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*President: Mr. Milan KLUSÁK  
(Czechoslovakia).*

*Present:*

Representatives of the following States, members of the Council: Belgium, Cameroon, Canada, Czechoslovakia, Dahomey, France, Gabon, Guatemala, India, Iran, Kuwait, Libya, Mexico, Pakistan, Panama, Peru, Philippines, Romania, Sierra Leone, Sweden, Turkey, Union of Soviet Socialist Republics, United Kingdom of Great Britain and Northern Ireland, United Republic of Tanzania, United States of America, Venezuela.

Observers for the following Member States: Algeria, Brazil, Bulgaria, China, Denmark, Ghana, Greece, Ireland, Italy, Malta, Nicaragua, Norway, Syria, Trinidad and Tobago, Ukrainian Soviet Socialist Republic, United Arab Republic, Upper Volta.

Observer for the following non-member State: Switzerland.

Representatives of the following specialized agencies: International Labour Organisation; Food and Agriculture Organization of the United Nations; United Nations Educational, Scientific and Cultural Organization; World Health Organization; International Bank for Reconstruction and Development; International Monetary Fund.

*In the absence of the President, Mr. Zollner (Dahomey), Vice-President, took the Chair.*

*Expression of condolences to Mr. Milan Klusák, President of the Council*

1. The PRESIDENT requested the representative of Czechoslovakia to convey the Council's condolences to Mr. Milan Klusák upon the death of his father.

2. Mr. SVAB (Czechoslovakia) thanked the Council on behalf of Mr. Klusák.

## AGENDA ITEM 6

Reports of the World Bank Group and of the International Monetary Fund (concluded) (E/4431 and Add.1, E/4432 and Add.1, E/4433)

3. Mr. RANKIN (Canada) associated himself with previous speakers who had commended the Managing Director of the International Monetary Fund (IMF) on that organization's excellent annual report, which was transmitted to the Council by note of the Secretary-General (E/4433). The past year had been one of intensive activity for IMF, particularly with regard to the increase in drawings under the compensatory financing facility and the further widening of the range of currencies used in drawings on the Fund. The major event in the international monetary sphere during that year, however, had been the agreement reached, after four years of intensive study and negotiation, on the outline of a scheme to supplement existing reserves by the creation of special drawing rights, a scheme which the Managing Director had rightly described (1512th meeting) as the most significant development in international co-operation since the Bretton Woods Agreements and a landmark in the evolution of the international monetary system. The Board of Governors of IMF has expressed their support for that outline at their annual meeting, held at Rio de Janeiro in September 1967, and Canada, which had taken an active part in the preceding negotiations, hoped that the new articles needed to implement the outline would soon be ready and would be speedily ratified by Governments.

4. There was universal agreement on the need to achieve an international payments system which would encourage the smooth growth of world trade and capital flows; to that end, countries must endeavour to ensure that imbalances in their international payments position were kept within acceptable limits by non-disruptive means. The problems involved in achieving and maintaining a reasonable balance in such payments were of course extremely complicated and difficult and countries must therefore have access to international reserves or other sources of external finance so that they had time to make orderly adjustments in their external positions. While the system must provide for an adequate growth of international

reserves, the arrangements governing the volume of those reserves and access to credit should not enable countries to postpone dealing with emerging external imbalances.

5. The total volume of international reserves in the hands of national monetary authorities had hitherto been primarily dependent on the supply of gold for reserve purposes and on the balance-of-payments positions and reserve policies of a few countries. There had been growing recognition that that system was inadequate and a number of *ad hoc* arrangements had been devised in recent years for supporting the international monetary system when it was threatened by sudden crises. Basically, however, the system must be strengthened by establishing a facility for the deliberate creation of reserves. That purpose was served by the outline of the scheme approved at the annual meeting in Rio de Janeiro, which would give IMF a new, major task, that of supplying the world with the volume of reserves deemed necessary by the international financial community. The breadth of IMF's membership ensured that the regulation of world liquidity would respond to the needs of the whole system, but the establishment of the new facility would not be a universal panacea. If countries persistently mismanaged their own economies, not even the most perfect management of the international liquidity supply could shield them or their trading partners from the consequences. The improved management of international liquidity would nevertheless contribute to the creation of an environment that would favour the appropriate adjustment of national policies.

