoffman's article in *The New York Times Magazine* of 17 February 1957 on international assistance and the part which the United States could play in assisting the under-developed countries were shared by the great majority of the sponsors of the forty-three-Power draft resolution. With regard to the total cost of assistance to the under-developed countries, Mr. Hoffman had mentioned the figure not of \$250 million but of \$1,000 million to \$2,000 million as the United States annual contribution for four years, and had not suggested that contributions should be contingent on world disarmament or the relaxation of international political tension. Mr. Hoffman had pointed out that what was hard to estimate was not the cost of a pro-

gramme of international assistance but the cost of not having such a programme; he had continued with the words "If it meant—as it well might—the loss of key countries to communism, the cost to us would surely be many times \$8,000,000,000. It might even be World War III."

8. The Haitian delegation hoped that the Committee would adopt the forty-three-Power draft resolution unanimously.

9. Mr. FLERE (Yugoslavia) said that the three European sponsors of the forty-three-Power draft resolution had tried to find a solution which would constitute an advance towards the establishment of SUNFED and would at the same time be generally acceptable. In preparing the revised text considerable goodwill had been displayed and a compromise had been accepted in order to enable the *Ad Hoc* Committee to do serious work.

10. As his delegation understood it, sub-paragraph (a) of operative paragraph 2 did not mean that the *Ad Hoc* Committee should undertake a mere legal classification of possible solutions, but that it should lay the groundwork for the drafting of the statutes. Similarly, sub-paragraph (b) of operative paragraph 2 requested the *Ad Hoc* Committee to achieve more than a mere classification of various kinds of projects, namely, to provide a basis for subsequent programming work. Operative paragraph 2 as a whole gave the *Ad Hoc* Committee wider terms of reference. The *Ad Hoc* Committee was requested to undertake important preparatory work both on legal and on economic levels. He was convinced that the *Ad Hoc* Committee's work would encourage countries which were still hesitant to take a more positive stand regarding the early establishment of SUNFED.

11. Mr. CHERNYSHEV (Union of Soviet Socialist Republics) said that his delegation would vote for the forty-three-Power draft resolution. With regard to the first paragraph of the preamble, however, he wished to make the reservation that it was his understanding that the expanded flow of capital referred to would be channelled through the United Nations. His country's views on the role of private capital were well known: foreign private capital should be an additional means of financing, and should not be made subject to any political or other conditions.

12. He did not propose to comment on the Haitian representative's observations, which were irrelevant to the discussion.

13. The CHAIRMAN put the forty-three-Power draft resolution (A/C.2/.315/Rev.2) to the vote.

The draft resolution was adopted unanimously.

14. Mr. EPINAT (France) said that, in its statement during the debate on SUNFED, his delegation had expressed the hope that the Committee would adopt a practical approach to the problem. Although the programme proposed in the resolution adopted did not fully satisfy his delegation, he hoped that it would facilitate the work of the *Ad Hoc* Committee and enable it to envisage practical steps which would receive general support.

15. Mr. STIBRAVY (United States of America) explained that he had been able to vote for the resolution because the task assigned to the *Ad Hoc* Committee was one in which his delegation could participate. In the course of the discussion on the item, Mr. Hoffman had made it clear why the United States would

resolution. Even the first revision had been unacceptable to his delegation.

16. The Danish and Irish draft resolution prescribed work for the *Ad Hoc* Committee in terms which he would have been able to support.

17. It was gratifying that the outcome of the informal discussions had been successful; that was a testimony to the goodwill prevailing in the Committee.

18. In explaining its affirmative vote on the draft which later became General Assembly resolution 923 (X), by virtue of which the *Ad Hoc* Committee was established, his delegation had referred to the understanding as to its work which made United States participation possible (379th meeting). The understanding was that the *Ad Hoc* Committee was to carry on the orderly exploration, already initiated by the United Nations, of the various ideas and suggestions of Governments relating to SUNFED which might be useful when the establishment of that body became a practical possibility.

19. The present resolution provided for further work along those lines. The *Ad Hoc* Committee was requested to give a fuller, more orderly and more helpful picture of the various organizational patterns or forms of legal framework on which an international development fund could be established. It was not being asked to select any particular pattern or combination of elements from different patterns which it would recommend as the legal framework which appeared most desirable; such work would be the essence of the drafting of statutes and would thus be work in which his delegation could not participate.

