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Chairman: Mr. Janez STANOVNIK (Yugoslavia).

AGENDA ITEMS 12, 29 AND 74

Report of the Economic and Social Council (chapters II (sections I, II and III A, except paragraphs 189-198), III, IV and VII (section I and paragraph 645)) (A/4415) (continued)

Economic development of under-developed countries (continued):

- (a) **International flow of private capital: report of the Secretary-General and recommendations thereon by the Economic and Social Council (A/4487, E/3325 and Corr.1.3);**
- (b) **Question of the establishment of a United Nations capital development fund: report of the Secretary-General (A/4488, E/3393, E/3393/Add.1-4);**
- (c) **Methods and techniques for carrying out a study of world economic development: report of the Secretary-General and comments thereon by the Economic and Social Council (A/4489 and Add.1, E/3379, E/3379/Add.1-7);**
- (d) **Promotion of wider trade co-operation among States: report of the Secretary-General (A/4490, E/3389)**

Land reform (A/4439) (continued)

CONSIDERATION OF DRAFT RESOLUTIONS (A/C.2/461/REV.2 AND CORR.1) (continued)

1. Mr. DUDLEY (United Kingdom), introducing the revised joint draft resolution (A/C.2/L.461/Rev.2 and Corr.1), noted, in connexion with the questions raised by the Romanian representative (673rd meeting) concerning the United Kingdom's motives in submitting the original draft resolution, that his delegation had had no intention of restating the principles of international economic and social co-operation laid down in the Charter: the draft resolution's purpose had been primarily to remind Members, and particularly new Members, of the methods for promoting economic development on which general agreement had been reached. The timing of its submission had not been determined by a desire to forestall consideration of the draft declaration sponsored by the USSR delegation (A/C.2/L.466) but by the date of the speech made by the leader of his delegation in the Committee's general debate.

2. Turning to the revised text of the draft resolution, he drew attention to the further changes embodied in document A/C.2/L.461/Rev.2/Corr.1, and said that the sponsors had now agreed to insert, after the words "multilateral trade" in operative paragraph 3 (a), the words "free from artificial restrictions"; to add, after the words "less developed countries" in the same paragraph, the phrase "and those dependent on the export of a small range of primary commodities"; and to add, after the words "should continue" in operative paragraph 4 (a), the words "as a matter of urgency". They had also agreed to insert the word "both" before the word "excessive", to add the word "restrictive" before the word "practices", and to delete the word "so" in the same paragraph. His delegation was also willing to delete the words "continue to" in operative paragraph 4 (b), in accordance with the Brazilian representative's suggestion; and if the other sponsors had no objection, that would be done.

3. Explaining the changes already embodied in the revised text, he said that the sponsors had agreed to replace the word "partnership" in the title by "concerted action" and to delete the word "social". They had also agreed to introduce a new first preambular paragraph and to make a clear distinction between the preambular and the operative paragraphs of the draft resolution, as suggested by the United Arab Republic representative; and they had introduced a new third preambular paragraph in order to take into account so far as was possible, and in the language of the Charter, the suggestions made by the Ukrainian representative. At the suggestion of the Nigerian representative, they had also substituted the word "accelerate" for the word "further" in operative paragraph 1. With regard to the latter part of the paragraph, it had proved

impossible to reconcile the wishes of representatives such as those of Peru and Tunisia, who urged the elimination of any reference to political considerations and those who were opposed to that course; the sponsors had therefore decided to retain the words "and thus safeguard their independence", and hoped the Committee would consider that the phrase, while adequate to the purpose, did not involve the draft resolution too deeply in political questions.