6. It was a remarkable fact that IMF's Articles of Agreement had never been amended. The organization had been able to adapt itself to changing circumstances by interpreting those articles and adopting rules, regulations and Executive Board decisions within its constitutional framework. The special drawing rights scheme would require the addition of a new section to IMF's Articles of Agreement, and had provided an opportunity to examine other proposals for possible improvements. Those changes would require careful consideration and, although welcome, should not delay a decision regarding acceptance of the special drawing rights proposal.

7. Mr. GREGH (France) said that although the proposed improvements in the international monetary system could not in themselves solve the problems of under-development, IMF could and should make an important contribution to the international community's efforts to promote development. The proposed special drawing rights did not differ greatly in essence from the present drawing rights. Their special character stemmed from the fact that they could only be used if three conditions were met: first, the international community as a whole must decide that there was a world liquidity shortage; secondly, the existing adjustment machinery must be improved and thirdly, the present balance-of-payments deficits of the reserve currency countries must be overcome.

8. Further work on the special drawing rights scheme was proceeding simultaneously with the work relating to improvements in IMF's present rules. As the French authorities had stated on many occasions,

IMF's Articles of Agreement and, in particular, its decision-making procedure must be adapted to the monetary, financial, economic and trade developments of recent years if the reform now under way was to be successful. The envisaged improvements should constitute a rational ensemble that would benefit all members of IMF, and should avoid the serious disadvantages that would have resulted had other suggested solutions been adopted. If a paper currency had been introduced as a new means of payment, the developing countries' lot would not have improved, for as the French Minister for Economic and Financial Affairs had observed at the annual meeting of the Board of Governors of IMF, held at Rio de Janeiro in September 1967, the distribution of small quantities of currency had little effect, while the distribution of large quantities would very soon provoke unprecedented disturbances of which the developing countries would be the first victims. The price of inflation always had to be paid: at the national level it was the poorer classes who suffered, and at the international level it was the countries with the weakest economies which would be most seriously affected by the adoption of inflationary international monetary policies. Essentially, the developing countries needed transfers of real resources, derived from the developed countries' savings.

9. Despite those considerations, however, IMF could do much to help solve the developing countries' problems. The analysis of developments in primary producing countries in chapter 8 of its annual report (see E/4433) showed that in the present state of international economic relations those developments were closely dependent on developments in the industrialized countries. A slight variation in commodity prices did not seriously affect the latter countries, but made a great difference to the producing countries. Consequently, in addition to fulfilling its traditional role of helping its members to define their economic and financial policies, IMF should take concrete action specifically designed to remedy the actual or potential difficulties of the developing countries. It had, indeed, already taken some steps in that direction; the establishment of its compensatory financing facility was a good example, and his delegation welcomed the improvements in that facility introduced in September 1966, enabling it to respond to present needs. The Fund should, however, go a step further and seek to regulate the economic forces which caused fluctuations in commodity prices by participating in efforts to help stabilize those prices at a level which was sufficiently remunerative for the developing countries. A resolution unanimously adopted at the annual meeting of IMF,<sup>1/</sup> held at Rio de Janeiro, had called upon IMF, IBRD and IDA to study the possibility of establishing appropriate machinery for that purpose, and he hoped that that study would be completed as soon as possible. The machinery could take various forms, but in any case the reserves which IMF had accumulated over the years should enable it to take appropriate action, in particular, by financing buffer stocks within the framework of commodity agreements, even if that called for the amendment of its Articles of Agreement. IBRD and IDA, too, would have an important

<sup>1/</sup> See Summary Proceedings of the Twenty-second Meeting of the Board of Governors (Washington, D.C., 1967), resolution No. 22-9.

part to play in the conclusion and implementation of such agreements, and the two organizations should work together, in close co-operation with UNCTAD, to enable the international community to take the decisive step which was now essential.