20. Mr. ENCINAS (Peru) explained that his delegation had voted for the joint draft resolution and had been particularly gratified that it had won unanimous support. While sympathizing with the difficulties of the representatives who had drafted the compromise text, he could not but express disappointment at the slow progress that was being made. His delegation appreciated the political, administrative and financial difficulties that had to be considered by the major potential contributors but felt that it was essential to press forward preparations for the establishment of SUNFED.

21. He hoped that the *Ad Hoc* Committee's studies would not be confined to mere principles but would be related as closely as possible to the operation of SUNFED. The recommendations of the *Ad Hoc* Committee should be flexible and should emphasize the importance of the multilateral approach. Consideration might be given in that connexion to the Argentine representative's proposal (435th meeting) concerning the possibility of establishing a body which might channel the various kinds of economic assistance. The *Ad Hoc* Committee should suggest what specific projects could be financed from SUNFED and should consider the question of priorities. It should also bear in mind the need to decentralize the operation of SUNFED as much as possible. In preparing its report, it should not neglect the views of the regional commissions.

22. His delegation had been glad to note that the *Ad Hoc* Committee would take into account any proposals which Governments might wish to put forward.

23. Sir Alec RANDALL (United Kingdom) associated himself with the explanation of vote made by the United States representative and particularly with his interpretation of the resolution. The question of

SUNFED should be approached in a spirit of realism with due regard for all the political and economic factors involved. It was essential that the major potential contributors and the potential recipients should work together.

24. Mr. ALMEIDA (Brazil) said that his delegation had drawn attention to the danger of postponing the establishment of SUNFED indefinitely, and had been unable to sponsor the draft resolution because it appeared to constitute a further postponement. Nevertheless, the draft embodied a number of positive proposals and his delegation had therefore been able to vote in its favour.

25. Mr. WOULBROUN (Belgium) said that his delegation's attitude to SUNFED had always been positive. It did not subscribe to the view that the establishment of SUNFED should await general disarmament, but believed that the essential first step was to secure the agreement of the countries which could make SUNFED a success. It was therefore gratifying that general agreement had been obtained within the Committee, and the steps outlined in the draft resolution would carry the proposal one stage further. Operative paragraph 3, in particular, should do much to serve the cause of the under-developed countries.

26. Mr. CHEN (China) explained that his delegation had voted for the draft resolution in the belief that it represented a definite step towards the establishment of SUNFED.

27. The CHAIRMAN put to the vote the draft resolution submitted by Egypt, Iraq and Pakistan concerning the membership of the *Ad Hoc* Committee (A/C.2/L.316).

The joint draft resolution was adopted by 57 votes to none, with 5 abstentions.

COLLECTION OF INFORMATION CONCERNING INTERNATIONAL ASSISTANCE FOR THE LESS DEVELOPED COUNTRIES (A/C.2/L.295/REV.1)

28. Mr. ENGEN (Norway) said that the Norwegian Foreign Minister had put forward the idea expressed in the joint draft resolution (A/C.2/L.295/Rev.1) in a speech to the General Assembly (589th plenary meeting). The Canadian delegation had also spoken on the subject in the 609th plenary meeting, and the Canadian and Norwegian delegations had submitted the original draft resolution to the 411th meeting of the Second Committee.

29. There was therefore no need to repeat the arguments in favour of a broader and more constructive approach to the question of economic assistance to under-developed countries. Some of the statements made during recent months had emphasized the need for such an approach and added weight to the recommendations in the joint draft resolution. The Under-Secretary for Economic and Social Affairs, the Director-General of the Food and Agriculture Organization of the United Nations, the Commission of the Churches on International Affairs and the representatives of Argentina, Poland and Yugoslavia had all referred to the need for a realistic and comprehensive solution of the problem of assisting the less developed countries. The proposal outlined in the draft resolution would provide a factual basis upon which the Committee could tackle the general problem.

