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<u>Chairman:</u>	Mr. NUNES GUIMARAES	Brazil
<u>Members:</u>	Mr. BUNGE	Argentina
	Mr. BURY *	Australia
	Mr. WOULBROUN *	Belgium
	Mr. WOLFSON *	Canada
	Mr. CHA *	China
	Mr. NOSEK *	Czechoslovakia
	Mr. DAYRAS *	France
	Mr. SAKSENA	India
	Mr. BJERVE *	Norway
	Mr. GARCIA *	Philippines
	Mr. KATZ-SUCHY	Poland
	Mr. CHERNYSHEV	Union of Soviet Socialist Republics
	Mr. WILSON *	United Kingdom of Great Britain and Northern Ireland
	Mr. STINEBOWER	United States of America
	Mr. LANG	Yugoslavia

\* Alternates

Representatives of specialized agencies:

Mr. DAWSON	International Labour Organisation (ILO)
Mr. LOPEZ HERRARTE	International Bank for Reconstruction and Development (Bank)
Mr. HASSANEIN	International Monetary Fund (Fund)

Representatives of non-governmental organizations in Category A:

Miss KAHN	World Federation of Trade Unions (WFTU)
Mr. WOODCOCK	International Chamber of Commerce (ICC)

Secretariat:

Mr. WEINTRAUB	Secretary of the Commission
Mr. VARLEY	Assistant Secretary

DRAFT REPORT OF THE COMMISSION TO THE ECONOMIC AND SOCIAL COUNCIL (E/CN.1/L.17/Add.1, E/CN.1/L.17/Add.2, E/CN.1/L.17/Add.3, E/CN.1/L.17/Add.4) (continued)

Paragraph 23 (continued)

Mr. WEINTRAUB (Secretary of the Commission) read paragraph 23 of the draft report as it had been amended at the previous meeting.

Paragraph 23, as amended, was adopted.

Paragraph 24

Mr. STINEBOWER (United States of America) suggested that the words "to resolution XVII" should be replaced by "to resolutions XVI and XVII".

Mr. CHERNYSHEV (Union of Soviet Socialist Republics) proposed that the end of the paragraph, from "and specifically draws" should be deleted.

Mr. BUNGE (Argentina) suggested as a compromise solution that the phrase which the USSR representative wished to delete should be retained but that it should begin: "a majority of the members of the Commission specifically draws the Council's attention...".

He felt that the Commission had been impressed particularly by the principles embodied in the resolutions of the 4th Meeting of Consultation of Ministers of Foreign Affairs of American States, and suggested therefore that the words "and the principles on which they are based" should be added after the words "in April 1951".

/Mr. DAYRAS

Mr. DAYRAS (France) said that the words "more carefully" might be regarded as casting aspersions on the experts. He therefore suggested that they should be replaced by "more precisely", which would have the added advantage of indicating clearly that the Commission preferred the recommendations formulated by other international bodies.

Mr. WOLFSON (Canada) said that the Commission should retain that part of paragraph 24 which the USSR representative wished to delete. The members of the Commission had in fact abstained from examining the question in detail because they felt that it had been dealt with appropriately in a number of other texts. If the Commission decided after all to delete the phrase in question, he would be obliged to request that certain passages from the texts concerned should be inserted in the report.

Mr. LANG (Yugoslavia) recalled that he had not been in favour of the objectives set out in the recommendations. He therefore proposed that the words "the Commission is in agreement" should be replaced by "the majority of the Commission is in agreement".

Mr. CHERNYSHEV (Union of Soviet Socialist Republics) said that as far as the form was concerned, it seemed rather pointless to draw the Council's attention to its own resolutions. With regard to substance, paragraph 8 of resolution 294 (XI) was of course in accordance with recommendation 11 of the experts, which he had already commented on and evaluated during the discussion. However, that resolution had been adopted without the support of the USSR delegation and paragraph 8 in particular was unacceptable to it. The paragraph implied that the economic development of the under-developed countries was completely dependent upon the investment of foreign capital, of which it exaggerated the importance in relation to national resources, which must on the contrary play the most important part in the development of such countries. He could not accept such a theory of economic development. That was why he had proposed an amendment. He also pointed out that the Commission had not studied the documents of the 4th Meeting of Consultation of Ministers of Foreign Affairs of American States and it was therefore inadmissible to make particular reference to them in the report.

