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Chairman: Sir Douglas COPLAND (Australia).

AGENDA ITEM 25

Economic development of under-developed countries (A/2686, A/2702) (*continued*):

(a) Question of the establishment of a Special United Nations Fund for Economic Development: summary by the Secretary-General of comments of Governments on the report of the Committee of Nine, report of Mr. Raymond Scheyven and report of the Economic and Social Council (A/2646 and Add.1-5, A/2727 and Corr.1, A/2728 and Corr.1; A/C.2/L.230 and Add.1, A/C.2/L.231) (*continued*)

1. Mr. JUNG (India) said that the Netherlands representative had explained (306th meeting) that the joint twenty-one-Power amendment (A/C.2/L.231) to paragraph 5 of the Working Group's draft resolution (A/C.2/L.230) was considerably closer to the recommendations contained in the report of the Committee of Nine (E/2381) than to the original position taken by the representatives of the under-developed countries. In the Working Group there had been some objection to the idea, formally expressed in the twenty-Power joint draft resolution (A/C.2/L.228 and Add.1) that draft statutes for the Special United Nations Fund for Economic Development be prepared. India had never visualized the proposed draft statutes as final and legally binding but purely as a provisional working document.

2. The joint amendment advanced no extreme ideas. The words "on the basis of consultation with the Technical Assistance Board and the specialized agencies concerned" had been accepted on the understanding that Mr. Scheyven's report would be detailed and comprehensive. In the Working Group he had stressed that the General Assembly should be given a full and precise picture of the organization and working of SUNFED.

3. There was no reference, either overt or implicit, to draft statutes in the joint amendment. It was even

indicated that Mr. Scheyven's report was intended for the General Assembly and, for the time being at least, not for Governments. If it was felt in some quarters that no kind of preparatory work at all should be done, there was little point in pursuing the matter, but he refused to be despondent or to believe that the request by a group of States that a report be made to give the General Assembly a detailed picture of the scheme would encounter any opposition. The sponsors of the joint amendment had been quite realistic; there was not even the slightest suggestion that immediate establishment of SUNFED was contemplated. Unless the idea of the fund was being deliberately shunned, there should be no objection to accepting the amended joint draft resolution as a whole.

4. Sir Alec RANDALL (United Kingdom) said that he was still not convinced that the idea of statutes was not being ingeniously reintroduced in another guise. He failed to see the purpose of submitting the amended version of paragraph 5 in view of the proceedings in the Working Committee. Moreover, certain changes and omissions were to be noted in the text as submitted: for example the Yugoslav representative had withdrawn his reservation (305th meeting) with regard to the words "as they may find appropriate to consult" but those words had nevertheless been omitted.

5. He failed to appreciate the distinction, drawn by the Indian representative, between the General Assembly and Governments in view of the fact that the General Assembly consisted of the representatives of Governments.

6. Mr. Scheyven had been present at the Working Group's discussion of paragraph 5 and had not apparently considered himself unduly circumscribed by the use of the words "the possible forms, the functions and the role of a Special United Nations Fund for Economic Development". Yet that formula had been replaced in the joint amendment by the words "a full and precise picture of the organization and working of such a Fund", a change which he could not readily accept.

7. The Indian representative had asserted that the sponsors of the new text had approached the matter realistically and had based themselves to a considerable extent on the recommendations of the Committee of Nine. However, the amendment was in fact unrealistic; among other things, it disregarded one of the main conclusions of the Committee of Nine, namely that SUNFED should not be established until a minimum amount equivalent to \$250 million had been pledged for its initial operations.

8. It was wrong to maintain that any opposition to the joint amendment implied opposition to the entire idea of SUNFED. The United Kingdom was fully alive to the need for providing the under-developed countries with economic assistance, but did not wish to indulge in unrealistic exercises.

9. Mr. LIRA MERINO (Chile) said that the Indian representative had accurately interpreted the views of the representatives who had sponsored the joint amendment. The United Kingdom delegation should appreciate that those representatives had acted in good faith. Sincere gratitude was due to the Chairman and to the Secretariat for their constructive efforts in helping the Working Group to prepare a concrete and realistic text. In spite of those efforts, some paragraphs of the draft resolution, including paragraph 5, had not been unanimously approved and the United Kingdom representative himself had proposed an alternative version of subparagraph 5 (a). It was in view of that situation that the joint amendment had been submitted. The words "a full and precise picture", which had been suggested in the Working Group, had been used because it was inadequate to request a further report on the possible forms, functions and role of SUNFED at the present stage. If the United Nations merely marked time, it would inevitably lose prestige. The countries which had proposed the preparation of draft statutes had not done so with a view to the immediate establishment of SUNFED. They realized that the industrially advanced countries had to wait until the circumstances were more favourable.

