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CONTENTS

	Page
<i>Agenda item 51:</i>	
<i>Consolidation of the Special Fund and the Expanded Programme of Technical Assistance in a United Nations Development Programme</i>	103

Chairman: Mr. Pierre FORTHOMME
 (Belgium).

AGENDA ITEM 51

Consolidation of the Special Fund and the Expanded Programme of Technical Assistance in a United Nations Development Programme (A/5755, A/6015; A/C.2/L.792, L.793, L.795)

1. Mr. DELPRAT (Netherlands), introducing the amendments contained in document A/C.2/L.793, said that the sponsors had taken as a starting point the draft resolution annexed to Economic and Social Council resolution 1020 (XXXVII) the text of which was circulated to the members of the Committee as document A/C.2/L.792. The Council, at its thirty-seventh session, had given thorough consideration to the question of the consolidation of the Special Fund and the Expanded Programme of Technical Assistance in a United Nations Development Programme.
2. The first amendment represented a concession to the views held by a number of delegations. The sponsors would have preferred the Governing Council of the new Programme to have a smaller membership, which would have ensured both adequate representation and efficient operation. They were willing, however, to accept the figure of thirty-six members. The second amendment followed logically from the first. The third amendment sought to ensure equal representation of the economically more developed countries and the developing countries. At the present time, such equality of representation existed only in the Governing Council of the Special Fund. Equality of representation in the Governing Council of the new Programme would place donors and beneficiaries on an equal footing. Lastly, the fourth amendment was simply intended to enable the new Programme to become operative on 1 January 1966.
3. He hoped that the Committee would consider those amendments in the constructive spirit in which they had been drafted.
4. Mr. TELL (Jordan), introducing the amendments in document A/C.2/L.795, said that the sponsors supported the amendments in document A/C.2/L.793, except in regard to equality of representation. They

were convinced that the United Nations Development Programme should be placed fully at the service of the developing countries, and in order that those countries might be in a position to decide on whatever programme suited them, they must have a majority in the Governing Council. The Council should therefore be composed of seventeen economically developed countries and nineteen developing countries. As to the question of regional representation, it could be settled by agreement among the three main regional groups of developing countries. There was no need to restate the advantages which consolidation of the Expanded Programme and the Special Fund offered; it had been thoroughly discussed in the Ad Hoc Committee created by Council resolution 851 (XXXII) to co-ordinate technical assistance activities (Ad Hoc Committee of Ten) and in the Economic and Social Council; it was only to be regretted that it had not taken place at the nineteenth session of the General Assembly.

5. He informed the Committee that Algeria had decided to withdraw from the list of sponsors of the amendments which had just been presented.
6. Mr. DJOUDI (Algeria) explained that his country had withdrawn its name from the list of sponsors solely because it had not taken part in the drafting of those amendments.
7. Mr. FRANZI (Italy) said that the question of merging the Special Fund and the Expanded Programme had already been debated at length, especially in the Economic and Social Council. The draft resolution drawn up by the Council during its thirty-seventh session had a few shortcomings which the Second Committee should try to remedy. The various positions on the question were well known and it would be desirable for the Committee to adopt the draft resolution before the United Nations Pledging Conference for the Expanded Programme and the Special Fund opened on Tuesday, 2 November. The new Governing Council could then, at its first session, settle the outstanding problems of detail on the basis of the general directives contained in the draft resolution.
8. His delegation was convinced that the consolidation of the two programmes would improve the execution of the various projects and, in particular, would lead to better integration of technical assistance projects and pre-investment projects. Nevertheless, once the necessary adjustment period was over, the consolidation should not be confined to the two governing organs. Too much emphasis had been placed on the fact that the characteristics and operations peculiar to each of the two programmes would be maintained, and it had been strongly reaffirmed that the principles, procedures and provisions governing the Expanded

Programme and the Special Fund which were not incompatible with their consolidation would continue to apply. There were, however, fundamental differences between the two programmes which the Governing Council of the new Programme should consider at its first session with a view to drawing up directives that would ensure true consolidation.

9. He called attention to a practical point concerning operative paragraph 3 of the draft resolution under study. It was provided in the fifth and sixth lines that the Governing Council for the United Nations Development Programme would perform functions "including the consideration and approval of projects and programmes and the allocation of funds". In regard to the procedure for the allocation of funds, there was at present a basic difference between the two programmes. In the case of the Expanded Programme, appropriations were authorized by the Technical Assistance Committee and approved by the General Assembly, which obliged TAC to meet each year during the General Assembly's session. The Governing Council of the Special Fund, on the other hand, had full authority to decide on appropriations without reference to the General Assembly.