/Mr. BURY

7 Mr. BURY (Australia) thought that it might be possible to satisfy the representatives of the USSR and Yugoslavia by replacing the beginning of the paragraph by the following: "In regard to the four recommendations 9 to 12 of the experts, the Commission feels that...", replacing the words "and specifically draws the Council's attention to paragraph 8" by "particularly in paragraph 8", and altering the rest of the text in accordance.

Mr. WILSON (United Kingdom) did not altogether agree with the Australian representative. He suggested that the reference to resolutions XVI and XVII should be deleted and a sentence added at the end of the paragraph saying that a member of the Commission had drawn attention to resolutions XVI and XVII of the 4th Meeting of Consultation of Ministers of Foreign Affairs of American States.

Mr. CHERNYSHEV (Union of Soviet Socialist Republics) admitted that the Australian and United Kingdom amendments considerably improved the paragraph. However, he maintained his amendment.

The USSR amendment was rejected by 13 votes to 3, with no abstentions.  
The Australian and United Kingdom amendments were adopted.

Mr. STINEBOWER (United States of America) did not think that the first line of the paragraph gave an accurate picture of the discussion which had taken place. The representatives had not been in agreement with the objectives of the recommendations as such, but only with the purpose which they sought. He thought it would be advisable to bear that shade of meaning in mind in wording the beginning of the paragraph.

Mr. CHERNYSHEV (Union of Soviet Socialist Republics) also thought that the beginning of the paragraph was not a faithful rendering of the discussion. He had already said that he was not in agreement with some of the objectives, in particular those proposed in recommendations 10 and 11. He thought, therefore, that it would be advisable to draft one sentence dealing with recommendations 9 and 12 and another dealing with recommendations 10 and 11, in view of the fact that recommendations 9 and 12 had been accepted by the Commission as a whole, whereas recommendations 10 and 11 had only been accepted by the majority.

/Mr. NOSEK

Mr. NOSEK (Czechoslovakia) supported the USSR representative's proposal. He recalled that his delegation had been in favour of recommendations 9 and 12 and had opposed recommendations 10 and 11.

The CHAIRMAN, speaking as the representative of Brazil, proposed that the paragraph should begin: "The Commission is in agreement with the objectives set out in recommendations 9 and 12 of the experts, but ...".

Mr. SAKSENA (India) supported the Chairman's suggestion; he thought however that it would be advisable to add that a majority of the Commission was also in favour of the objectives set out in recommendations 10 and 11.

Mr. WOLFSON (Canada) said that he could have accepted the general phrasing of the original text, but not the suggestions which had been made that the four recommendations should be divided into two groups, since he considered them too explicit, particularly with regard to recommendation 10.

Mr. STINEBOWER (United States of America) wondered whether it would not be wiser to abandon the idea of dealing with the four recommendations in a single paragraph. In his opinion, the Commission should take the two groups separately, and should deal first with recommendations 9 and 12, deleting, of course, the reference to paragraph 8 of the Council's resolution 294 (XI).

The suggestion of the United States representative was adopted.

Mr. CHERNYSHEV (Union of Soviet Socialist Republics) recalled that he had made some reservations, at an earlier meeting, with regard to the final adoption of the report. He wished it to be clearly understood that the adoption of the various paragraphs, in the course of the debate, must not be considered as prejudging the final position of delegations with regard to the adoption of the report as a whole. He would subsequently expound his delegation's views on the substance of the report. The purpose of the present discussion was

/simply to

simply to enable the Commission to arrive at a generally agreed text; it should not be assumed that every representative fully approved of each paragraph.

Paragraph 25

Mr. WEINTRAUB (Secretary of the Commission) thought that paragraph 25 should begin with the words "All members of the Commission..."

Mr. WOLFSON (Canada) proposed that the words "save in exceptional circumstances" should be inserted after the word "desist ", in the fifth line of the paragraph, since the measures in question might prove indispensable in certain cases.

Mr. STINEBOWER (United States of America) could see no objection to retaining paragraph 25, which reproduced faithfully the tenor of the discussion in the Commission. He feared that any substantive amendment to the paragraph might give rise to a prolonged debate, in view of the fact that the paragraph dealt with the opinions of certain members of the Commission.

Paragraph 26

Mr. CHERNYSHEV (Union of Soviet Socialist Republics) proposed that the words "have in the past been and could in the future be performed" should be replaced by the words "have been performed", since the text as it stood implied that the functions in question had been performed in the past in an entirely satisfactory manner, which was not the case.