10. Mr. STANOVNIK (Yugoslavia) explained that his delegation's position regarding the words "as they may find it appropriate to consult" in the Working Group's draft resolution remained unchanged. It had merely decided to withdraw its reservation in the interest of promoting agreement.

11. With regard to the United Kingdom representative's argument that the draft amendment was unrealistic, he pointed out—and he was sure that the other sponsors agreed—that it would be impractical to establish SUNFED before a total of \$250 million had been pledged. In the meantime, the preparatory work described in the joint amendment could be undertaken. For instance, the joint amendment called for a study of ways of limiting overhead expenses, which would help to remove the misgivings felt by several delegations, his own included. Again, many governments had indicated that they could not promise financial support until they knew what the fund's structure and functions would be; if the joint amendment were adopted they would receive that information. Mr. Scheyven could not be expected to make another approach to Governments without being able to offer such information. Indeed, if the practical preparatory work outlined in the joint amendment were not to be undertaken, it would be pointless to extend Mr. Scheyven's appointment.

12. Mr. NASH (United States of America) said that the United States delegation's position in regard to the proposed special fund had not changed since the beginning of the session. As to the work described in the joint amendment, Mr. Scheyven would seem to have enough to do if he concentrated his efforts on the far from simple task of obtaining pledges for the initial capital of \$250 million considered necessary to start the fund. When that sum had been pledged it would be a simple matter to draft the statutes. It should also be found out whether Governments would continue to give the fund adequate financial support after the initial capital had been raised. He agreed with the United Kingdom representative that discussion of the joint amendment would not serve any useful purpose. The

Committee should base its discussion on the text presented by the Working Group.

13. Mr. LEDOUX (France) agreed with the United Kingdom and United States representatives. He hoped that the Committee would not nullify the Working Group's efforts by reopening questions on which agreement had been reached. The object should be to reach unanimous agreement on the subject as soon as possible.

14. Mr. AHMAD (Pakistan) said that, although the Indian and United Kingdom representatives disagreed on the minor question of whether the adoption of the joint amendment would entail the drafting of statutes, all delegations, including the United Kingdom delegation, agreed that SUNFED should be established at some future date. It would be most regrettable if the Committee failed to adopt a draft resolution on the subject unanimously merely because of disagreement as to whether or not certain preparatory work should be done. His delegation was convinced that the essential preliminary work described in the joint amendment should be started before the tenth session of the General Assembly, even though the required capital was not yet available. If the complicated preliminary studies were undertaken immediately, time would be saved when the establishment of SUNFED became possible.

15. Mr. UMARI (Iraq) said that the Working Group had not submitted a final text for paragraph 5. The Working Group had set up a smaller group to draft that paragraph, and many delegations, including his own, had not had an opportunity to express their views on the text drafted.

16. The point at issue was whether a blueprint of the proposed special fund should be prepared. In that connexion, it should be emphasized that, until a precise picture of the working and organization of the fund was available, it would be difficult for Governments to pledge their support.

17. Mr. BLUSZTAJN (Poland) hoped that neither of the texts under discussion would be put to the vote before the end of the meeting as neither was completely clear. For example, the Working Group's draft appeared to mean that Mr. Scheyven and the Secretary-General could, if they thought fit, draft the report without consulting the *ad hoc* group of qualified experts whereas it would seem that such a group would have to be consulted under the joint amendment. His delegation considered that Mr. Scheyven and the Secretary-General should be assisted by the proposed group of experts. He also wondered whether the words "the possible forms" in the Working Group's report meant that Mr. Scheyven might suggest several alternative forms in his report, while the expression "its form" in the joint amendment implied that only one form should be mentioned in the report, even if a minority of the *ad hoc* group disagreed with the form proposed. It was not clear why the word "role" was used in the Working Group's report and the word "responsibilities" in the joint amendment.

18. He would be unable to advise the Polish representative in the Fifth Committee to vote in favour of the expenditure of the \$22,850 required for the implementation of the draft resolution in the Working Group's report, as noted in the statement of financial implications submitted by the Secretary-General (A/C.2/L.230/Add.1), unless he was convinced that the proposed work was really necessary.