10. In recommending the formula in paragraph 3, the Economic and Social Council had not apparently deemed it necessary to specify that the authority vested in the Governing Council for the new Programme was to be the same for the Special Fund and the Expanded Programme. In order to avoid any misunderstanding, the interpretation given by the Council might be clarified by inserting the adjective "final" before the words "allocation of funds". Alternatively, the Committee could state in its report that the Governing Council would have full authority for both programmes. The latter solution would be the simpler.

11. He also pointed out that in operative paragraph 6 of the draft resolution, the English text referred to an "Administrator" whereas the French text used the word "Directeur". Whatever the term used—Administrator, Director or Director-General—the report should clearly specify that the Administrator of the Programme would not have less authority than the Executive Heads of the specialized agencies, and that he would rather be considered to be primus inter pares.

12. Lastly, it would be advisable to extend to 31 December 1967 the date until which the Administrator and the Co-Administrator of the United Nations Development Programme would remain provisionally in office. The Economic and Social Council had set the date at 31 December 1966 in the belief that consolidation might take place on the same date in 1964. A two-year transition period would appear to be necessary.

13. Miss WILLIAMS (Nigeria) associated her delegation with the remarks made by the representative of Jordan, who had introduced the amendments (A/C.2/L.795) on behalf of the sponsors. The proposal to consolidate the Expanded Programme of Technical Assistance and the Special Fund had emerged after careful study by the Secretary-General and further deliberation by the Ad Hoc Committee of Ten, the

Technical Assistance Committee, the Special Fund and the Economic and Social Council. Unfortunately, because of the peculiar circumstances of the General Assembly's nineteenth session, it had not been possible for the draft resolution recommended for adoption by the Economic and Social Council to be considered at that time.

14. In joining the other sponsors of the amendments to that draft resolution, her delegation was motivated by the Secretary-General's conclusions contained in the report which dealt with the problems raised by consolidation (E/3850). The Secretary-General had said, in particular, that he was convinced that consolidation would equip the United Nations system to meet more effectively its current and prospective responsibilities for the promotion of economic and social progress in the developing countries. He had expressed the view that the proposed programme would be capable of expansion in any way required in the future, without prejudice to the constitutional responsibilities of the existing agencies. By maintaining the best practices of the Expanded Programme and of the Special Fund, the new Programme should help to meet the fundamental desire of all, which was to enable assistance channelled through the United Nations system to produce maximum constructive effects. The Secretary-General had also pointed out that the merger would make a notable contribution towards simplifying administration, enabling the priority needs of the developing countries to be more adequately assessed, and ensuring that the resources available were used most fruitfully. Lastly, he had expressed the belief that by gearing itself for more effective service, the United Nations system would be provided with the resources required to help make a success of the United Nations Development Decade.

15. Her delegation hoped that those obvious advantages of the merger would be further emphasized in future reports on the new development Programme. It would like to see in the reports of the proposed inter-governmental committee a comparative table of the administrative costs of the existing programmes and those of the merged Programme, as that would bring out in a more practical way the savings actually effected.

16. With regard to the composition of the Governing Council, her delegation thought that the figure of thirty-six members which had been proposed after extensive consultations was most realistic. It was large enough to ensure proper representation of the members of the General Assembly and, at the same time, to allow the Governing Council to discharge its responsibilities without any loss of momentum. Her delegation subscribed to the idea of a balanced representation contained in the third amendment in document A/C.2/L.795, because it thought that the Governing Council of the United Nations Development Programme must ensure both effective representation of the developed countries which were the principle providers of funds and reasonable representation of all the developing countries which would be the main recipients of assistance under the Programme. That compromise formula should enable the various regional groups represented to reach agreement.

17. Her delegation wished to pay a tribute to those who had presided over the destinies of the two programmes, namely the Managing Director of the Special Fund and the Executive Chairman of the Technical Assistance Board whose efforts had assured the success of the two programmes. It also wished to congratulate their supporting staff and wished them success in that new venture.