10. Mr. PEREZ GUERRERO (Venezuela) associated himself with the previous speakers who had thanked the Managing Director of IMF for his introductory statement (1512th meeting) and praised the work of the organization as described in its annual report. Generally speaking, his delegation endorsed the contents of that document. Both IMF and IBRD were seeking to achieve economic development based on monetary stability; the Managing Director of IMF had rightly pointed out that the economic aspect of that problem was fundamental, and in that connexion had stressed the vital need to ensure adequate prices for commodity exports. A monetary approach alone would not suffice to solve the problems of development; what was needed was a reformulation of international economic policy, which would place the world economy on a more stable foundation and provide substantial advantages for the developing countries. Those countries must, of course, intensify their efforts to help themselves, but if they were not soon enabled to escape from the underprivileged and precarious situation in which most of them now existed, the success of the proposed monetary measures—which were at best a palliative, albeit a very useful one—might be seriously compromised. In recent years, per capita income had increased considerably in the developed countries, but very little in the developing countries. Consequently, good intentions must be translated into specific action if the joint effort to accelerate economic development was to succeed. The ultimate goal was not only greater international economic and financial stability but also greater social equity among the nations of the world. That aspect of international financial policy had been clearly reflected in the statement by the Managing Director, to whom his delegation wished to pay a special tribute in that connexion.

11. The IMF scheme for the creation of special drawing rights did not entirely fulfil the developing countries' hopes, but nevertheless represented an important step forward. The developed countries were the main beneficiaries of that scheme, as they had been in the case of the Kennedy Round of negotiations, although it was true that measures to avert the temporary crises suffered by those countries owing to liquidity shortages would also indirectly benefit the developing countries, whose economies were largely dependent on those of the developed nations. However, steps must also be taken to solve the chronic crises affecting developing countries.

12. His own country had achieved monetary stability and the bolivar had been accepted by IMF as an international currency. That success resulted not only from Venezuela's sound monetary policy, but also from other factors, such as its substantial natural wealth.

13. Developed and developing countries alike must strive to accelerate current efforts to organize international trade on an efficient and equitable basis and to combat the resurgence of protectionist tendencies

which might seriously compromise the attainment of that goal. The Fund, together with other international bodies, could make a valuable contribution in that connexion.

14. Mr. BILLNER (Sweden) thanked the Managing Director of IMF for his lucid and very interesting statement. As always, his delegation had been impressed by the scope of IMF's work during the past year, and was convinced that it benefited all member states, both developed and developing. The most important achievement during that period had been the agreement reached on the outline of the special drawing rights scheme, which, in his delegation's view, would help to remedy the shortage of international liquidity that had threatened to constitute an obstacle to the expansion of world trade in recent years. All IMF members, irrespective of their size and economic position, would be able to use the new facilities, which would have important consequences for the developing nations.

15. The expansion of IMF's compensatory financing facility in September 1966 had helped many countries, especially since the developing nations' export earnings had declined at that time. Since IMF was constantly called upon to deal with problems relating to fluctuations in those earnings, his delegation was gratified to note that at their joint annual meeting, held at Rio de Janeiro in September 1967, the Boards of Governors of the Bank and the Fund had adopted parallel resolutions requesting the staff of the two organizations to undertake a study of the problem of stabilizing commodity prices.

16. He also wished to comment on a number of points raised by the President of IBRD in his important statement at the 1510th meeting. His delegation had noted with interest that although infra-structure projects continued to absorb most of the financial resources of the World Bank Group, the Group was devoting increasing attention to three other priority areas, namely, agriculture, industry and education. The Bank had been active in the agriculture sphere for some time, but its activities had expanded considerably in recent years. His delegation was impressed by the wide range of important projects now in hand, and hoped that IBRD's co-operation with FAO would continue to be fruitful. His delegation supported IBRD's activities relating to the fertilizer industry, which was of particular importance in increasing food production to meet the needs of an ever-expanding world population. With regard to industry, his delegation believed that IBRD had taken the right approach by concentrating on institution-building, for development finance companies were important sources of economic progress in the developing countries. He hoped that the World Bank Group would co-operate with UNIDO as it had done with FAO. As to the educational field, the Group had correctly chosen to concentrate on the middle levels of education. As the President of IBRD had pointed out, the productivity of education in the developing countries must be increased, especially since in many of those countries, expenditure on education was rising much faster than the gross national product.