19. Mr. DE LA VALLEE POUSSIN (Belgium) agreed with the representatives of the United Kingdom, the United States and France. The discussion should be based solely on the Working Group's report, on which the Committee would undoubtedly be able to reach unanimous agreement, given good will and readiness to compromise on a few minor points. If the Committee tried to reach agreement on a new text, several weeks' work would have been wasted. In any case, when Mr. Scheyven began his work, the draft resolution actually adopted would be of minor importance as Mr. Scheyven would know what was feasible and what was expected of him. He would remind the Committee that Mr. Scheyven had indicated that he would accept re-appointment only with the general agreement of the committee.

20. Mr. JUNG (India) yielded to none in his respect for Mr. Scheyven, but could not accept the view expressed by the Belgian representative. It was important that Mr. Scheyven be provided with clear and precise terms of reference.

21. In reply to the United Kingdom representative, he explained that the words "as they may find it appropriate" had not been reproduced in the joint amendment because they were redundant.

22. With regard to the contention that Mr. Scheyven would be fully occupied with the task of trying to raise the initial capital of \$250 million, he pointed out that the purpose of the joint amendment was not to bring about the immediate establishment of SUNFED but to obtain a full and precise picture of its organization and working. In the absence of such detailed information there would be no financial support for the fund. A general report on the proposed forms and functions of the fund would not serve the purpose.

23. Mr. AMADOR (Mexico) asked for clarification of the phrase "at the appropriate time" in the joint amendment. As it stood, the procedure suggested in that paragraph appeared to be different from that recommended in paragraph 6 of the Working Group's text.

24. Mr. HOWARD (Canada) said that almost unanimous agreement had been obtained on the preamble and the first four paragraphs of the operative part of the draft resolution submitted by the Working Group and that the introduction of an amended text of paragraph 5 had done nothing to expedite the Committee's work. He agreed with the United States representative that the Working Group's text should be used as a basis for discussion, and he would vote against the joint amendment.

25. Mr. EL-TANAMLI (Egypt) pointed out that no single draft of paragraph 5 had been agreed upon in the Working Group and it was therefore a mistake to speak of the Working Group's text of that paragraph.

26. The twenty-one Powers had originally proposed that the statutes of SUNFED be drawn up immediately by an expert committee. The proposal was justified by

precedent, since the statutes of the International Bank and the International Monetary Fund had been considered before any final decision to set up those bodies had been made. Nevertheless, in view of the opposition of the United States and the United Kingdom delegations, the under-developed countries had abandoned their original proposal and had submitted the proposal contained in document A/C.2/L.231.

27. The new text of paragraph 5 abandoned the idea of the expert committee and suggested that Mr. Scheyven, with the assistance of the Secretary-General and an *ad hoc* group of experts, give the General Assembly and Governments a full and precise picture of the organization and working of SUNFED. The modified proposal was intended to provide information to answer the questions of potential contributor governments regarding the nature of the fund.

28. The under-developed countries had thus moved a long way from their original position in an attempt to meet the industrialized countries' views and had submitted a realistic text which was based on facts.

29. Mr. EDBERG (Sweden) deplored the Working Group's failure to draft an agreed text of paragraph 5 but felt that the area of disagreement between the industrialized and the under-developed countries had been narrowed. It would be more practical to use the Working Group's draft as a basis for discussion, but some of the wording of the new joint amendment might be incorporated in it. He suggested that the first line of sub-paragraph 5 (a) begin with the words "The form or forms, functions and responsibilities of the Special United Nations Fund for Economic Development . . ."

30. Mr. JUNG (India) pointed out that, although the Working Group had agreed on certain paragraphs of the resolution, there were others on which no final decision had been reached. It could not therefore properly be suggested that paragraph 5 of the Working Group's text be treated as a basic text. The Swedish proposal was unacceptable because the use of the word "forms" was far too vague. What the Indian delegation wanted was a "full and precise picture".

31. In reply to the Mexican representative he pointed out that the phrase "at the appropriate time" was usual and had been used in other resolutions. The delegations, in fact, would be the ones to report back to their Governments.

32. Mr. DURON (Honduras) said that his delegation was ready to vote in favour of either text of paragraph 5. He agreed with the Indian representative's argument that Governments had to be provided with a blueprint of the proposed special fund in order that the required initial capital of \$250 million be obtained.

33. The CHAIRMAN said that if the Committee did not agree to take the Working Group's draft as a basis for the decision on paragraph 5, he would put the joint amendment to the vote at the next meeting.

The meeting rose at 5.50 p.m.