The suggestion of the USSR representative was adopted.

Mr. SAKSENA (India) thought that it would be improper to mention the Export-Import Bank, and that it was not for the Commission to pass judgment on the subject. It was enough to state that the functions in question could be performed by the existing mechanisms.

/Mr. WOLFSON

Mr. WOLFSON (Canada) thought it would be better not to refer to the Export-Import Bank specifically, nor to make any recommendation to the Council in that connexion.

Mr. DAYRAS (France) observed that the main defect of recommendation 10 was that it seemed to imply that once an organization had been established capital for investment with a view to economic development would automatically become available.

Taking into consideration various amendments submitted by Mr. WILSON (United Kingdom), Mr. STINEBOWER (United States of America) and Mr. WOLFSON (Canada), Mr. WEINTRAUB (Secretary of the Commission) suggested that the text should contain a special reference to capital from governmental sources; that part of the text which referred to the organization of foreign investment would be retained and would apply to public as well as private capital.

Mr. Weintraub's proposal was adopted.

Paragraph 27

Mr. DAYRAS (France) observed that, in general, it might be objected that the opening words of recommendation 11, sub-paragraph (a), did not call for bilateral action and took no account of the resources of the developed countries. For that reason, he proposed that the words "in particular", in the second line of paragraph 27, should be replaced by the phrase "not only take into consideration the possibilities of export of capital, but should have been addressed..."

Mr. LANG (Yugoslavia) considered recommendation 11 to be unacceptable unless the necessity of strengthening the guarantees set forth in the Charter were emphasized.

Mr. CHERNYSHEV (Union of Soviet Socialist Republics) recalled that he had already commented in detail on sub-paragraphs (a), (b) and (c) of recommendation 11. His views had, accordingly, been reported in the summary records.

/He could

He could not accept paragraph 27 as it stood because he did not share the views expressed therein. Moreover, he would like the second part of the last sentence, beginning with the words "and should be left..." to be deleted. The various points mentioned in recommendation 11 could not all be handled through bilateral negotiation-- in particular, for example, the question of the equitable treatment of foreign investments.

Mr. SAKSENA (India) proposed that in that part of the last sentence which the USSR representative wished to delete, the phrase "and should be left..." might be altered to read "and might be left..."

He asked for elucidation of the sentence which referred to the existing climate for foreign investments, the purport of which was not clear to him.

Mr. STINEBOWER (United States of America) endorsed the second observation of the representative of India, and proposed that the last part of the sentence, beginning with the words "and that treaties covering..." should be deleted.

Mr. WOULBROUN (Belgium) supported the amendment submitted by the representative of France. It was clear that the crux of the question was the availability of capital for investment; his delegation had already drawn attention to the heavy obligations devolving upon those countries which were considered to be in a position to assist the under-developed countries. He felt, therefore, that the French representative had expressed a very important idea.

Referring to the second remark of the Indian representative, he pointed out that the mere conclusion of an agreement would not suffice to create a favourable climate for foreign investments. Many attempts at negotiation in that field had failed simply because such a favourable climate did not exist. An agreement could only record already existing conditions and seek to improve them.

/The CHAIRMAN



The CHAIRMAN, speaking as the representative of Brazil, recalled his previous observations concerning the wisdom of safeguarding foreign investments. For that reason, he proposed that following the words "cannot create the climate", a phrase should be added to the effect that certain representatives had, nevertheless, expressed the view that capital exporting countries should take the initiative as regards measures to safeguard such foreign investments.

Mr. DAYRAS (France) did not think that the amendment suggested by the Chairman would serve any useful purpose unless it was accompanied by general remarks on the question of the provision of capital. The extent of the resources of the developed countries in that field should be taken into consideration.

Mr. WOLFSON (Canada) pointed out that the question raised by the representative of Brazil was a complex one and should be set forth in considerable detail. A brief statement might present the matter in the wrong light.

Mr. SAKSENA (India) supported the Chairman's view and proposed the following wording: "Some members of the Commission felt that foreign private capital would be greatly stimulated if the developed countries were to insure it against non-commercial risks."

Mr. DAYRAS (France) had no objection to the wording proposed by the representative of India; such measures would obviously facilitate a solution of the problem.

Mr. KATZ-SUCHY (Poland) wondered whether capital should be thought of in terms of national boundaries. In reply to a comment by the Chairman, he observed that the concern manifested by some representatives to ensure the transfer of capital appeared to be inconsistent with any desire to constitute international reserves of capital.