4. Operative paragraphs 2 and 3 (a) and the introductory part of operative paragraph 3 had been re-drafted to take account of suggestions made by the representatives of New Zealand, the Netherlands, Iraq, Peru and Cuba. However, the sponsors had decided that inclusion of a reference to bilateral trade in operative paragraph 3 (a), as suggested by the Ukrainian representative in his amendment (A/C.2/L.477/Rev.1), or of the word "mutually", which implied a bilateral relationship, would tend to obscure the main point of the paragraph, which was to emphasize the benefits of multilateral trade. That was not to say that the sponsors disapproved in any way of bilateral agreements where they were necessary; his own Government's attitude was illustrated by the fact that it had just signed such an agreement with Romania. Other changes in operative paragraph 3 (a), in particular the reference to "remunerative" prices, had been made to meet the suggestions put forward by the representatives of Thailand, Tunisia, Portugal, Mexico, Argentina and other States. In operative paragraph 3 (b) the insertion of the word "increasing" should meet the points raised by certain representatives, while the phrase "on acceptable terms" was designed to meet the request of the representative of Cuba. It had also been decided to retain the word "bilateral" in addition to the extra word "multilateral" in order to make it clear that every kind of arrangement was acceptable. At the end of operative paragraph 3 (c), an effort had been made to embody the substance of the Ukrainian representative's suggestion, although the wording he had suggested had not been retained. Paragraphs 3 (d) and (e) remained the same. While the sponsors had been unable to accept the additional paragraphs which the Ukrainian representative had suggested should come at the end of paragraph 3 because they did not seem consonant with the general tenor of the draft resolution, they felt that they had gone very far towards meeting his proposals.

5. In the case of operative paragraph 4, most of the changes proposed had been embodied in the revised text, although in operative paragraph 4 (b) the sponsors had felt that it would be inappropriate to prejudice the findings of the Commission on International Commodity Trade or to include a specific reference to compensatory financing, as the representative of Pakistan had requested. Paragraph 4 (c) had undergone only clarificatory amendments. They had also done their best, within the limitations imposed by the wishes of other delegations to avoid political considerations, to meet the Romanian representative's suggestions regarding operative paragraph 4 (d) by emphasizing that the wishes of the recipient must primarily determine the nature and form of the assistance given. Conditions might always be stipulated in connexion with the granting of assistance, as the United Nations itself did in requiring that recipient Governments meet the local costs of projects; however, the revised draft resolution did include the point that no unreasonable conditions—which in his own view would include unreasonable

military and political conditions—should be imposed. Finally, operative paragraph 4 (e) had been added in response to a suggestion from the Iraqi representative, and the word "effectively" had been added in operative paragraph 5 at the Sudanese representative's suggestion.

6. Those changes, the sponsors felt, covered most of the points raised in the Pakistan and Ukrainian amendments formally submitted to the Committee (A/C.2/L.478, A/C.2/L.477) and the first of the two Romanian amendments (A/C.2/L.480). They had been unable, however, to accept the second Romanian amendment because they had felt that use of the word "sovereign" would introduce the political implications to which he had already referred and because, while they had no objection to the thought stated in the remainder of the amendment, they had found it difficult to introduce such a statement of principles at that point in the draft resolution. The sponsors had decided not to incorporate the first of the Tunisian amendments (A/C.2/L.481) because General Assembly resolution 1414 (XIV) and Economic and Social Council resolution 752 (XXIX) would be taken up in connexion with other items on the Committee's agenda and because no other resolutions were cited in their draft resolution. They felt that the second and third amendments had been covered, in substance, in operative paragraphs 2 and 3 (a) of the revised text, and had been unable to accept the fourth amendment because of the difficulties involved in the use of the word "mutual", to which he had already referred, and because it had been felt that many delegations would object to the reference to "international supervision".

7. Mr. PENTEADO (Brazil) noted that his delegation's original amendment (A/C.2/L.475) had been incorporated in the revised draft, albeit with a certain weakening of the language. He would therefore withdraw it.

8. Mr. ABDEL GHAFAR (United Arab Republic) expressed gratification that the sponsors of the joint draft had changed the title along the lines suggested by his delegation, as the revised text also incorporated its amendments to the preamble (A/C.2/L.476), those amendments could be considered as withdrawn. He regretted that the sponsors had been unable to include a reference in paragraph 4 (c) to the proposed United Nations capital development fund which was the cherished hope of all under-developed countries. As the General Assembly had already spoken of "the early establishment of a United Nations capital development fund" in resolution 1424 (XIV), there could surely be no harm in referring directly or indirectly to such a fund in the draft resolution. He therefore proposed that the words "or will be" should be inserted before the word "concerned" at the end of paragraph 4 (c).

9. Mr. BOIKO (Ukrainian Soviet Socialist Republic) regretted that the United Kingdom representative had failed to answer the criticism of representatives that the joint draft omitted mention of the principle of the peaceful coexistence of States having different social systems. The revised draft still did not include any reference to the important question of improving economic relations with the socialist countries.