18. Mr. TARDOS (Hungary) said that his delegation was in favour of the consolidation of the different technical assistance programmes and of any kind of arrangements which would simplify their administration and consequently enable savings to be made in the overhead expenses, which would release funds for direct assistance. However, any permanent change in the structure of an organization might adversely affect the efficiency of its operation, so that it would be advantageous to combine at once all activities having the same purpose and more or less the same character: he had in mind the regular programme of technical assistance and the Expanded Programme. His delegation was convinced that the mandatory character of contributions to the regular programme could be removed without decreasing the volume of funds available for technical assistance and it considered it unacceptable not to consider the future of the regular programme in connexion with the agenda item under discussion. The consolidation of the Expanded Programme of Technical Assistance and the Special Fund afforded the appropriate opportunity to begin the gradual transformation of the Special Fund into a United Nations capital development fund by deciding that the new Programme would provide funds for investment proper also.

19. It was very difficult, however, to approve the consolidation proposed in the Economic and Social Council draft resolution, since according to operative paragraphs 1 and 2 of the draft it would not apply to the operations, special characteristics or funds of the two programmes, or even to the two top administrative posts. Moreover, by not specifying the principles, procedures and provisions which, since they were not inconsistent with consolidation, would continue to apply, paragraph 2 could not fail to give rise to conflicting interpretations.

20. His delegation accordingly suggested that the Committee should adopt a draft resolution whereby the General Assembly would request the Economic and Social Council to study all aspects of the Consolidation of the technical assistance programmes and submit a proposal on the consolidation of those United Nations activities which were at present under the control of the Technical Assistance Committee and the Governing Council of the Special Fund. In those circumstances, his delegation could not support the draft resolution before the Committee.

21. Miss MEAGHER (Canada), recalling that her delegation had joined with others in sponsoring the amendments in document A/C.2/L.793, said that her Government would have preferred the membership of the Governing Council of the new Programme kept down to thirty in the interests of efficiency, but had accepted the majority view in order to take into account the requirements of equitable representation of the developing countries. With regard to the composition

of the Council, which was dealt with in the third amendment, her delegation attached great importance to the equal representation of the economically developed and the developing countries since it considered it essential, if substantial resources were to be made available to the new Programme, that the principle of full co-operation between donor and recipient countries should be recognized. Because of Canada's genuine interest in the new Programme and its desire to lend it its support, including financial support, on a continuing basis, her delegation hoped that the principle of equal representation, which offered donor countries an effective, though not a determining, voice in the Governing Council, would be approved by all members of the Committee in the constructive spirit which moved the sponsors of the amendments.

22. Mr. ARKADYEV (Union of Soviet Socialist Republics) said that his delegation had circulated informally the text of the following draft resolution on agenda items 51 and 39 (Establishment of a United Nations Capital development fund). The text of which read as follows:

"The General Assembly,

"Recalling and reaffirming the provisions of part III of its resolution 1219 III (XII) of 14 December 1957 and part C of its resolution 1240 (XIII) of 14 October 1958 concerning the decisions and the conditions under which 'the Assembly shall review the scope and future activities of the Special Fund and take such action as it may deem appropriate', as well as the provisions of General Assembly resolution 1936 (XVIII) of 11 December 1963 concerning 'the practical steps to transform the Special Fund into a capital development fund in such a way as to include both pre-investment and investment activities',

"Taking into account the recommendations of the United Nations Conference on Trade and Development,

"Being convinced that the United Nations technical assistance programmes are designed to contribute effectively to the national efforts of the developing countries to solve the most important problems of their economic development, especially in the field of industrial development and related social problems,

"1. Decides to consolidate the Special Fund and the United Nations Expanded Programme of Technical Assistance in a United Nations capital development fund in such a way as to preserve within the framework of this fund the special characteristics of each of the above-mentioned programmes and to provide a broader basis for their investment activities;

"2. Expects that the resources of the capital development fund will consist both of the accumulated contributions and the new annual voluntary contributions which States will make to the Special Fund and the Expanded Programme of Technical Assistance, as they have done hitherto, and of any voluntary deposits which member countries may make, including deposits in national currencies;

"3. Decides that the resources of the capital development fund shall be used to finance the activi-

ties carried on in accordance with the two above-mentioned programmes with the principal object of promoting the industrial development of the developing countries by the dispatch of experts, the training of technical personnel and the establishment of pilot industrial enterprises, and shall be used in any other effective way through the grant to the developing countries of non-reimbursable subsidies and of long-term interest-free or low-interest reimbursable loans and credits for financing industrialization;