17. Clearly, if IBRD was to continue expanding its activities, it would need more funds, and its bond

issues played an important role in that respect. His delegation was glad to note that an issue had recently been successfully floated in Sweden and hoped that other countries would make their capital markets available for new issues. In that connexion, his delegation was deeply concerned about the difficulties encountered by IDA in its efforts to replenish its resources. His delegation associated itself with the appeals addressed to the major donor countries to make a substantial replenishment possible without introducing restrictions or procurement rules which would impede the most rational use of the available funds. His own country was prepared to play its full part in increasing those resources and hoped that the current multilateral negotiations would soon produce an agreement.

18. During a recent visit to Sweden, the President of IBRD had made the interesting proposal that a meeting of leading experts in the field of development should be convened to review the experience gained during twenty years of development assistance. His delegation considered that such a review might well be useful, now that an effort to formulate new policies for a second development decade was being made.

19. Mr. SCHWEITZER (Managing Director of the International Monetary Fund) thanked the Council for its support. He had been particularly encouraged by the fact that many representatives of developing countries had recognized that IMF was giving their problems careful consideration. The Fund would continue to do everything in its power to solve those problems. Its work on commodity prices, the special drawing rights scheme and the related revision of its Articles of Agreement would be completed within the established time-limits. It would continue to co-operate with the Council, UNCTAD and other members of the United Nations family in efforts to achieve the common goal of promoting the economic and social development of all Member States.

20. The PRESIDENT suggested that, in accordance with its usual custom, the Council might wish to adopt a resolution along the following lines:

"The Economic and Social Council

"Takes note with appreciation of the report of the International Monetary Fund."

*It was so decided.*

#### AGENDA ITEMS 4 AND 5

General review of the programmes and activities in the economic, social, technical co-operation and related fields of the United Nations, the specialized agencies, the International Atomic Energy Agency, the United Nations Children's Fund and all other institutions and agencies related to the United Nations system (concluded) (E/4435)

Proposal for a review of agencies and programmes within the United Nations family (concluded) (E/4435)

21. Mr. COX (Sierra Leone) associated himself with the speakers who had commended the officers of the Enlarged Committee for Programme and Co-ordination on their valuable contribution to the Committee's work and thanked the Under-Secretary for Inter-

Agency Affairs and his staff for the assistance they had given to that body. His delegation approved the suggestion that the Committee should confine itself to precise issues and concentrate on questions of co-ordination and priorities rather than on the technical aspects of the activities of the United Nations family, for it could thus focus its attention on the most essential problems and recommend suitable improvements.

22. His delegation also welcomed the idea that the whole question of the general review should be approached primarily from the standpoint of the developing countries, for the most vital issue now facing the United Nations system was the need to narrow the vast and ever-increasing gap between these countries and the developed nations. His delegation hoped that the second session of UNCTAD would constitute a major step towards that goal, thus presaging the success of the second development decade.

23. His delegation approved of the Enlarged Committee's decisions regarding the provision of supplementary information, as set out in paragraph 16 of its preliminary report (see E/4435). It also approved of the proposed format and content of the Committee's final report, as described in paragraph 23 of the report and the list of topics for future consideration in paragraph 24.

24. Lastly, his delegation felt that the consolidated handbook of procedures and criteria for requesting assistance from members of the United Nations family, as described in paragraph 27 of its preliminary report, would constitute an essential tool for the developing countries.

*Mr. Varela (Panama), Vice-President, took the Chair.*

25. Mr. MURGESCU (Romania) pointed out that General Assembly resolution 2188 (XXI) had been adopted as the result of a compromise between very divergent views on the work of the Enlarged Committee for Programme and Co-ordination. It was accordingly not surprising that that Committee should have experienced some difficulty in determining how best to carry out its task. The efforts of its officers and of the Secretariat, and the spirit of co-operation among its members had, however, enabled it to draw up a rational, if somewhat ambitious, programme of work.

