

United Nations
**GENERAL
ASSEMBLY**

TWENTY-SECOND SESSION

Official Records

**SECOND COMMITTEE, 1145th
MEETING**

Friday, 10 November 1967,
at 10.55 a.m.



NEW YORK

CONTENTS

	Page
<i>Agenda item 42:</i>	
<i>External financing of economic development of the developing countries (continued):</i>	
(a) <i>Accelerated flow of capital and technical assistance to the developing countries: report of the Secretary-General;</i>	
(b) <i>Outflow of capital from the developing countries: report of the Secretary-General</i>	191

<i>Agenda item 46:</i>	
<i>Operational activities for development (continued):</i>	
(a) <i>Activities of the United Nations Development Programme: reports of the Governing Council;</i>	
(b) <i>Activities undertaken by the Secretary-General</i>	192

Chairman: Mr. Jorge Pablo FERNANDINI
(Peru).

AGENDA ITEM 42

External financing of economic development of the developing countries (continued) (A/6703 and Corr.1, chap. V, sect. 1; A/6703/Add.1, chap. IV; A/6848, A/C.2/L.966/Rev.2, E/4408/Rev.1);

- (a) Accelerated flow of capital and technical assistance to the developing countries: report of the Secretary-General (E/4274 and Add.1, E/4293 and Corr.1 and Add.1 and 2, E/4327, E/4371 and Corr.1, E/4375);
- (b) Outflow of capital from the developing countries: report of the Secretary-General (E/4374 and Add.1 and 2 and Add.2/Corr.1)

1. The CHAIRMAN invited the Committee to vote on the revised draft resolution (A/C.2/L.966/Rev.2), the changes of which had been introduced orally at the previous meeting.

2. Mr. MOSIN (Union of Soviet Socialist Republics) requested a separate vote on operative paragraph 1.

Operative paragraph 1 was approved by 54 votes to none, with 9 abstentions.

The draft resolution, as a whole, was adopted unanimously.

3. Mr. KURIYAMA (Japan) said that his delegation's vote in favour of the draft resolution did not mean that it endorsed all the provisions of Economic and Social Council resolution 1183 (XLI), referred to in operative paragraph 1 (a). As Japan had stated at the twenty-first session of the General Assembly, it endorsed the general objective of the Council resolution, but could

not commit itself to any specific targets nor could it extend certain types of assistance mentioned in that resolution.

4. Japan wished to make a further reservation regarding operative paragraph 1 (b), which did not reflect its view that the terms of development assistance should be determined in each separate case on the basis of the recipient country's repayment capacity and the donor country's ability to extend soft terms.

5. Mr. VARELA (Panama) said that although his delegation had been able to support the draft resolution, it continued to believe that the words "when-ever it is agreed that the need arises" in operative paragraph 1 (b) were unnecessary and should have been deleted.

6. Mr. O'CONNOR (United States of America) reaffirmed his delegation's reservations regarding Economic and Social Council resolution 1183 (XLI).

7. Mr. MARTIN WITKOWSKI (France) recalled that France had abstained on the seventeenth preambular paragraph and on operative paragraphs 3 (b) (vii) and (viii) and 5 (b) of Economic and Social Council resolution 1183 (XLI). His delegation's vote in favour of the draft resolution did not imply any departure from that position.

8. Sir Edward WARNER (United Kingdom) said that the United Kingdom had abstained in the vote on Economic and Social Council resolution 1183 (XLI), and maintained the reservations it had made at the twenty-first session of the General Assembly regarding a number of provisions in that resolution. The United Kingdom also had reservations regarding the recommendations of the group of experts on the methodological problems related to the measurement of the flow of resources to developing countries, but had been able to vote for operative paragraph 2 (b) of the draft resolution because of the inclusion of the words "unanimously adopted".