30. His delegation did not wish to enter into a discussion of what should be done once the information had been collected, but would welcome any new ideas

on the subject. It would be premature to seek support for any further measures before a realistic appraisal had been made along the lines suggested in the joint draft resolution. The technicalities of the proposed survey should so far as possible be left to the Secretary-General.

31. In its approach to the problem of the under-developed countries the United Nations appeared to have underestimated the importance of considering the various aid programmes as a whole. If such an attempt had been made earlier, many of the present difficulties would not have arisen.

32. Mr. SALINAS (Argentina) said that the joint draft resolution recommended a useful and constructive measure which would enable the United Nations to formulate a realistic policy with regard to international economic assistance. So far there had been no complete and regular survey of such assistance, and in view of the organizational difficulties involved it was wise to request the Secretary-General to make a preliminary study. The Council could then consider it and make recommendations for further work on the subject.

33. Mr. CROLL (Canada) said that the time had come to reassess the general problems connected with the question of economic assistance to the less developed countries. The United Nations was the organization best qualified to carry out that task. The proposed reassessment would show what had been and was being accomplished and would indicate whatever future progress was desirable and practical. For that reason his delegation had joined in sponsoring the draft resolution and considered that it would enable the United Nations to assist the Governments of Member States in their consideration and development of economic aid programmes.

34. If the resolution were carried out, the United Nations would have for the first time a fairly complete picture of the published facts concerning international economic assistance. Such facts would be of great value in all discussions of economic development within the United Nations. It was unrealistic to discuss economic development without taking into account the bilateral and multilateral programmes being undertaken outside the United Nations framework.

35. The proposed survey would of course be based only on information freely and publicly available from the Governments of Member States. It would certainly have no adverse effect on present or future United Nations programmes of economic aid. A knowledge of the facts and a co-ordinated statistical picture of what was being accomplished by international and national economic assistance programmes could not fail to be of assistance in future United Nations discussions on the subject. So far, no survey of United Nations economic aid programmes had been carried out. As stated in the preamble to the draft resolution, the collection and circulation of information concerning such programmes would further co-ordination between the various programmes. The proposed survey would also indicate gaps in present programmes. Such information would be most useful to the United Nations when considering what further programmes it could undertake and how resources available for existing United Nations programmes could best be allocated. The proposal, though modest, suggested a course of action based on confidence in the United Nations and the role it could play in promoting international economic development.

36. Mr. ELIZALDE (Philippines) said that his delegation was happy to sponsor the draft resolution. It believed that it would be useful to have a clear and comprehensive picture of all the assistance being given, particularly as programmes were constantly being expanded, so that plans could be co-ordinated and money spent more wisely.

37. Mr. ENCINAS (Peru) believed that the proposed survey would contribute towards the economic development of the under-developed countries. It would help towards a better and speedier application of programmes of economic assistance and would show the need for broader action and more extensive co-ordination.

38. There were, however, two points which caused his delegation concern. The first was the meaning of the expression "international economic assistance" which was a key phrase in the whole text. He felt that it would be better to say "co-operation" rather than "assistance", since a purely factual survey should cover the efforts made locally, or nationally, as well as internationally. Further, his delegation thought that technical assistance having indirect and long-term effects on the economy should be excluded from the survey and that it should be concerned only with direct assistance in the form of grants and loans accorded on a non-commercial basis. The Secretary-General ought, in his delegation's view, to be given some guidance as to the survey he was being asked to undertake. His delegation's second difficulty was with the proposal in sub-paragraph (b) of operative paragraph 1 that the Secretary-General should be asked to submit suggestions on suitable methods for carrying out the survey. The question of methods was, he thought, connected with that of definitions, to which reference had already been made, and should not be left exclusively to experience. With those reservations, his delegation supported the four-Power draft resolution.

39. Mr. ANIS (Egypt) wished to put some questions to the sponsors of the draft resolution and to the representative of the Secretary-General. First, he would like to know if most of the material which would be required was already available and published. Secondly, he wondered whether, if some of the material required was not available, the Governments of Member States would be prepared to provide it. Thirdly, he would like to know whether it was possible and easy to distinguish economic from other forms of assistance. Fourthly, he wondered whether the statistical information which would thus be collected would correctly reflect the general situation regarding economic assistance to the under-developed countries.

