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Chairman: Mr. Blasco LANZA D'AJETA (Italy).

AGENDA ITEM 28

Economic development of under-developed countries (continued):

(e) Provision of food surpluses to food-deficient peoples through the United Nations system (A/4820 and Corr.2, chapter II, section III; A/4907 and Add.1 and Add.1/Corr.1 and Add.2, E/3509, A/C.2/L.617/Add.2, A/C.2/L.617/Rev.1)

1. Mr. HASSAN (Somalia) said that his country, which had recently suffered disastrous floods, was well able to appreciate the importance of the world food programme proposed in the draft resolution (A/C.2/L.617/Rev.1). His delegation endorsed the principles expressed in that draft but would emphasize that the provision of food should in no way hamper the diversification of agriculture in the recipient countries. It would also suggest that, as the usual period of planning was five years, the experimental programme envisaged in the draft should likewise be established for a five-year period.

2. Mr. GREEN (New Zealand) said that his country had supported the resolution of the FAO Conference on a world food programme and was prepared to support a General Assembly resolution endorsing the proposals made in it. His delegation considered that in the long run the problem of food deficiencies could only be solved by increasing the productive capacity of the food-deficient countries themselves so that they could either grow the food they required or afford to import it. In the compromise resolution it had adopted on the subject at its last session, the Assembly had given explicit recognition to that long-term solution. The problem of surpluses was a different and more complex matter. Surpluses were a result of the price support and subsidy policies of some countries, and the international disposal of such subsidies would always affect commercial markets, although attempts could be made to minimize the resulting dislocations. The im-

portant international machinery already established to deal with the problem must therefore remain in operation.

3. The first of his delegation's amendments (A/C.2/L.631) reiterated, as the General Assembly had done in resolution 1496 (XV) and the Economic and Social Council in resolution 832 (XXXII), the "transitional" nature of surplus disposals of utilization as a solution to the problem of hunger. The next two amendments gave recognition to the existing machinery for inter-governmental consultation on surpluses. The FAO Consultative Sub-Committee on Surplus Disposal covered all commodity surpluses and therefore covered products such as cotton, tin, lead and zinc, etc. It was important in a resolution setting up new consultative machinery to bear fully in mind the vital machinery already in existence which should continue its present functions. Furthermore, the Assembly discussed at great length, the previous year, the question of safeguarding trade of commercial food exporters. Specific references to the safeguards had been mentioned in the FAO resolution and it was important for the Assembly to do likewise.

4. In view of the discussions which had taken place during and after the FAO Conference, and in the light of press speculation that a very much larger programme of food disposals might be introduced into the United Nations, his delegation considered that operative paragraph 15 of part II of the draft resolution might be taken as an implicit endorsement of some as yet only vaguely outlined schemes. Moreover, the last part of the paragraph gave rise to considerable difficulties of interpretation and could amount to the prejudging of an issue which should be very carefully and fully discussed before receiving any kind of treatment in an Assembly resolution. There was no adequate time even to begin a discussion of the wide issues which would arise if an expansion of "the scope" of the programme were to be injected into the present debate. His delegation therefore considered that it would be better at that stage to delete the paragraph, and had so proposed in its fourth amendment.

5. Dr. SACKS (World Health Organization) said that WHO had been consulted on the medical and public health aspects of the proposal before the Committee. The relief of under-nutrition and malnutrition was of fundamental importance for the health and well-being of a large part of the world's population, and therefore to enable those populations to improve their living conditions, FAO and WHO, because of their mutual interest in those questions, had established a solid framework of collaboration over the past fifteen years. They had, for instance, set up joint committees of experts; they had developed joint programmes in the fields falling within their competence; and they had pre-

pared studies on the fundamental problems of nutrition, and on integrated programmes carried out by FAO, WHO and UNICEF. FAO and WHO remained in consultation from the time projects were drafted until they had been executed and assessed in the field.

6. WHO had an important role to play in the public health aspects of short and long-term nutritional programmes, and looked forward to close co-operation with FAO and the United Nations, in the Inter-Governmental Committee and the joint United Nations FAO administrative unit.

7. Mr. BRILLANTES (Philippines) remarked that there seemed to be no dispute on the basic principles underlying the draft resolution; what differences of opinion existed related only to procedural matters. He would suggest that, in order to reconcile those differences, the two preambular paragraphs in part II of the draft resolution should be incorporated into the first preambular part of the draft, and operative paragraph 14 reworded to read:

"Decides to undertake, in the light of experience gained and results achieved, a general review of the programme, its accomplishments and development, not later than the eighteenth session of the General Assembly, with a view to considering the appropriate steps to be taken thereafter."

8. His delegation would also suggest that the word "Approves" in operative paragraphs 1 and 2 of part I should be changed to "Concurs" in order to bring the paragraphs into conformity with the wording used in the resolution of the FAO Conference.