9. Mr. AGIUS CESAREO (Malta) said that Malta had voted in favour of the draft resolution, although it was not entirely convinced of its necessity. His delegation would have abstained had there been a separate vote on operative paragraph 1 (b), since the provisions of that paragraph fell short of those of operative paragraph 3 (c) of Economic and Social Council resolution 1183 (XLI), but that difficulty was not so great as to prevent his delegation from supporting the draft resolution as a whole.

10. Mr. MOSIN (Union of Soviet Socialist Republics) said that his delegation had abstained in the vote on operative paragraph 1 in accordance with the position

it had taken on Economic and Social Council resolution 1183 (XLI).

AGENDA ITEM 46

Operational activities for development (*continued*)
(A/6703 and Corr.1, chap. XIII, sect. I and II;
A/C.2/L.969/Rev.1):

- (a) Activities of the United Nations Development Programme: reports of the Governing Council (A/6809, E/4297, E/4398);
- (b) Activities undertaken by the Secretary-General (A/6841)

11. Mr. FIGUEREDO PLANCHART (Venezuela), speaking on behalf of the sponsors, introduced draft resolution A/C.2/L.969/Rev.1, indicating the changes that had been made in the original text. The delegations of the Central African Republic, Congo (Brazzaville), Congo (Democratic Republic of), Dahomey, Gabon, Mauritania, Morocco, Senegal, Sierra Leone and Togo had joined the delegations of Tunisia, Upper Volta and Venezuela in sponsoring the revised draft resolution.

12. Mr. KOCHUBEI (Ukrainian Soviet Socialist Republic) pointed out that the date "19 October" in the fifth preambular paragraph should be changed to "9 October".

13. Mr. VARELA (Panama) said that he was now able to support the draft resolution, since the objections he had raised at the previous meeting to the fifth preambular paragraph and operative paragraph 2 of the original text no longer applied.

14. Mr. VERCELES (Philippines) suggested that the words "and facilitate" should be inserted after the word "stimulate" in operative paragraph 2. If that suggestion were accepted, his delegation would be glad to join the sponsors of the draft resolution.

15. Mr. BLAU (United States of America) said that the detailed reference in the fifth preambular paragraph to the Secretary-General's suggestion in the introduction to his annual report to the General Assembly at its twenty-first session (A/6301/Add.1, p. 9) that the resources of the United Nations Development Programme (UNDP) should be brought to a level of not less than \$350 million by 1970 was unfortunate, since it was well known that the target of \$200 million set in General Assembly resolution 2093 (XX) had not yet been attained. The reference to a suggested new level of resources representing 175 per cent of that target and almost twice the current resources available to UNDP was only likely to discourage further increases in Government contributions. The United States contribution to UNDP required the approval of the Congress, whose endorsement of further increases might be jeopardized by a specific reference to a target of \$350 million. He therefore suggested that the fifth preambular paragraph should be redrafted to read:

"Recalling the Secretary-General's suggestion with respect to the target for the Programme in the introduction to his annual report to the twenty-first session of the General Assembly and in his statement to the Pledging Conference on UNDP of 9 October 1967."

16. Mr. CARANICAS (Greece) said that the sponsors would be wise to accept the United States representative's suggestion, since experience had shown that resolutions adopted by United Nations bodies without the support of major donor countries—for example, the resolution establishing the United Nations Capital Development Fund (General Assembly resolution 2186 (XXI)) and a number of resolutions adopted by UNCTAD—carried little weight in practice. The target suggested by the Secretary-General represented a desirable level of resources to be attained in the distant future, and it was hardly appropriate to urge a substantial increase in funds for pre-investment activities at a time when the depletion of the resources available to the International Development Association showed that there were insufficient funds for investment proper.