26. The ultimate purpose of the Enlarged Committee's work was, in his delegation's view, to ensure that actual technical assistance activities coincided as closely as possible with the priorities established by the resolutions and recommendations of the General Assembly and the Council on economic and social matters. Its labours should, moreover, lead to improved procedures for programme preparation throughout the entire United Nations system, the real object being to achieve a single integrated long-term programme, based on specific priorities, as envisaged in operative paragraph 2 of General Assembly resolution 2188 (XXI). The financial implications of the Committee's proposed programme of work would, of course, have to be considered by the Advisory Committee on Administrative and Budgetary Questions and his delegation hoped that every effort



would be made to avoid supplementary or revised budget estimates.

27. His delegation believed that the regional economic commissions could and should play a more active role in co-ordinating the activities of the specialized agencies. His delegation, as a member of the Enlarged Committee, would raise that subject and the others he had mentioned when the Committee started work on the substance of the problems before it; in that connexion, the suggestions of delegations which were reproduced in annex II of the Committee's report were extremely helpful. In conclusion, he suggested that the Council should take note with satisfaction of the Enlarged Committee's preliminary report (E/4435).

28. Mr. EHSASSI (Iran) associated himself with those who had expressed appreciation of the Enlarged Committee's dedicated efforts. The Committee had identified the problems on which it would concentrate during the forthcoming three years and the subjects it had selected for study were precisely those features of technical co-operation whose improvement would have a significant impact on the developing countries and lead to the more efficient use of resources.

29. Mr. BILLNER (Sweden) said that the Enlarged Committee and its officers were to be congratulated on the amount of work performed in the first six months of the Committee's existence. Those months had been devoted to drawing up a very ambitious programme of activities, which could take several years to complete.

30. With the exception of the purely technical aspects of assistance, the Committee's programme covered the whole of the work of the United Nations in the economic and social fields. Many of the problems it would consider involved very controversial issues; much of the controversy was due to insufficient experience of multilateral activities for the social and economic advancement of developing countries, but differences of political ideology and conflicting views about the proper role of the United Nations and its agencies in the international community also gave rise to controversies. It was difficult to judge at that stage to what extent the Committee would be able to contribute significantly to resolving such differences. It might be wise not to boost expectations.

31. His delegation hoped, however, that the Committee would be able to recommend the radical reforms in activities, procedures and administrative arrangements which were no doubt needed if the members of the United Nations family were to absorb a steadily growing volume of field operations. One of the purposes of its work was to ensure a flexible, prompt and effective response to the specific needs of individual countries and regions, as determined by them and he wished to urge the Enlarged Committee to consider whether all the topics listed in paragraph 24 of its report (see E/4435) genuinely met those criteria; some of them appeared to infringe the right of Member States to determine their own specific needs and others were unlikely to promote the desired response to those needs. He was glad to note that the Committee was going to have a fresh look at the list of topics.

32. His delegation considered that the Enlarged Committee should request information on funds-in-trust and other special extra-budgetary funds for assistance to developing countries, in addition to that to be sought on the points listed in paragraph 16 of its report (*ibid.*). Moreover, the Committee should seek such further information as was required to enable it to produce a standard definition of the term "administrative costs", so as to ensure that all agencies of the United Nations applied a uniform system of showing those costs. The Committee might then ask itself such questions as: was project planning and preparation, the preparation of final reports, co-ordination measures or evaluation exercises, to be regarded as administrative costs? And further: what was meant by total expenditures for technical assistance of which administrative costs were to be calculated as a percentage? Should supplementary assistance to UNDP projects from other sources be included? Should counterpart contributions which were sometimes administered by international personnel be counted? And how about follow-up investment?

33. In conclusion, he said that it certainly seemed that wherever the Committee turned it would get itself into very intricate problems.

34. Mr. ATTIGA (Libya) said that, although he realized that the Enlarged Committee had found it difficult, in its first year of operation, to arrange its meetings to fit with the Council's schedule, he hoped that, like other bodies concerned with co-ordination, it would in future be able to report to the Council at its summer session. It was true that the Enlarged Committee might at a later stage have to deal with specialized constitutional and legal matters which were not, at first glance, directly related to co-ordination, but the aim of that work, too, would be to prevent duplication, and it should therefore properly be dealt with at the session of the Council which considered all matters of co-ordination.

35. Mr. RANKIN (Canada) supported those observations. The Council had greatly helped delegations by its decision to consider matters relating to the United Nations itself at its spring session each year, and those concerning the United Nations family of organizations at its summer session, and his delegation urged the Enlarged Committee to endeavour to arrange its meetings to fit in with that schedule.