"4. Decides to set up for the purpose of administering the capital development fund a five-member Directorate elected by the Governing Council of the Capital Development Fund and composed of two representatives from Western countries,^{1/} two representatives from developing countries and one representative from Socialist countries. Each of the five members shall preside over the Directorate in turn for a fixed term. To carry out the day-to-day work of the Directorate, a combined secretariat, recruited in accordance with the principle of equitable geographical distribution, shall be set up on the basis of the existing secretariats of the Technical Assistance Board and the Special Fund;

"5. Decides to establish an inter-governmental Governing Council of the United Nations Capital Development Fund composed of thirty-four members. The Governing Council shall perform in particular the functions previously carried out by the Governing Council of the Special Fund and by the Technical Assistance Committee, which shall cease their activities. The Council shall provide general policy guidance and directives for the Capital Development Fund and for all other technical assistance programmes of the United Nations system, including the United Nations regular programme; it shall also consider and approve, at the request of the Directorate, programmes and projects for the granting of non-reimbursable economic and technical assistance, shall distribute in advance among the countries concerned, the non-reimbursable economic and technical assistance funds and shall approve programmes for the granting of long-term interest-free reimbursable credits and loans to the various countries. The Council shall meet twice a year and shall submit reports and recommendations on matters within its competence to the Economic and Social Council. Decisions of the Governing Council shall be made by a majority of the members present and voting;

"6. Requests the Economic and Social Council to proceed, at its first meeting after the adoption of the present resolution, to elect the members of the Governing Council of the Capital Development Fund from among the States participating in the Fund for a term of three years; provided, however, that the terms of office of eleven of the members elected at the first election shall expire at the end of one year and the terms of office of eleven other members shall expire at the end of two years. Retiring members shall be eligible for re-election. In order to

observe the principle of equitable geographical representation, nineteen members representing the Afro-Asian countries and Yugoslavia (group A), six members representing the Western European and other countries (group B), four members representing the Latin American countries (group C) and five members representing the Socialist countries (group D) shall be elected to the Governing Council;

"7. Decides to establish, in place of the Technical Assistance Board and the Consultative Board of the Special Fund, an advisory committee to be known as the 'Inter-Agency Consultative Board for the United Nations Capital Development Fund' under the Directorate of the Capital Development Fund. The Board shall include the representatives of the Secretary-General, the heads of the United Nations regular programme of technical assistance and the Executive Heads of the specialized agencies and of the International Atomic Energy Agency or their representatives; the Executive Directors of the United Nations Children's Fund and the World Food Programme shall be invited to participate as appropriate. The participating organizations shall be given the opportunity to take part fully in the process of decision and policy-making in a consultative capacity. The Consultative Board shall be consulted on all important matters and in particular it shall:

"(a) Advise the administering bodies on the projects submitted by Governments, prior to their submission to the Governing Council for approval, taking into account the programmes of technical assistance being carried out under the regular programmes of the organizations represented on the Consultative Board, with a view to ensuring more effective co-ordination. The views of the Consultative Board, when it so requests, shall be conveyed by the Directorate to the Governing Council, together with any comments the Directorate may wish to make when recommending for approval general policies for the Programme as a whole or programmes and projects requested by Governments;

"(b) Be consulted in the selection of agencies for the execution of specific projects as appropriate; and

"(c) Be consulted on the appointment of the Resident Representatives and review annual reports submitted by them. The Inter-Agency Consultative Board shall meet as often and for such periods as may be necessary for the performance of the above-mentioned functions;

"8. Requests the Economic and Social Council to consider the possibility of and the procedure for transferring (consolidating) the regular programme of technical assistance to (in) the Capital Development Fund;

"9. Requests the Economic and Social Council to consider and approve the Statute of the United Nations Capital Development Fund, including the administrative structure of its secretariat and its local representatives. For the purpose of drafting the Statute of the Capital Development Fund, a committee composed of member countries shall be established which, in the performance of its task, shall take into consideration the recommendations of

^{1/} The Managing Director of the Special Fund and the Executive Chairman of the Technical Assistance Board may serve as representatives.

the Committee on a United Nations capital development fund and of the Governing Council of the Capital Development Fund;

"10. Requests the Secretary-General to take measures to ensure that all the work of consolidating the Special Fund and the Expanded Programme of Technical Assistance, together with the solution of the question of merging the United Nations regular programme of technical assistance with the Capital Development Fund, is completed by the twenty-second (twenty-first) session of the General Assembly, so that the latter may consider and approve the results of this work."