17. Mr. DIALLO (Upper Volta) said that the arguments advanced by the Greek representative were not entirely convincing; for example, the year 1970 could hardly be referred to as the "distant future". The arguments adduced by the United States representative were more cogent, but he himself considered that in view of the ever growing needs of the developing countries, United Nations bodies should set quantitative, not qualitative targets. In a spirit of compromise, however, the sponsors agreed to amend the fifth preambular paragraph by inserting the words "regarding the annual resources of UNDP" after the words "October 1967", and deleting the rest of the paragraph. The sponsors also accepted the amendment to operative paragraph 2 proposed by the representative of the Philippines. He appealed to the Canadian representative not to press the amendment to operative paragraph 2 which he had proposed at the 1144th meeting.

18. Mr. RANKIN (Canada) explained that he had submitted his amendment because in some cases a UNDP pre-investment survey might show that a proposed investment project was not economically viable and did not call for follow-up financing. However, that fact was probably self-evident and in view of the appeal made by the representative of Upper Volta, he would withdraw the amendment. He shared the United States representative's views regarding the advisability of deleting the reference to a specific target in the fifth preambular paragraph, for that might cause an adverse psychological reaction in the Canadian Parliament.

19. Mr. GEORGE (France) agreed that it would be advisable to delete all references to a specific target, for the reasons given by his delegation at the 1144th meeting. He therefore proposed that operative paragraph 1 should end with the word "UNDP", the rest of the paragraph being deleted. He also proposed that the word "Recalling" in the fifth preambular paragraph should be replaced by the words "Taking note of".

20. Mr. DELGADO (Senegal) observed that the fifth preambular paragraph merely recalled the target suggested by the Secretary-General, and did not commit countries which had reservations regarding that target. The United States representative had contended that any reference to a specific target might jeopardise the endorsement by Congress of further increases in the United States contribution to UNDP, and he was willing to defer to that opinion,

although he himself considered that a specific figure might in fact spur the Congress to increase the considerable efforts the United States was already making to help the developing countries. He failed to see the point of the amendment suggested by the representative of France to the fifth preambular paragraph, for, in his view, the words "Taking note of" was more forceful than the word "Recalling". He appealed to the French representative to withdraw his amendments.

21. Mr. OULD SIDI (Mauritania) said that the sponsors had already made substantial concessions, in particular by agreeing to amend the fifth preambular paragraph along the lines suggested by the United States representative. He therefore appealed to the French representative not to press his amendments. With regard to the amendment of the fifth preambular paragraph, the words "Taking note of" were stronger than the word "Recalling", as the representative of Senegal had already pointed out. As to his other amendment regarding operative paragraph 1, he considered that some reference to the target suggested by the Secretary-General was essential, for it would stimulate the international community to increase its efforts on behalf of UNDP.

22. Mr. CHTOUROU (Tunisia) associated himself with the previous speakers who had appealed to the French representative to withdraw his amendments. The original text of operative paragraph 2 had now been revised so as to eliminate any implication that the sponsors wished to prejudice the operations of the United Nations Capital Development Fund in any way. The sponsors had voted in favour of establishing the United Nations Capital Development Fund and strongly supported that body.

23. Mr. VARELA (Panama) said that he, too, failed to see the point of the French amendment to the fifth preambular paragraph, since in his view the terms "Recalling" and "Taking note of" were equally strong. He would vote in favour of operative paragraph 2, as amended by the Philippine representative, on the understanding that, in the Spanish text of that amendment, the word "facilitate" was translated by some such term as "propiciar", for if the Spanish word "facilitar" was used it might be interpreted as meaning "to provide".

24. Mr. GEORGE (France) explained that his proposed amendment to the fifth preambular paragraph had been prompted by the fact that in General Assembly resolutions the term "Recalling" usually referred to previous decisions of United Nations bodies. The phrase "Taking note of" on the other hand, simply noted a statement by the Secretary-General, without expressing approval or disapproval.

25. With regard to his second amendment, he considered that delegations which voted for operative paragraph 1 in its existing form would morally commit themselves to increasing their contributions. His delegation was not in a position to commit its country in that way, and therefore requested a separate vote on that paragraph.