/Mr. CHERNYSHEV

Mr. CHERNYSHEV (Union of Soviet Socialist Republics) proposed that the words "The Commission..." at the beginning of the paragraph should be replaced by the words "The majority of the members of the Commission..." since his delegation did not share the view expressed in the paragraph. Further, he suggested that the last part of the last sentence, following the words "by the United Nations", should be replaced by the words "since the question dealt with in sub-paragraph (c) of that recommendation should be left entirely to bilateral negotiations".

Mr. LANG (Yugoslavia) proposed that the words "The Commission", in the first and third sentences of the paragraph, should be replaced by the words "The majority of the members of the Commission".

The Yugoslav amendment was adopted.

Paragraph 28

Mr. LANG (Yugoslavia) proposed that the words "in particular, through United Nations organizations" should be added in the fifth line, after the words "international capital".

Mr. BURY (Australia) said that that was a substantive amendment and asked to what organizations the Yugoslav representative was referring.

Mr. LANG (Yugoslavia) said that he had in mind existing organizations and organizations that might be set up in the future.

Mr. BURY (Australia) agreed to the amendment as it applied to existing organizations but was unable to accept the implication that special bodies would have to be set up.

Mr. WILSON (United Kingdom) remarked that the Commission was anticipating the succeeding paragraphs of the draft report. Paragraph 28 formed the preface, in which a general picture of the Commission's views on group C of the experts' recommendations was presented. He suggested that the amendment should be discussed in connexion with one of the succeeding paragraphs, which laid down the methods to be followed.

/Mr. WOULBROUN

Mr. WOULBROUN (Belgium) supported the United Kingdom representative's view, adding that the majority of the Commission had unequivocally opposed the setting up of new international organizations for the financing of economic development.

Mr. BJERVE (Norway) proposed that the words "to the under-developed countries" should be inserted at the same point in the paragraph. The present text did not mention whether the flow of international capital was to be directed.

Mr. DAYRAS (France) agreed with the Belgian representative.

Mr. CHERNYSHEV (Union of Soviet Socialist Republics) considered that the first sentence exaggerated the part played by foreign capital. As he had already stressed, it was less the volume than the purpose of foreign investments that mattered. In exporting their capital, some countries were seeking, not to help the under-developed countries, but to establish economic domination.

He also proposed that the words "the majority of the Commission agrees" should be substituted for "the Commission agrees..." in the first sentence. He would not press for his amendment to be put to the vote; it would suffice if his opinion was recorded in the summary record.

Mr. LANG (Yugoslavia) did not think the insertion of the phrase "in particular through United Nations organizations" implied that new bodies were needed. Much of the discussion in the Commission, had, in fact, turned on the way in which the contribution of international capital could be increased through United Nations bodies.

Mr. BURY (Australia) observed that the main thing was to speed up the flow of international capital investments to under-developed countries. There was no need for that paragraph to impose any restriction on the source of such capital. United Nations organizations could be mentioned in one of the following paragraphs, dealing with the sources of capital that should be called upon.

/Mr. SAKSENA

Mr. SAKSENA (India) said that, if the Commission wished, in the second sentence, to draw attention to certain weaknesses in the experts' report, it should be more specific. The sentence should be either amplified or omitted entirely.

Referring to the last sentence of the first paragraph, he considered that the opinion of members who had opposed the view expressed therein ought to be given in the report, and proposed the addition of the following sentence: "Other members pointed out, however, that this increased volume of foreign exchange has been obtained through the operation of factors which were not of a durable nature and that these earnings of foreign exchange could not be diverted to economic development purposes without strengthening inflationary pressures in the under-developed countries".

Mr. WILSON (United Kingdom) supported the first suggestion made by the Indian representative. He thought it would be useful to specify the omissions in the experts' report. Referring to the second line of the paragraph, he pointed out that the wording <sup>should</sup> be either "accelerated development" or "increase the rate of development".

Mr. GARCIA (Philippines), in reply to the Indian representative, would prefer the second sentence to be omitted entirely rather than that the omissions of which the experts were accused should be specified. To do that would weaken the paragraph as a whole.

He supported the Indian representative's second amendment.

Mr. WOULBROUN (Belgium) remarked that the last sentence of the paragraph contained a simple statement of fact. He failed to see any objection to its being supplemented by the Indian amendment.