23. The Soviet delegation had presented that text because it could not accept the draft resolution on the consolidation of the Special Fund and the Expanded Programme of Technical Assistance which the Economic and Social Council had recommended for adoption by the General Assembly. The very manner in which that draft had been prepared was open to criticism. The Ad Hoc Committee of Eight to which the Council in 1961 had given the task of studying the question of merging the technical assistance programmes of the United Nations, had asked the Secretary-General to prepare a report on the possible advantages and disadvantages of such a step. In his report (E/3850), the Secretary-General had merely recommended the merger of the Special Fund and the Expanded Programme. The representatives of the Secretariat had also failed to give the Ad Hoc Committee of Ten any explanations on that subject.

24. It was regrettable that in so important a matter there should be such confusion and such a lack of clearly defined objectives. The situation was even more disturbing in that the authors of the consolidation draft, namely the United States of America, had produced no convincing argument in its favour, either at the last session of the Ad Hoc Committee of Ten or at the thirty-seventh and thirty-ninth sessions of the Economic and Social Council. The United States delegation had, however, employed its usual methods of intimidation, going so far as to threaten to withhold contributions to the Expanded Programme and the Special Fund if the two programmes were not merged.

25. In the end, the Secretary-General's report had taken into account only the point of view of the United States. Because of the one-sided approach of the Secretariat and the United States delegation's threat of a possible reduction in the volume of technical assistance, the Ad Hoc Committee of Ten had decided by a majority of a single vote to accept the views of the United States.

26. Instead of carefully drawing up measures for the radical improvement and co-ordination of United Nations programmes of technical assistance, a proposal had now been made for the mechanical merger of the two programmes, which in fact amounted to the complete absorption of the Expanded Programme by the Special Fund. The authors of the draft resolution had worked with incomprehensible haste and were trying to impose on the General Assembly decisions whose consequences it was difficult to foresee. The draft analysed the structure of the governing bodies of the new Programme in great detail but said nothing

about the content or orientation of the Programme. It would have been more logical to define the new Programme's purposes, functions and procedure at the outset and to deal with the administrative questions later. Many developing countries feared, with good reason, that the proposed consolidation would make it more difficult to transform the Special Fund into a capital development fund, as envisaged in General Assembly resolutions 1219 (XII), 1240 (XIII) and 1936 (XVIII) and as recommended by the United Nations Conference on Trade and Development.

27. It was well known that the Special Fund concerned itself primarily with pre-investment activities, to the detriment of the direct financing of investments, and it was to be feared that with the consolidation, United Nations assistance for industrial development would be pushed still further into the background. A mechanical merger and the artificial establishment of a two-headed management would not eliminate the existing defects of the technical assistance programmes in the field of industrial development. The Governments of the developing countries were not yet able to plan the utilization of the assistance which they received from the Special Fund. They were not informed early enough of the amount of such assistance. The choice of projects and their acceptance depended entirely on the Managing Director of the Special Fund. It was obvious that such a procedure was not only contrary to the interests of the new States but also humiliating. The proposed merger would not make it possible to apply the General Assembly resolutions concerning the allocation of a part of the resources of the Special Fund to the direct financing of economic and industrial development. It did not settle the question of the merger of the regular programme and the Expanded Programme, and it did not reduce the existing disorder in connexion with the utilization by the Secretariat of the \$6.4 million provided under part V of the regular United Nations budget. That disorder was due primarily to the fact that the Governments of developing countries could not plan the utilization of sums under the regular budget as they could the funds allocated under the Expanded Programme. The retention of a regular programme of technical assistance alongside the Expanded Programme led to waste, to increased administrative expense and to the dissipation of the funds of the Expanded Programme.

28. The Special Fund had originally been conceived as a means of blocking the establishment of a capital development fund and of placing United Nations technical assistance under the control of the United States. By the decision that it should be concerned essentially with pre-investment activities, it had been transformed into a sort of auxiliary economic service of the monopolies with the purpose of helping private capital to penetrate into the developing countries. Thus, the national industrial development programmes of those countries had been relegated to second place.