36. Mr. AHMED (Pakistan) said that, as a member of the Enlarged Committee, he would assure the Council that the Committee and its inter-sessional working group would give full consideration to those comments when arranging the programme of meetings for the following two years. The Committee's terms of reference, however, required it to review questions which were not exclusively concerned with co-ordination and it had an extremely heavy programme of work. It should therefore not be obliged to conform to a rigid time schedule, at least in the initial stages of its practical work.

37. Mr. CHADHA (India) said that, due to practical difficulties, it had not been possible for the Enlarged Committee to report to the Council at its summer session in the current year. However, a distinction must be made between co-ordination aspects of the

work of the Committee for Programme and Co-ordination on which a report had been submitted to the summer session of the Council,<sup>2/</sup> and the special tasks entrusted to the Enlarged Committee. His delegation believed that, in view of the Committee's very wide terms of reference, the arrangements for it to report to the General Assembly, through the Council, should be as flexible as possible.

38. The PRESIDENT suggested that the Council should adopt the following draft resolution:

"The Economic Social Council,

"Taking note with satisfaction of the report of the Enlarged Committee for Programme and Co-ordination,

"1. Transmits that report to the General Assembly;

"2. Draws the attention of the General Assembly to the comments on the subject contained in the report of the Economic and Social Council on its resumed forty-third session."<sup>3/</sup>

*It was so decided.*

39. The PRESIDENT pointed out that the Council had decided to consider agenda item 5 "Proposal for a review of agencies and programmes within the United Nations family" in conjunction with item 4 relating to the general review of the programmes and activities which was the subject of the preliminary report of the Enlarged Committee. He invited members of the Council to discuss what further action should be taken on that item.

40. Mr. LOBANOV (Union of Soviet Socialist Republics) suggested that the Council should include in its report a statement to the effect that it considered the subject matter of agenda item 5 to be very closely related to the item on the general review of programmes and activities which was already in progress and that it had therefore decided to ask the Committee for Programme and Co-ordination to consider the proposal for a review of agencies and programmes in conjunction with its work on that general review.

41. Mr. AHMED (Pakistan) said that his delegation agreed, in principle, to that procedure. It believed, however, that item 5 should be referred specifically to the Enlarged Committee, whose terms of reference were sufficiently wide to cover the kind of review envisaged in the proposal.

42. Mr. CHADHA (India) said that General Assembly resolution 2183 (XXI) empowered the Enlarged Committee to undertake a review which was virtually identical with that proposed in agenda item 5. The best way of dealing with the item might therefore be to state in the report that the Council had taken note of that fact and had adopted no decision on the item.

43. Mr. LOBANOV (Union of Soviet Socialist Republics) said that his delegation's suggestion had not been made with a view to making a distinction between two separate committees; the body undertaking the task outlined in General Assembly resolution 2188

(XXI) was, after all, the Committee for Programme and Co-ordination with some additional members appointed to help it to do certain work. As that work was, in effect, the same as that envisaged in the proposed review of agencies and programmes, it was immaterial whether the item was referred to the Committee for Programme and Co-ordination or to the Enlarged Committee.

44. The PRESIDENT said that the views expressed during the Council's discussion would be included in its report. He suggested that there was no real divergence of opinion on the question. The subject matter of the proposed review was closely related to the work of the Enlarged Committee for Programme and Co-ordination, and it could therefore be assumed that that Committee would take it into account in conjunction with the work being undertaken under its terms of reference.