Mr. STINEBOWER (United States of America) was in favour of the proposed additions to paragraph 28. He feared that the Yugoslav amendment might give the impression that the Commission did not wish to increase the flow of foreign investments from sources other than United Nations organizations.

He proposed that the meaning of the last sentence of the paragraph should be made clearer by the addition of the words: "especially in relation to the supplies of capital equipment likely to be available in the near future."

/Mr. WEINTRAUB

Mr. WEINTRAUB (Secretary of the Commission) read out paragraph 28 with all the suggested amendments.

Mr. WOLFSON (Canada) said that the Yugoslav amendment would not preclude recourse to sources of capital other than United Nations organizations, but that a casual reader might gain the impression that the Commission was chiefly advocating the use of the latter. He accordingly asked the Yugoslav representative to withdraw his amendment, failing which he would propose that the words "international organizations" should be substituted for "United Nations organizations".

With reference to the Indian amendment to the second sentence, he would like the present wording of the paragraph to be retained, but would prefer the sentence to be amplified, rather than omitted.

Mr. DAYRAS (France) said that to adopt a form of words restricting possible sources of financing for economic development would be contrary to the general tenor of the report and to the recommendation that the Commission had adopted regarding the setting up in each country of a bank specially to deal with foreign credits.

Mr. LANG (Yugoslavia) explained that his amendment related to the title of the section containing paragraph 28: "Action by the United Nations and other international agencies".

Mr. WOLFSON (Canada) felt that in that case it would be better to say "through international agencies".

Mr. WILSON (United Kingdom) agreed that section C dealt with action to be taken by the United Nations and other international agencies. Paragraph 28, however, was a preamble which was intended to state the general theory that international investment in under-developed countries ought to be substantially increased.

Mr. LANG (Yugoslavia) repeated that the title of section C covered action both by the United Nations and by other international agencies. He had already pointed out that the agencies other than the United Nations and its organization had hitherto been more active. That was why the future contribution  
/by United Nations

by United Nations organizations should be stressed.

Mr. WEINTRAUB (Secretary of the Commission) wondered whether the objections to the Yugoslav amendment might not be eliminated by deleting the words "in particular".

Mr. BURY (Australia) considered that that suggestion would make the sentence even less acceptable.

Mr. WOULBROUN (Belgium) pointed out that private capital was also needed for the economic development of under-developed countries. Accordingly, it would not help those countries to restrict the source of capital to international organizations.

Mr. LANG (Yugoslavia) observed that the contribution of private capital had been studied under a different heading. The paragraph under consideration dealt with international organs.

Mr. BURY (Australia) said that under-developed countries might receive financial assistance for their economic development from international sources other than United Nations organs.

Mr. WEINTRAUB (Secretary of the Commission) suggested that the question should be left in abeyance for the time being, and read out the text of the paragraph as amended so far.

Mr. WOLFSON (Canada) recalled that he had opposed the deletion of the second sentence.

The CHAIRMAN, speaking as the representative of Brazil, supported the Canadian representative's view, and thought that the second sentence should indicate the methods to be applied by under-developed countries with a view to ensuring effective utilization of foreign capital.

Mr. BJERVE (Norway) proposed that the second part of paragraph 28 should begin with the words "Some members felt that ...".

/Mr. GARCIA

Mr. BURY (Australia) said that the experts' recommendation for the establishment of a regional economic commission for Africa was not based on facts. The Commission had not studied the substance of the matter and therefore could not make such a recommendation. He proposed the addition of a sentence at the end of the paragraph, stating that some members had felt that the Commission had not possessed sufficient information to enable it to take a decision on the experts' recommendation.

Mr. NOSEK (Czechoslovakia) said that during the general discussion he had not raised the question of the establishment of a regional economic commission for Africa, mentioned in the experts' Recommendation No. 15. The Czechoslovak delegation felt that the establishment of such a commission would help to promote the economic development of the under-developed countries, and therefore supported the Indian proposal.

Mr. DAYRAS (France) wondered whether the Commission should discuss that question. For his part, he agreed with the statement in the report that the Commission should not make any recommendation on that matter in view of the fact that it was being studied by a special committee of the Council. That was a matter of procedure; he wondered whether the Indian proposal involved a decision on that procedural question or the expression of a wish on a substantive matter which had not been discussed.