29. However, the developing countries had succeeded, with the aid of the socialist countries, in delaying the absorption of technical assistance by the Special Fund. Similarly, the attempt to bury the idea of a United Nations capital development fund had been thwarted. Yet the founders of the Special Fund had not abandoned their project for the consolidation of the Expanded

Programme and the Special Fund. When that question had been under consideration, those who were in favour of consolidation, as also the representatives of the Secretariat, had stated that it would not result in any increase in the administration expenses connected with technical assistance. His delegation, however, thought that there was a very real danger that that would happen. The intention of some representatives of the Secretariat to use the merger to expand the administrative machinery and establish new posts and titles could only increase the volume of unproductive expense. Such measures would constitute additional proof of the uselessness of the proposed merger.

30. The recent transfer of the secretariats of the Expanded Programme and the Special Fund to a building where the rent was \$350,000 a year was an example of the way in which the funds intended for technical assistance were being wasted. In that connexion, the question whether it was desirable to transfer those bodies to Geneva should be studied. All the evidence indicated that nothing would be done to bring about a substantial improvement in the functioning of the technical assistance services of the specialized agencies. The problem of co-ordinating the technical assistance activities of the Expanded Programme, the Special Fund, the specialized agencies and the offices of the Expanded Programme and the Special Fund in the developing countries was being passed over in silence. The Secretariat should furnish data showing the cost of the technical assistance programmes to the developing countries and the cost of maintaining the technical assistance personnel residing there.

31. The draft resolution submitted by the Council on the consolidation of the Special Fund and the Expanded Programme was a model of confusion and imprecision. Not only was there nothing to indicate that the new Programme would make due provision for investment activities, but it was clear that the present Expanded Programme—directed by the Technical Assistance Committee, which had been established on a democratic basis—would fall under the control of a governing council organized along the same lines as the present Governing Council of the Special Fund, which was dominated by the major Western Powers. The "effectiveness" which was invoked in that connexion was an extremely ambiguous notion, for it was not clear whether the point of view adopted would be that of the developing or that of the developed countries. The draft included quite a few other gratuitous assertions. For example, its sponsors described themselves as being convinced that such a consolidation would go a long way in streamlining the activities carried on separately and jointly by the Expanded Programme and the Special Fund. It was to be wondered on what that conviction was based if nothing in the existing programmes would actually be changed and the fundamental question of investment activities was being brushed aside with the statement that the proposed consolidation "would be without prejudice to consideration of the study requested by the Secretary-General of the practical steps to transform the Special Fund into a capital development fund". That formulation left many questions unanswered, and the clear solution of the problem of a capital development fund outlined in his delegation's draft resolution was thus obscured by abstract phraseology.

32. The draft resolution relating to the consolidation also recommended as a transitional measure that the functions of the administration of the United Nations Development Programme should be assumed by the present Managing Director of the Special Fund, who, however, did not represent the developing countries but United States business circles. At a time when the United Nations membership included seventy-nine developing countries, it was strange, to say the least, to entrust the defence of their interests not to a representative of those countries, as his delegation had proposed at the twelfth session of the General Assembly, but to a representative of the United States capitalists. The developing countries had severely criticized the activity of the Special Fund and its basically undemocratic procedure. Many of them were, with good reason, concerned that the present procedure of the Expanded Programme would be abandoned, and they did not wish to be dependent upon the will of the Managing Director of the Special Fund.

33. Although the Soviet Union was also a participant in the Special Fund, the contributions made by it for the purposes of industrial development in the developing countries remained practically unused. In particular, Special Fund credits in Soviet banks amounted at present to about 11 million roubles, and the reason for that state of affairs was that the Special Fund administration deliberately refused to use those funds. The situation would be different if a representative of a developing country was the head of that institution. Also, the way in which the Special Fund used its resources should be studied more carefully. Considerable sums belonging to the Special Fund were, in fact, immobilized or were being used to finance aggressive military operations such as that in the Congo. The amount of unused funds exceeded \$200 million. It must be asked whether it would not be better to use those sums to help the developing countries establish their industry. The situation would be different if the Special Fund was headed by a directorate whose members included representatives of the developing countries and the socialist countries.

34. His delegation was not opposed to a reorganization of United Nations technical assistance bodies and programmes so long as it really made them more effective and helped the developing countries to attain economic independence. The necessary material resources were available and had been analysed by the Soviet delegation in its statement in the general debate (960th meeting).