26. Mr. VARELA (Panama) moved the closure of the debate on draft resolution A/C.2/L.969/Rev.1.

27. Mr. SAHLOUL (Sudan) and Mr. DERESSA (Ethiopia) opposed the motion.

28. The CHAIRMAN put the Panamanian motion to the vote.

The Panamanian motion was rejected by 9 votes to 22, with 46 abstentions.

29. Mr. HOUNTON (Dahomey) reiterated the appeal to the French representative not to press his amendments. The figure of \$350 million suggested by the Secretary-General was merely indicative, and delegations which voted in favour of the draft resolution would not be committing themselves to that target. Furthermore, it was generally agreed that UNDP must be given greater resources if it was to respond effectively to the growing needs of the developing countries.

30. Mr. SAHLOUL (Sudan) said that he wished, on behalf of his own delegation and those of India, Pakistan, Syria, United Arab Republic and Yugoslavia, to make a statement on operative paragraph 2 which he would request the Rapporteur, if the Committee so agreed, to include in his report on the item. Those delegations were prepared to vote for operative paragraph 2 on the understanding that their support did not in any way prejudice any action to be undertaken by the General Assembly, during the current session or subsequently, in connexion with the United Nations Capital Development Fund or the implementation of the resolutions relating to it.

31. The CHAIRMAN suggested that the Rapporteur should be requested to include that statement in his report.

It was so agreed.

32. Mr. KOVALEV (Union of Soviet Socialist Republics) said that, in view of the request in operative paragraph 2 of the draft resolution to the Governing Council of UNDP to "examine the means whereby UNDP could do more to stimulate the financing of projects . . .", his delegation wished to draw attention to the fact that neither the Administrator of UNDP nor the Commissioner for Technical Co-operation was taking adequate action to ensure that the resources contributed by his country for assistance to the developing countries were fully utilized. It should be borne in mind that 25 per cent of his country's contributions to UNDP was pledged in convertible currencies and 75 per cent in rubles, and that, as matters stood, approximately 15 million rubles, or the equivalent of \$16 million, of its contributions remained unused. Such facts undoubtedly influenced the response of Member States to appeals for increased resources for UNDP and would determine his delegation's position in any vote on the draft resolution.

33. Mr. SZABLEWSKI (Poland) associated himself with those observations. The fact that Governments were constantly being urged to increase their assistance contributions while large funds were lying unused should, in his delegation's opinion, be discussed by the Second Committee at a later stage. That payment of a proportion of the USSR contributions to UNDP in rubles was no justification for not using those contributions: many countries, after all, paid the whole of their contributions in local currencies, and such contributions were fully utilized.

34. Mr. CHTOUROU (Tunisia), speaking on behalf of the sponsors of the revised draft resolution, appealed to the French delegation to withdraw the amendments it had proposed to the fifth preambular paragraph and operative paragraph 1. The amendments, if accepted, would nullify the whole purpose of the draft resolution, which was to ensure that Governments took the Secretary-General's suggestions into account in considering the amount of their future contributions to UNDP. It should be noted, moreover, that approval of the draft resolution would imply no commitment on the part of any delegation.

35. Mr. OULD SIDI (Mauritania), Mr. FIGUEREDO PLANCHART (Venezuela) and Mr. KLU (Togo) supported those observations.

36. Mr. GEORGE (France) withdrew the amendments proposed by his delegation.

37. Mr. CARANICAS (Greece) proposed that the debate on the draft resolution should be closed.

It was so decided.

38. The CHAIRMAN invited the Committee to vote on the revised draft resolution (A/C.2/L.969/Rev.1), as amended orally, beginning with operative paragraph 1, on which a separate vote had been requested.

Operative paragraph 1 was adopted by 86 votes to none, with 7 abstentions.

The draft resolution, as a whole, as amended, was adopted by 86 votes to none, with 7 abstentions.