Mr. SAKSENA (India) said that, firstly, the objections raised to the words "Some members..." were not valid, as certain members had in fact supported his proposal. The situation would be different if the text had read: "The majority of the members of the Commission", or "most members of the Commission". Consequently his proposal should be put to the vote.

In reply to the French representative, he pointed out that he had not proposed a detailed recommendation, but simply a statement that that type of commission had been useful in other regions, and a suggestion that such a body

/should be

Mr. GARCIA (Philippines) suggested that the amplified text, which the Canadian representative suggested should be inserted after the second sentence of paragraph 28, might more appropriately be added at the end of paragraph 15, which contained the Commission's main criticisms of the experts' report.

Mr. WILSON (United Kingdom) took it that the Commission wished to make it clear that international financial assistance to under-developed countries would be fully effective only if it was accompanied by appropriate measures on the part of the receiving Governments and that, in its opinion, the experts had not sufficiently stressed that point.

Mr. WEINTRAUB (Secretary of the Commission) proposed that the Canadian representative should redraft the second sentence of paragraph 28. In the meantime, the Commission could proceed to paragraph 29.

It was so decided.

Paragraph 29

Mr. WOLFSON (Canada) thought that the word "instability" in the penultimate sentence of the paragraph should read "stability".

Mr. CHERNYSHEV (Union of Soviet Socialist Republics) said that the words "The Commission is in agreement" in the same paragraph should be changed to "The majority of the Commission is in agreement". The last sentence of the paragraph, on the other hand, read "Some members of the Commission... were opposed to recommendation No. 13", whereas those members, of whom he was one, had criticized the recommendation, but had not formally opposed it. It would be better to say "Some members ... had disagreed with recommendation No. 13".

Mr. WILSON (United Kingdom) asked the representative of the International Bank whether the Bank could use its statutory powers to guarantee governmental long-term loans, as suggested in the fourth sentence of the paragraph.

/Mr. LOPEZ HERRARTE



Mr. LOPEZ HERRARTE (International Bank for Reconstruction and Development) said that he could not answer that question as the Bank had not yet given the matter thorough consideration.

Mr. WOLFSON (Canada) proposed the deletion of the words "of using its statutory powers of ..." in the fourth sentence.

Mr. VARLEY (Assistant Secretary of the Commission) read out the text of paragraph 29 as amended by the representatives of the USSR and Canada.

Mr. LANG (Yugoslavia) said that there had been much more general agreement on the question mentioned in the fifth sentence than the opening words "It seemed also to some members" would make it appear. The representative of the Bank himself had made a statement on the lines of that sentence.

Mr. WOLFSON (Canada) proposed that the end of the fourth sentence should be changed to read: "and of the stabilization of the economic situation of the borrowing countries which would result from such financial assistance".

Mr. BURY (Australia) explained that the authors of that sentence had intended to stress that the Bank should give greater consideration to the continuing improvement of the borrowing countries' ability to guarantee the servicing of loans. They had not meant to say that the Bank should charge different interest rates for its loans, depending upon the credit risk involved.

Mr. SAKSENA (India) supported the Australian representative's interpretation, and suggested that the end of the fifth sentence, after the words "economic circumstances", should be replaced by the words "an increase in the servicing capacity of the borrowing countries as a result of progressive economic development".

/Mr. WOLFSON

Mr. WOLFSON (Canada) accepted the amendment, but proposed that the beginning of the sentence should be changed to "It also seemed to some members that the Bank should, in deciding on its loans, take due account of the diversity...".

Mr. STINEBOWER (United States of America) wanted to know exactly what was meant by "the diversity of the economic circumstances".

Mr. SAKSENA (India) had no objection to deleting that part of the sentence.

Mr. STINEBOWER (United States of America) said that the majority of the members had supported recommendation No. 13, and the others had merely abstained from voting on it. He proposed that the beginning of the paragraph should be changed to "While the majority of the members of the Commission...".

Paragraph 29 was adopted.

Paragraphs 30 and 31

Mr. SAKSENA (India) proposed that the words "and it was felt advisable to establish an economic commission for Africa" should be added at the end of the last sentence of paragraph 31.

Mr. GARCIA (Philippines) supported the Indian proposal.

Mr. CHERNYSHEV (Union of Soviet Socialist Republics) also supported that proposal.

Mr. KATZ-SUCHY (Poland) recalled that his delegation had already pointed out at the twelfth session of the Economic and Social Council that the establishment of such a commission would facilitate the study of the problems involved in the economic development of Africa. He proposed that the first few words of the Indian amendment should be changed to "The Commission proposes the establishment..."