## AGENDA ITEM 2

External financing of economic development of the developing countries: promotion of private foreign investment in developing countries (concluded) (E/4293 and Corr.1 and Add.1-2, E/L.1193)

45. The PRESIDENT invited the Council to consider the draft resolution contained in document E/L.1193.

46. Mr. ZOLLNER (Dahomey), introducing draft resolution E/L.1193, said that a number of minor amendments should be made in the text. In the third preambular paragraph, the words "que le Secrétaire général est en train d'établir" in the French text and the words "que el Secretario General está preparando" in the Spanish text should be replaced by the words "préparé par le Secrétaire général" and the words "preparado por el Secretario General", respectively. In operative paragraph 2 (b), the words "in reliance on" in the text should be replaced by the words "making full use of the facilities of". In the Spanish text of the same sub-paragraph, the words "que puedan" should be replaced by the words "que quieran". Turning to the changes affecting the text in all languages, he said that the word "international" should be inserted before the word "organizations" in operative paragraph 2 (a). In operative paragraph 2 (b), the words "and to organizations belonging to the United Nations family" should be deleted. Finally, in operative paragraph 4, the words "along the lines of the recommendations contained in paragraphs 1-3 of this resolution" should be replaced by the words "in accordance with the present resolution".

47. The draft before the Council was a revision of the draft resolution (E/AC.6/L.369) submitted by his delegation to the Council during the first part of its forty-third session. In the light of the discussion of the original text, the revised draft resolution (E/L.1193) did not make specific reference to the panel on foreign investment. The suggestion that the Council might request the Secretary-General to convoke such a panel in fact appeared in paragraph 154 of the report which contained the summary and conclusions (see E/4293 and Corr.1) of the study the Secretary-General had been asked to prepare by the General Assembly in resolution 2087 (XX). Since, however, some delegations had raised certain questions on that point, the

<sup>2/</sup> See Official Records of the Economic and Social Council, Forty-third Session, Supplement No. 9A (E/4395).

<sup>3/</sup> See Official Records of the General Assembly, Twenty-second Session, Supplement No. 3A (A/6703/Add.1).

revised draft resolution requested the Secretary-General to hold consultations with the Governments and international organizations concerned on all the various recommendations made in that report.

48. For technical reasons, the study prepared by the Secretary-General had not yet been published in full, but its conclusions and recommendations were contained in the summary report (*ibid.*), which had been available since March 1967. The adoption of the revised draft resolution would enable the Council to have the views of the Governments and international organizations concerned before it when it considered the Secretary-General study at its next session.

49. Mr. AHMED (Pakistan) expressed his appreciation of the efforts made by the delegation of Dahomey to produce a generally acceptable text, and hoped that the draft resolution (E/L.1193) could now be adopted unanimously.

50. Mr. COX (Sierra Leone) pointed out that the draft resolution sought merely to ensure that the fullest possible information on the promotion of foreign private investment in developing countries was available, and did not impose any commitment upon Member States. He therefore urged the Council to adopt it unanimously.

51. Mr. ATTIGA (Libya) welcomed the fact that the reservations which his delegation had expressed regarding the original text of the draft resolution had been taken into account. The revised draft resolution was fully acceptable to his delegation. He suggested, however, that the words "and the United Nations Economic and Social Office in Beirut" might be inserted after the words "regional economic commissions" in operative paragraph 2 (b).

52. Mr. ZOLLNER (Dahomey) said that he would gladly accept that suggestion.

53. Mr. DEWULF (Belgium) said that his delegation would vote in favour of the draft resolution. He wished, however, to point out that operative paragraph 1 could only be implemented in the context of the consultations referred to in operative paragraph 2 (a).

54. Mr. GREGH (France) commended the delegation of Dahomey on its excellent revision of the text and said that France would vote for the draft resolution.

55. Mr. CHADHA (India) also commended the delegation of Dahomey on the revised text, for which India would vote. He suggested that the words "economic development and diversification of" in the second preambular paragraph, should be replaced by the words "development and diversification of the economies of".

56. Mr. ZOLLNER (Dahomey) accepted that suggestion.

57. Mr. LAVALLE (Guatemala) said that his delegation was in general agreement with the provisions of the draft resolution and would vote for it. However, it was a matter for some concern that it included a reference to the study prepared by the Secretary-General which had not yet been issued, although a summary had been available for some time (see E/4293 and Corr.1).