35. It might be asked why the representatives of some developing countries accepted such hasty and ill-considered decisions. If there had not been sufficient time to study the consolidation problem properly, its consideration should be deferred, and a committee should be set up to study the question thoroughly and submit its conclusions to the General Assembly at the twenty-first or twenty-second session. The amendments proposed by a group of developing countries to the Economic and Social Council's draft resolution showed that they had abandoned virtually all the positions which they had previously held.

36. His delegation was convinced that the adoption of the superficial resolution submitted by the Economic and Social Council could not but be prejudicial to the developing countries.

37. Mr. BRADLEY (Argentina) said that at a time when the efficiency of the Expanded Programme and the Special Fund was about to be further increased by their consolidation, he wished to express his delegation's gratitude to the Managing Director of the Special Fund, the Executive Chairman of the Expanded Programme and their associates for the constructive task already accomplished. He conveyed to them his good wishes for the success of the new Programme.

38. His delegation, which was one of those sponsoring the amendments contained in document A/C.2/L.795, agreed with the observation of the Jordanian representative that the regional distribution of the seats on the Governing Council to be assigned to the developing countries could be clarified once agreement had been reached on the matter among the representatives of the various developing countries. He noted moreover, that the delegations of Colombia, Jamaica, Peru and Uruguay wanted to be included among the sponsors of the amendments in question.

39. With regard to the establishment of a United Nations capital development fund, his delegation thought it would be better to wait until after the consolidation of the two existing programmes before discussing the matter.

40. Mrs. LINDSTROM (Sweden) said that her delegation, when participating in the work of the governing bodies of the two programmes, had often had occasion to observe to what extent the borderline between their activities was sometimes hard to define. She felt therefore, that the consolidation of the Expanded Programme and the Special Fund could not help but be advantageous to the developing countries.

41. Her delegation supported the consolidation, which in its view did not prejudice the question of the establishment of a capital development fund, but it did not think that that matter should be taken up at that stage. The question of furnishing assistance in the form of investment funds should be studied in the light of the co-ordination of Special Fund and Expanded Programme activities. In that connexion, she wished to challenge the criticisms that had been made regarding the Managing Director of the Special Fund, who had previously administered the Marshall Plan and who was certainly one of the most unselfish businessmen in the world.

42. With regard to the composition of the new Programme's Governing Council, her delegation thought that the principle of equality at present prevailing in the Governing Council of the Special Fund should be retained. It did not, however, believe in any rigid distribution, and it could readily adhere to the formula of balanced representation proposed by the sponsors of the amendments in document A/C.2/L.795, provided such a distribution did not mean that the majority group would impose its conditions on the minority group. The decision to be taken in any given case should be based on the merits of the project under consideration, and the members of the Governing Council that was to be established could be relied upon to act in that manner.

43. Mr. REED (Norway), whose delegation was a sponsor of the amendments in document A/C.2/L.793, said that, after hearing the Jordanian representative's statement, he thought that the respective position of the two main groups of countries now made it possible, in a spirit of co-operation, to reach a final decision on the consolidation of the Special Fund and the Expanded Programme. He expressed the hope that the USSR representative would not delay that decision by insisting on a discussion of the draft he had just read out.

44. Mr. CHAMMAS (Lebanon) said that he was not able to endorse the amendments in document A/C.2/L.793. He did, on the other hand, support those in document A/C.2/L.795 with one reservation regarding procedure. The draft resolution, after its approval by the Second Committee, would not come into force until it was adopted by the General Assembly. Hence, the new paragraph 7 proposed in document A/C.2/L.795 must either specify which provisions of the resolution were to come into force immediately or must state that operative paragraphs 1, 2, 5 and 6 would come into force on 1 January 1966.

45. With regard to the establishment of a United Nations capital development fund, he wished to assure the USSR representative that, as he would be able to realize from the discussion of that item, the developing countries had not in any way yielded their ground. It had simply seemed to them more appropriate to deal with that item independently of the consolidation of the Special Fund and the Expanded Programme so as to preserve the unity and the constructive spirit prevailing in the Second Committee. In conclusion, he wished to express his delegation's gratitude for the work accomplished by the Managing Director of the Special Fund.

The meeting rose at 1.5 p.m.