40. Mr. CARANICAS (Greece) said that his delegation, too, would like some clarifications before adopting a final position on the draft resolution. As the representative of Peru had said, the term "international economic assistance" should be defined; so, also, in his delegation's view, should the term "the less developed areas of the world" since it could be applied, for instance, to certain European countries which were not by other standards under-developed. Again, sub-paragraph (a) of operative paragraph 1 referred to a three-year period ending 31 December 1956. It was a fact, however, that bilateral aid in a strictly economic form had been provided mainly prior to 1952; since that date such aid had taken the form of defence support, in which it was difficult to distinguish the purely military from the purely economic. He also doubted whether it would be possible, as stipulated in sub-

paragraph (b) of operative paragraph 1, for the Secretariat to submit even a preliminary survey by the twenty-fourth session of the Council. Finally, he wondered whether the resolution would have any financial implications, in which case the advice of the Fifth Committee would have to be sought.

41. Mr. ALMEIDA (Brazil) said that his delegation would be prepared to vote for the draft resolution on the understanding that the survey would be used to discover the gaps in existing programmes of international economic assistance and to devise means of filling them.

42. Mr. LARREA (Ecuador) asked the representative of the Secretary-General whether the adoption of the draft resolution would have the effect of impairing the development of technical assistance programmes. His delegation's vote would depend on the answer to that question.

43. Mr. BRINSON (United Kingdom) asked whether the proposed survey would cover long-term private capital investment, the field in which his country contributed most towards the economic development of under-developed countries. If not, he hoped that some arrangement would be made for the discussion of the annual report of the international flow of private capital in conjunction with the proposed survey.

44. Mr. RAJAPATHIRANA (Ceylon) said that his delegation had some misgivings about the draft resolution. Ceylon was a member of the Colombo Plan for Co-operative Economic Development for South and South-East Asia, and fairly complete information was provided in the Colombo Plan reports. He did not think that his Government would find it easy to provide additional information, and he would therefore be glad to know if it was intended to compile the survey exclusively on the basis of already published material. He agreed that the terms "international economic assistance" and "the less developed areas of the world" should be defined. Economic assistance was only part of the story; a survey of economic assistance alone would give an incomplete picture of the help different countries were receiving. The term "governmental or inter-governmental channels" also called for some explanation.

45. Mr. HILL (Secretariat) said that any report which the Secretariat could produce in time for submission to the Economic and Social Council at its twenty-fourth session would necessarily be somewhat sketchy, because the staff members who would be required to work on it already had other tasks to complete in that short period of time. That was one reason why it would be wise to limit the period covered by the preliminary survey to the three years ending 31 December 1956. In any case the preliminary survey would be tentative, because problems of concepts and methods would arise and the Secretariat would be glad to have the advice of Governments, individually and through the Economic and Social Council. The first report would therefore be largely exploratory and the Secretariat would wish to rely heavily on the assistance of Government for the compilation of the necessary analytical details. It would hope to obtain information in addition to material already published.

46. He could assure the representative of Ecuador that the work on the survey would have no effect whatever on technical assistance programmes.

47. In reply to the United Kingdom representative, he said that purely commercial loans would not normally

be included in such a survey unless the Committee so wished. Military assistance, too, should preferably be excluded.

48. He had no doubt that at its twenty-fourth session the Council would be able to help the Secretariat to revise the form of the survey so that, if the General Assembly later decided to continue it, subsequent drafts would be submitted in a more complete and appropriate form.

49. Mr. CARANICAS (Greece) said that his delegation was not entirely satisfied with the replies given by the representative of the Secretary-General. He was afraid that the Secretary-General would be disappointed if he hoped for much help from Governments, particularly before May 1957. The figures for military

assistance would naturally be excluded but, for instance in, the defence support aid now furnished bilaterally by the United States it would be difficult to disentangle the economic from the military. The Secretary-General's representative had not indicated his understanding of the term "the less developed areas". His delegation did not therefore feel able to vote on the draft resolution at the present time.

50. Mr. RAJAPATHIRANA (Ceylon) said that his delegation's position was similar to that of the Greek delegation. In principle it supported the draft resolution, but it could not commit its Government at present because the implications of the resolution were still uncertain.

The meeting rose at 1.15 p.m.