39. Mr. KOVALEV (Union of Soviet Socialist Republics) said that his delegation had abstained in the vote on the draft resolution for the reasons indicated in his statement earlier in the meeting.

40. Mr. BLAU (United States of America) said that the conciliatory attitude shown by the sponsors in accepting certain amendments to the draft resolution had made it possible for his delegation to vote in favour of operative paragraph 1 and of the draft resolution as a whole. His Government was not, however, in a position to commit itself to a specific figure for its future contributions, although it hoped, as in the past, to be able to increase its contributions annually in the measure that other Governments did.

41. Mr. SVAB (Czechoslovakia) said that his delegation had abstained in the vote on the draft resolution because it implied an obligation on Governments to double their contribution to UNDP in future years. His Government's contribution had, in fact, been doubled in recent years and the amount of its future pledges would depend on the effective utilization of all funds contributed to the Programme.

42. Mr. FRANZI (Italy) said that his delegation had voted in favour of the draft resolution because it wished to be associated with any effort to increase the resources available to UNDP. He believed, however, that real progress towards achieving the targets suggested by the Secretary-General would come only when Governments were convinced that existing resources were being effectively utilized. As, however, he had stated at the 1142nd meeting, the administration of UNDP could not be expected to achieve any substantial improvement in that respect until the

relationship between UNDP and the specialized agencies had been reviewed with a view to giving the administration of UNDP the authority it required.

43. Mr. DEWULF (Belgium) said that his delegation had abstained in the vote on the draft resolution for reasons similar to those which had induced the representative of France to suggest amendments to it.

44. Mr. SVENNEVIG (Norway) said that his delegation had voted in favour of the draft resolution, on the understanding that its vote did not imply acceptance by his Government of a commitment to increase its contribution to UNDP in a definite proportion, as it had been interpreted by some other delegations. His delegation considered that the appeal for increased contributions contained in the document was an important one, although it did not mean that the target of \$200 million had been superseded.

45. Mr. REISCH (Austria) said that his delegation had been able to vote for the draft resolution because of the assurance given by the sponsors that the appeal in operative paragraph 1 for increased contributions to UNDP was not directly related to the specific target suggested by the Secretary-General for 1970.

46. Mr. PLEHN MEJIA (Mexico) said that his Government's recent pledge of a substantially increased contribution to UNDP was an indication of its belief that the Programme was an ideal instrument for international economic co-operation and his delegation had therefore been happy to support the draft resolution.

47. Mr. GEORGE (France) said that his delegation had abstained in the vote precisely for the reasons adduced by the representatives of the United States, Norway and Austria in their explanation of vote.

48. Mr. KURIYAMA (Japan) said that his delegation had voted in favour of the draft resolution on the understanding that his Government was not thereby committed to accepting any specific new target for contributions to UNDP.

49. Mr. ALO (Nigeria) said that his delegation had voted in favour of the draft resolution on the same understanding as had been expressed by the representative of Sudan with regard to the United Nations Capital Development Fund.

50. Mr. BRADLEY (Argentina) said that his delegation had voted in favour of the draft resolution because it considered that the operative paragraphs would undoubtedly help to secure increased funds for UNDP and a desirable expansion of its activities.

51. Mr. AGIUS CESAREO (Malta) said that the co-operative spirit shown by the sponsors in accepting amendments to the original text had made it possible for his delegation to vote in favour of the draft resolution.

52. Sir Edward WARNER (United Kingdom) said that his delegation had voted in favour of the draft resolution but wished to make it clear that the reference to the Secretary-General's suggested target did not imply any commitment whatever by his Government to accept that target or to increase its contribution proportionately.

53. The CHAIRMAN suggested that, since informal consultations were still in progress, the Rapporteur should be requested to proceed with the preparation of the draft report on the item, but to include a

reference to the possibility of the consideration of the item being re-opened.

It was so agreed.

The meeting rose at 1.20 p.m.