/Mr. BURY

should be established for Africa. Thus it would in no way prejudge the question. The procedural question would have to be settled by the Economic and Social Council.

Mr. BURY (Australia) was prepared to accept the Indian proposal provided a sentence was included in paragraph 31 stating that other members had expressed the contrary view. The sentence might read: "Other members of the Commission felt that no facts were before the Commission to justify the Commission's making such a recommendation".

Mr. KATZ-SUCHY (Poland) said that the addition proposed by the Australian representative would make the paragraph too negative. Its opening sentence was already negative: "...the Commission feels that it would be premature to make any recommendations...". If another negative sentence was added at the end of the text, the paragraph might be misleading. He thought that first the paragraph should be put to the vote and that the views of the majority of the Commission could subsequently be recorded in the report.

Mr. WOLFSON (Canada) proposed the following wording for the paragraph:

"With respect to Recommendation No. 15 concerning the establishment of a regional economic commission for Africa, it was noted that a special committee of the Council is currently considering the future role of regional economic commissions of the Council and that the Council is scheduled to discuss economic conditions in Africa at its thirteenth session on the basis of a detailed factual report presented to it by the Secretary-General. In view of this and of the absence of supporting evidence, some members felt that it would be premature to express any views on Recommendation No. 15."

The text proposed by the representative of India would then follow.

Mr. CHERNYSHEV (Union of Soviet Socialist Republics) maintained that the Canadian representative's proposal did not take into consideration the views of other members of the Commission. He repeated that the only objective way would be <sup>to</sup> put the Indian representative's proposal to the vote.

/Mr. SAKSENA

Mr. SAKSENA (India) said that he was in a rather awkward position; while hesitating to press for a vote on his proposal, he agreed with the USSR representative that the Commission should be informed of the point of view of all its members. Accordingly, it would be best to proceed to a vote.

The CHAIRMAN, speaking as the representative of Brazil, thought that since the Commission did not possess the necessary information, it could not take a decision on Recommendation No. 15. He therefore supported the proposal of the Canadian representative.

Mr. LANG (Yugoslavia) supported the Indian representative's proposal.

Mr. BURY (Australia) remarked that it was impossible to know what would have been the Commission's decision if it had been able to discuss the substance of the matter and to dispose of the relevant facts.

Mr. WILSON (United Kingdom) shared the opinion of the Australian representative. As far as the wording of the paragraph was concerned, his preferences were in the following order: first, the Indian draft; second, the Indian draft as amended by Australia; third, the Canadian draft.

Mr. STINEBOWER (United States of America) recalled that the views of his delegation were recorded in document E/CN.1/SR.120, page 12. He felt that the Commission was not the competent organ to take such a decision; it was for the Economic and Social Council to settle the question.

Mr. SAKSENA (India) recalled that there had been no opposing views on the matter. Some members had adopted a neutral attitude, i.e., on the grounds of insufficient information, they had not wished to take any decision; others had felt that the Commission could adopt a more positive attitude. That state of affairs should be reflected in the Commission's report.

/Mr. WOLFSON

Mr. WOLFSON (Canada) proposed that the report should read: "...for procedural reasons and lack of information some members felt... Some members recognized the usefulness of such a Commission and recommended its creation."

Mr. SAKSENA (India) remarked that if that suggestion were adopted, paragraph 31 would contain eight lines on the neutral attitude of some members of the Commission and might give a false impression. He proposed the following wording: "For procedural reasons and lack of information, some members felt unable to subscribe to the experts' recommendation; others, having regard to General Assembly resolution 409 (V) recognizing the usefulness of regional economic commissions, felt that a regional economic commission for Africa should be established." That wording would take account of both opinions.

Mr. WOLFSON (Canada) proposed the deletion in his amendment of the words "and that the Council is scheduled...by the Secretary-General."

Mr. WOULBROUN (Belgium) observed that the procedural reasons referred to by some members, and the fact that the report contained no arguments in support of the experts' recommendation, seemed to him adequate reasons for leaving that recommendation in abeyance for the time being.

The CHAIRMAN asked the Canadian and Indian representatives to work out a joint draft.

Mr. VARLEY (Assistant Secretary of the Commission) read out paragraph 31 as amended by the Canadian and Indian representatives.

Paragraph 31, as amended, was adopted.