10. With regard to the amendments submitted by his delegation (A/C.2/L.477), the first had been only partially incorporated in the revised text; the idea of mutually advantageous bilateral trade had been completely omitted. His delegation would therefore with-

draw the first amendment but would substitute for it an amendment to insert the words "and mutually advantageous bilateral trade" after the words "generally beneficial multilateral trade" in paragraph 3 (a) of the new text. As the sponsors had not incorporated his delegation's second amendment, it would still stand. Those two amendments were contained in document A/C.2/L.477/Rev.1.

11. In the light of the revised text of the draft resolution, his delegation had submitted further amendments (A/C.2/L.483). The first would amend the third preambular paragraph to include an idea upon which all delegations were agreed and would make clear the fact that the higher standards of living in question applied to all peoples. The second amendment embodied the point made by many representatives that the under-developed countries should accumulate their own resources in order to finance economic development. There could hardly be any objection to its inclusion, particularly as resolution 222 D (IX) of the Economic and Social Council had called for a special study of that subject. With regard to the third amendment, the United Kingdom representative had stated that he had no substantive objections to the principle that assistance should be given in the training of local personnel from the under-developed countries. The wording proposed by the Ukrainian delegation should therefore be acceptable. Finally, he would request the sponsors to delete the word "pre-investment" from paragraph 4 (c) since, according to General Assembly resolution 1240 (XIII), the Special Fund was concerned with other activities besides pre-investment; to make specific mention of only one would introduce a limiting factor.

12. Mr. ALI (Pakistan) withdrew the first and third of his amendments (A/C.2/L.478), since they had been incorporated in the revised draft resolution. He did not however agree that the purpose of his second amendment was met by the present draft and he would continue to press for its acceptance. Paragraph 4 (a) was concerned with the prevention of excessive fluctuations in primary commodity trade, but in the meantime urgent practical measures were needed to compensate under-developed countries for the losses they were sustaining as a result of the instability of commodity markets. Those losses were seriously hampering their economic development and, if the sponsors wanted to counter the adverse effects of excessive fluctuations, they should accept his amendment.

13. Mr. SERBAN (Romania) said that the revised draft did not meet the purpose of his amendments (A/C.2/L.480). The first, which now applied to paragraph 4 (d), would replace a rather imprecise expression open to misinterpretation with a specific reference to political, economic and military ad-

vantages. In resolution 222 (IX) Annex I, the Economic and Social Council had laid down a guiding principle that technical assistance should "not be a means of foreign economic and political interference in the internal affairs of the country concerned and not be accompanied by any considerations of a political nature", and the present draft resolution should also ensure that assistance was not used for political ends. Several representatives of under-developed countries had favoured an amendment to that effect. The second amendment, proposing the insertion of a new paragraph to follow the present paragraph 4, also sought to protect the interests of the under-developed countries. He recalled that the apprehension expressed by the United Kingdom representative in 1952^{1/} that the adoption of General Assembly resolution 626 (VII), concerning sovereign rights over natural resources might discourage the flow of private capital to those countries had proved to be entirely unfounded. He hoped therefore that the sponsors would accept his amendment.

14. Mr. FILALI (Tunisia) observed that the new draft, to a large extent, incorporated the substance of the amendments proposed by his delegation (A/C.2/L.481). He withdrew the first amendment, since it referred to a matter which would be dealt with later in the session. He had proposed the deletion of the present operative paragraph 2, not because he was opposed to its substance, but because he felt that it might be more forcefully expressed in a fourth preambular paragraph dealing with both diversification of industry and commodity markets. With regard to his fourth amendment, the first part of the suggested addition to paragraph 3 (b) had been met in the revised draft by the words "on acceptable terms" and, to avoid ambiguity, he had reworded the last part to read "in conformity with the principles of the international undertakings entered into by the parties". Those two amendments were contained in document A/C.2/L.481/Rev.1.

15. Mr. GREEN (New Zealand) on behalf of the joint sponsors withdrew the amendments proposed by Ireland, New Zealand and Thailand (A/C.2/L.482), since the first had been incorporated in the revised draft resolution and the second had been accepted by the sponsors.

16. Mr. B. K. NEHRU (India) hoped that the amendment proposed by India and Indonesia (A/C.2/L.484) would be accepted, as it did not involve any controversial issue but would bring paragraph 4 (d) into line with the belief expressed in paragraph 3 (b).

The meeting rose at 1.05 p.m.

^{1/} Official Records of the General Assembly, Seventh Session, Plenary Meetings, 411th meeting, paras. 158-166.