



CONTENTS

	Page
Agenda item 26:	
Programmes of technical assistance (<i>continued</i>).....	219
Agenda item 27:	
Economic development of under-developed countries (<i>continued</i>)	219
(c) Industrialization of under-developed countries (<i>concluded</i>)	219
(a) Question of the establishment of a Special United Nations Fund for Economic Development: report of the <i>Ad Hoc</i> Committee.....	220

Chairman: Mr. Mohammad MIR KHAN (Pakistan).

AGENDA ITEM 26

Programmes of technical assistance (*continued*)

1. The CHAIRMAN called attention to documents A/C.2/193 and Add.1. He invited the Committee to take a decision on resolution 633 (XXII) adopted by the Economic and Social Council at its resumed twenty-second session (952nd meeting) concerning the administrative and operational services costs of the Expanded Programme of Technical Assistance.
2. Mr. Gopala MENON (India) said that before the Committee recommended the endorsement of the Council resolution by the General Assembly he would like to have the opinion of the Advisory Committee on Administrative and Budgetary Questions.
3. The CHAIRMAN proposed that the matter should be deferred until the Secretariat had contacted the Chairman of the Advisory Committee.

It was so decided.

AGENDA ITEM 27

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

4. The CHAIRMAN drew attention to the Secretary-General's note (A/C.2/L.310) which explained that General Assembly resolution 824 (IX) concerning the preparation of reports on the international flow of private capital should be amended to bring it into line with the recommendation made by the Economic and Social Council in its resolution 619 B (XXII).
5. Mr. CHERNYSHEV (Union of Soviet Socialist Republics) objected that the Committee had not received sufficient notice of the matter; his delegation was not yet in a position to take a decision.
6. The CHAIRMAN proposed that the matter should be postponed until the following meeting.

It was so decided.

The meeting was suspended at 11.5 a.m. and resumed at 12.10 p.m.

(c) Industrialization of under-developed countries (A/C.2/L.311) (*concluded*)

7. The CHAIRMAN invited the Committee to take up the joint draft resolution proposed by Egypt and Pakistan (A/C.2/L.311).

8. Mr. ALFONZO RAVARD (Venezuela), while accepting the draft resolution as a whole, felt it would be preferable to delate the concluding phrase of operative paragraph 2: "and to the directives and principles set forth in the relevant resolutions of the General Assembly and the Council". It went without saying that the Secretary-General would take into account the relevant resolutions of those two bodies.

9. Mr. MASOOD (Pakistan) pointed out that the phrase in question was taken from paragraph 4 of the operative part of Economic and Social Council resolution 618 (XXII).

10. Mr. ALFONZO RAVARD (Venezuela) observed that such a precedent did not justify the repetition of the phrase, for that would imply that the Secretary-General had not taken the relevant resolutions into account.

11. Mr. ANIS (Egypt) said that he would like the phrase to be retained, although of course the sponsors of the draft resolution had no intention of making the slightest criticism of the Secretary-General.

12. Mr. STIBRAVY (United States of America) said that the second paragraph of the preamble might give the impression that the Economic and Social Council's role of co-ordinating all the activities of the United Nations and the specialized agencies with regard to industrialization and productivity was being brought into question. To avoid any doubt, he proposed that that paragraph would be replaced by the following paragraph taken from Council resolution 597 A (XXI): "*Recognizing* the need for suitable organizational arrangements in the United Nations under the Council to deal with matters relating to industrialization and productivity".

13. Mr. ANIS (Egypt) and Mr. MASOOD (Pakistan) accepted the amendment proposed by the United States representative.

14. Mr. WOULBROUN (Belgium) was glad that the United States representative's proposal had been accepted by the sponsors of the draft resolution. In the statement it had made on the industrialization of the under-developed countries (425th meeting), the Belgian delegation had stressed the importance of harmonious co-operation between the United Nations and the specialized agencies. Any proposal envisaging the establishment of a new body to deal with industrialization should take into account the agreements between the United Nations and the specialized agencies concerned, particularly the International Labour Organisation and the Food and Agriculture Organization of the United Nations. It was essential to avoid duplication.

15. Mr. KENNEDY (Ireland) thought that operative paragraph 3 should indicate that the Secretary-General's report was to be submitted to the twenty-fifth session of the Council.

16. Mr. ANIS (Egypt) and Mr. MASOOD (Pakistan) accepted the proposed addition.

17. The CHAIRMAN put to the vote the draft resolution submitted by Egypt and Pakistan (A/C.2/L.311) with the amendments proposed by the United States and Ireland.

The draft resolution as amended was unanimously adopted.

18. Mr. Gopala MENON (India) expressed satisfaction that in operative paragraph 2 the Secretary-General had been invited to take into account the suggestions made at the twenty-second session of the Economic and Social Council and at the eleventh session of the General Assembly. The Secretary-General would note in particular that practical proposals had been put forward regarding the order of priority of the proposed studies. The Indian delegation had voted in favour of the draft resolution on the understanding that the General Assembly would in no way be committed as to the implementation of the organizational study.

19. Mr. CHERNYSHEV (Union of Soviet Socialist Republics) expressed regret that the Committee had not felt obliged to take a clearer position regarding the need for establishing a body to deal with problems of industrialization. During the general discussion the Soviet Union delegation had taken a firm stand in favour of such a proposal. However, the sponsors of the draft resolution had reached as satisfactory a compromise as possible, and for that reason his delegation had voted in favour of it.

20. Mr. ANIS (Egypt) pointed out that his delegation had preferred the text as originally submitted. It would also have liked the draft resolution to be more explicit about the proposal to establish a new body dealing with industrialization, but it had recognized the need for a compromise.