58. Mr. LOBANOV (Union of Soviet Socialist Republics) said that there were a number of shortcomings in draft resolution E/L.1193. In operative paragraph 1, Governments were asked to give serious consideration to the specific recommendations contained in the Secretary-General's report, but since that report had not been published, those recommendations were not yet known. The adoption of resolutions relating to matters for which the relevant documentation had not yet been issued in full would be a most undesirable and dangerous precedent, and although a summary of the Secretary-General's report was available in the present instance, far more complex situations might arise in the future and the Council might even be asked to vote on matters for which no report was to be prepared at all. In addition, the Council had not been informed about the possible financial implications of the draft resolution, although it referred to the Secretary-General's specific recommendations and its operative paragraph 4 called for the submission of periodic reports by the Secretary-General. Moreover, the draft resolution gave no indication of how often such periodic reports should be prepared.

59. Mr. GOLDSCHMIDT (United States of America) said that his delegation did not share the apprehensions expressed by the representative of the USSR. The summary of the Secretary-General's report (see E/4293 and Corr.1) was an excellent document which provided all the necessary information, and the provision that the Secretary-General should prepare periodic reports whenever necessary was sound. His delegation fully supported the draft resolution.

60. Mr. MURGESCU (Romania) said that his delegation commended the delegation of Dahomey on its efforts, but felt bound to endorse the views expressed by the Soviet representative.

61. Mr. ZOLLNER (Dahomey), replying to the points raised by the representative of the USSR, said that all the recommendations referred to in operative paragraph 1 of the draft resolution were contained in the summary of the Secretary-General's report. Furthermore, that paragraph did not invite the Council to endorse the Secretary-General's recommendations, but merely asked Governments to give them serious consideration. The sole aim of operative paragraphs 1 and 2 was to obtain the views of Governments and international organizations regarding the specific recommendations contained in the Secretary-General's report, so that the Council would have full information when the time came to take a decision. Since the only provision in the original proposal that might have entailed additional expenditure—that relating to the convening of a panel on foreign investment—had been eliminated, the draft resolution had no financial implications. As the United States representative had pointed out, there was no need to state how often the periodic reports should be submitted, since the Secretary-General could be expected to report whenever progress had been made.

62. Mr. ATTIGA (Libya) endorsed the view that the adoption of the draft resolution must not be taken as a precedent for voting on matters for which the relevant documentation had not yet been issued. However, since it had been clearly stated in the present

case that the purpose of the draft resolution was to obtain the views of Governments and international organizations so that they could be discussed at the same time as the Secretary-General's report, of which a summary was in any case available, Libya would be able to vote for the proposal.

63. Mr. LOBANOV (Union of Soviet Socialist Republics), supported by Mr. ATTIGA (Libya), proposed that it should be stated in the Council's summary records that the vote on the draft resolution was being taken on the understanding that it would not constitute a precedent for the adoption of future resolutions relating to matters on which full documentation was not yet available and that it had no direct financial implications.

64. Mr. ZOLLNER (Dahomey) said that he had no objection to that procedure.

65. The PRESIDENT said that, in the absence of any objection, he assumed that the Council wished to adopt draft resolution E/L.1193, as orally revised by its sponsor, on the understanding to which the representative of the USSR had referred.

*It was so decided.*

66. Mr. LOBANOV (Union of Soviet Socialist Republics) said that his delegation had no objection to the adoption of the draft resolution. Since, however, the USSR was not an exporter of private capital to developing countries, it was not concerned with the problems dealt with in the draft resolution and would have abstained if a formal vote had been taken.

## AGENDA ITEM 11

### Language services for the United Nations Conference on Road Traffic (E/4439 and Add.1)

67. The PRESIDENT drew the Council's attention to the Secretary-General's note (E/4439), relating to a request for the provision of Chinese language services for the United Nations Conference on Road Traffic. The Secretary-General's note on the financial implications of that request was contained in document E/4439/Add.1.

68. Mr. CHADHA (India) said that there was no established procedure for the provision of language services at United Nations conferences such as the Conference on Road Traffic to be held in 1968. The request for the provision of Chinese language services for that Conference, which deserved careful consideration, should properly be discussed in a wider context in the Fifth Committee and the Committee on Conferences. He therefore proposed that the Council should take note of the request contained in document E/4439 and refer it to the General Assembly for consideration in the Fifth Committee.

69. Mr. ATTIGA (Libya) supported that proposal.

70. The PRESIDENT said that, in the absence of any objection, he assumed that the Council agreed with that proposal.

*It was so decided.*

*The meeting rose at 7 p.m.*