Paragraph 32

Mr. STINEBOWER (United States of America) proposed, firstly, the insertion in the third line on page 3, after the word "invite", of the following clause: "...governments to give further study to this recommendation and, in

/addition,

addition, invite..."; secondly, the deletion of the words "at its fourteenth session" in the fourth line; thirdly, the substitution for the clause "whether the Bank could...designed to assist..." in the fourth and fifth lines, of the following clause: "...whether an organization along the lines of the proposed International Finance Corporation could make significant additional contributions to economic development over and above those which can be made by existing organizations through assisting...".

The study which the Bank would be invited to make should be of a more general nature than appeared to be indicated in paragraph 32; as the text stood, the Bank was invited to consider whether an institution affiliated with the Bank could increase its existing contribution to economic development. The recommendation to be submitted to the Council should be less restrictive; the question was whether the proposed new institution would make possible a significant increase in the contribution that existing institutions were making in the field of economic development.

Mr. CHERNYSHEV (Union of Soviet Socialist Republics) requested that the words "the Commission recommends...", in the second line on page 3, should be replaced by the words "the majority of the Commission recommends...". He remarked that the final sentence of paragraph 32 did not accurately reflect the discussion which had taken place in the Commission. He had not opposed the use of private capital in general; he had simply stated that it was not proper for the United Nations to create an institution such as the one contemplated in Recommendation No. 16. He therefore proposed that the following should be substituted for the final sentence of the paragraph: "It was, however, the view of some members of the Commission that it was not proper for the United Nations to create an institution such as the one contemplated in Recommendation No. 16."

Mr. BURY (Australia) supported the view of the United States representative. The draft proposed by Mr. Stinebower was acceptable, but the study requested of the Bank should not be too general.

/Mr. VARLEY

Mr. VARLEY (Assistant Secretary of the Commission) read out the paragraph as amended by the United States representative.

Mr. WILSON (United Kingdom) recalled that the relevant passage of document E/CN.1/L.17/Add.2 had been drafted with the approval of the Bank's representative. The United States amendment invited the Bank and the Governments of Member States to consider the possibility of establishing an organization along the lines of the International Finance Corporation. However, paragraph 260 of the experts' report mentioned an organization similar to the one proposed by the Rockefeller Committee. It would therefore, perhaps, be better specifically to mention the International Finance Corporation envisaged in paragraph 260 of the experts' report instead of saying "along the lines of the proposed International Finance Corporation...".

Mr. STINEBOWER (United States of America), referring to Mr. Chernyshev's proposal to use the phrase "the majority of the Commission", said that in the case of a recommendation to the Council, it was better to say "the Commission recommends" and then to indicate the opinion of members who were not in agreement with the recommendation.

Mr. CHERNYSHEV (Union of Soviet Socialist Republics) pointed out that the USSR had already had the opportunity to make its position clear during the general discussion. He repeated that he could not subscribe to the opinion of the United States representative, because he did not accept the Commission's recommendation. That was why he wished to substitute for the words "the Commission" the phrase "the majority of the Commission" or "most members of the Commission".

Mr. BURY (Australia) agreed with the United States representative. The recommendation was an extremely important one and it was therefore necessary to say "the Commission recommends".

/Mr. KATZ-SUCHY

Mr. KATZ-SUCHY (Poland) declared that the wording proposed by the United States representative could not be adopted without a vote being taken. The report should indicate the views expressed and the results of the vote. If the recommendation was adopted unanimously, the report should say "the Commission recommends"; if not, it would have to say "some members....".

Mr. WOULBROUN (Belgium) agreed with the Australian and United States representatives. However, he agreed with the representative of Poland that the minority could demand a vote. At the same time, it was unnecessary to vote upon the wording "the Commission recommends". There were precedents for not doing so.

Mr. BURY (Australia) agreed with the representative of Poland that a vote should be taken.

The CHAIRMAN put to the vote the proposal of the United States representative.

The United States proposal was adopted by 12 votes to 4.

Mr. KATZ-SUCHY (Poland) asked how the report would read after that proposal had been incorporated.

Mr. VARLEY (Assistant Secretary of the Commission) read out paragraph 32 as amended.

Mr. KATZ-SUCHY (Poland) could not accept that wording. The voting had shown that the United States representative's proposal had not been unanimously adopted. The words "the Commission recommends" could therefore not be used unless they were preceded by the phrase "on the recommendation of the United States representative".

The meeting rose at 6.15 p.m.

11/6 p.m.