21. Mr. JEVTIC (Yugoslavia) said that his delegation followed with interest everything that was being done in the field of industrialization, and hoped that the question would continue to occupy an important place in the work of the United Nations. It had therefore voted for the draft resolution endorsing the programme of work drawn up by the Secretary-General and requesting that the efforts undertaken should be continued.

22. Mr. LARREA (Ecuador), supported by Mr. RECABARREN (Chile), urged that all the means at the Secretariat's disposal should be utilized as soon as possible so that the studies relating to small-scale industries might be continued. The Ecuadorian delegation did not underestimate the importance of heavy and light industries, but felt, as it had stressed during the general discussion, that small-scale industry was the sector in which the under-developed countries could reckon on obtaining the quickest results.

(a) Question of the establishment of a Special United Nations Fund for Economic Development: report of the *Ad Hoc* Committee (A/3134 and Corr.1 and 2, A/C.2/L.296, A/C.2/L.300)

23. Mr. KAUFMANN (Netherlands), rapporteur of the *Ad Hoc* Committee, introduced the interim re-

port of the *Ad Hoc* Committee on the question of the establishment of a Special United Nations Fund for Economic Development (SUNFED) (A/3134 and Corr.1 and 2).

24. In its report, the *Ad Hoc* Committee had attempted to summarize and analyse and to formulate appropriate conclusions concerning the views of forty-six Governments. The three parts of the report were closely linked and ought not to be examined separately.

25. In part I, the summary of comments, the Committee had presented as accurately as possible the views expressed by Governments in their replies to the questionnaire annexed to General Assembly resolution 923 (X). Part II, the analysis of comments, was not a critical appraisal of the various problems raised but a statistical synthesis of Governments' replies. He mentioned in that connexion that it had been somewhat difficult to classify the replies. In part III, the conclusions, the Committee had tried to give the general pattern of the proposed SUNFED by bringing together the views most widely held on its various aspects.

26. He noted that since the report had been drafted the Secretary-General had received replies from nine additional Governments (A/AC.83/L.1/Add.11 to 18).

27. Mr. KADRY (Iraq) recalled that his delegation had expressed its views on the establishment of SUNFED during the general debate on agenda item 27 (409th meeting). He now wished briefly to give its views on the practical suggestions which had been made and to indicate what measures it felt would be useful.

28. The Iraqi delegation had always maintained that the most desirable and effective form of international co-operation was that carried out through the United Nations. It was not enough, however, for Member States passively to respect Articles 55 and 56 of the Charter; they must also adopt constructive measures to put those principles into practice. The loss of prestige which the United Nations would suffer if Member States failed to take positive action would be but one of the many harmful effects of apathy. The international scene appeared at present in the eyes of many to be an arena for spiteful and selfish intrigue and presented a picture of disunion and mistrust. The constant delay in setting up a body designed to facilitate economic development and co-operation between all States was a weapon in the hands of those who sought to minimize the usefulness of the United Nations at the very time when it was most needed.

29. In spite of the studies by experts and the exhaustive discussions which had taken place on the general aspects of the question and the advantages to be hoped for from the establishment of SUNFED, there was as yet no sign of the unanimity necessary for positive action in the near future. However, notwithstanding the delays and the uncertainty resulting from the attitude of certain delegations, Iraq remained optimistic.

30. His delegation had therefore felt it advisable to submit, jointly with other delegations, a draft resolution (A/C.2/L.300) whereby the *Ad Hoc* Committee, which had already given proof of its competence in its interim report, would be entrusted with the task of preparing a draft statute for SUNFED. It had been suggested that a committee of experts might be asked to undertake that task. His delegation, while ready to consider any suggestions in the matter, felt that the government representatives who had been members of the *Ad Hoc* Committee were in the favourable position of having already given the matter careful study.

31. Since December 1955, when the *Ad Hoc* Committee had been set up, the number of Members of the United Nations had considerably increased and several new under-developed countries were now represented in the General Assembly. His delegation would be glad to see some of them become members of the *Ad Hoc* Committee, which could perhaps be enlarged. Many delegations, and in particular the sponsors of the joint draft resolution, were of the same opinion and would in due course submit a draft¹ on increasing the membership of the Committee in conformity with General Assembly resolution 923 (X).

32. With regard to the resources of SUNFED, his delegation agreed with the opinion expressed by the Committee of Experts in paragraph 26 of the report to the tenth session of the General Assembly (A/2906), and did not think it absolutely essential for SUNFED to have an initial capital of \$250 million as the Committee of Nine had proposed in 1953 (E/2381). The size of contributions could increase as and when SUNFED's operations were extended and the usefulness of its work became evident.

33. With regard to the operations themselves, his delegation thought that in addition to the main function

of giving long-term low-interest loans SUNFED should also make grants. It endorsed the opinion of the Committee of Experts that the best way of repaying the assistance given by SUNFED would be for the beneficiaries to use the money provided to good purpose in their own economic development so that they could continue that process by their own efforts and benefit the world as a whole. His delegation likewise agreed with the Committee of Experts that loans should be repaid in the currency of the beneficiary countries.

34. Co-operation between SUNFED and the International Bank for Reconstruction and Development and the use of the services of all the international agencies connected with the United Nations should naturally be encouraged, but it was important to define the field of activity of SUNFED in relation to the work and functions of other international bodies. His delegation believed that the drafting of a statute could be begun at once, because the main prerequisites already existed. When a disarmament programme had been launched, SUNFED would be in a position to meet the demands of the broadest kind of international co-operation in the economic field.

The meeting rose at 12.50 p.m.

¹ Subsequently circulated as document A/C.2/L.316.