9. Mr. BOIKO (Ukrainian Soviet Socialist Republic) considered that the programme proposed in the draft resolution might divert attention from the problem of enabling the under-developed countries to provide the food their peoples needed by increasing their own productivity to the narrower problem of the agricultural surpluses produced by some Western countries. His delegation also understood the fears expressed by the representatives of food-exporting countries regarding the effects of the programme on their trade. It considered that food surpluses were a problem of Governments and not of peoples, for the unemployed in the Western countries certainly had no food surpluses, while the money contributed by taxpayers to produce those surpluses could be better used to buy more food. In view of the possibly adverse effects of the programme, to which attention had been drawn in a number of passages of the Secretary-General's report on the subject (E/3509), his delegation considered that the draft resolution should contain a provision providing for a review of the programme, including, in particular, an assessment of its usefulness in furthering the economic and agricultural development of recipient countries and its effects on the traditional exporters of food.

10. Mr. GUNASEKERA (Ceylon) welcomed the addition of the second preambular paragraph in part II of the draft resolution, since his delegation attached considerable importance to the role of different types of assistance in promoting economic development. The draft resolution was to be commended, as it would be a means of providing assistance in times of disaster. However, in view of the administrative procedure and consequent delays which the proposed programme might involve, the urgent nature of the need for food aid in times of disaster should

be taken into account. The Ceylonese delegation supported the oral amendment to the second preambular paragraph of part II submitted by the representative of Tunisia (783rd meeting).

AGENDA ITEM 31

Progress and operations of the Special Fund (A/4820 and Corr.2, chapter III, section III; A/4897, E/3435, E/3521, SF/L.45 and Corr.1, SF/L.45/Add.1 and Corr.1, A/C.2/L.614/Rev.1) (continued)

11. The CHAIRMAN invited the Committee to resume its consideration of the four-Power draft resolution, a new text of which had been circulated (A/C.2/L.614/Rev.1).

12. Mr. MAKEEV (Union of Soviet Socialist Republics) regretted that the draft resolution, which dealt with many important and complex matters concerned with present and future activities of the Special Fund, had not been submitted in time for delegations to study it in detail. The draft resolution as a whole was too vague. It overestimated the role of the Special Fund and failed to do justice to the Expanded Programme of Technical Assistance and other United Nations technical assistance programmes. The activities of the Special Fund were open to certain criticisms. The Fund worked slowly and only a few of the numerous projects selected had in fact been implemented. As had been pointed out by many of the less developed countries, it was wrong for the Fund to concentrate on pre-investment activities; such a policy was contrary to General Assembly resolution 1240 (XIII), which had established the Special Fund and specified that it should also deal with various experimental projects which were of importance for the development of the industry and economy of the less developed countries. A change in policy was needed in order for the Fund to fulfil the economic development needs of those countries. One of the main defects of the draft resolution was that it endorsed the basically incorrect policy being pursued.

13. The Soviet delegation considered that the authority of the Managing Director of the Special Fund should be limited, particularly with regard to the rejection of projects submitted by Governments. Information should be provided on the projects not included in the programme and the Managing Director should submit a special report to the Governing Council on that subject, so that the Council could decide whether or not particular projects should be accepted. The specialized agencies executing Special Fund projects were not using the services of firms in certain countries, including socialist countries, and were excluding them from participation in the projects. Information should be given on the firms invited to participate and on the reasons for their acceptance. The Managing Director and the specialized agencies concerned should contract the services of firms on a wide international basis and use the potentialities of all countries. The local expenditure of the Special Fund was far too high. On the other hand, the stipulation that the less developed countries had to make an initial contribution to cover local costs before a project was started was unsatisfactory and could be used to delay the implementation of certain projects.

14. The Soviet Union was not opposed to the co-ordination of aid from all sources but it was uncertain what international organizations were en-

visaged in operative paragraph 1 of the draft resolution. In its present form, the paragraph might adversely affect the entire work being carried out in the field of technical assistance. As it had said at the last session of the Technical Assistance Committee, the Soviet delegation detected a regrettable tendency to link United Nations technical assistance programmes with aid provided within the framework of military blocs and alliances such as the North Atlantic Treaty Organization (NATO). The creation of a consortium comprising all programmes of aid to the less developed countries and headed by the Special Fund would result in the extension of the Fund's present incorrect policy to all types of aid and would hinder work on the establishment of a United Nations capital development fund. In view of the important and far-reaching consequences which the adoption of the draft resolution might have, it would be preferable to postpone the vote on it until a later stage, possibly until the seventeenth session of the General Assembly.

15. Mr. HASSAN (Somalia) suggested that a recommendation might be inserted in operative paragraph 1 to the effect that the Special Fund should extend its activities beyond pre-investment assistance and help to establish industries in the underdeveloped countries.

16. Mr. VIAUD (France) said that, although the changes which had been made in the text of the draft resolution reflected a desire to take into account the views expressed, the criticisms raised by the French delegation were of fundamental importance. Certain types of co-operation between the Special Fund and other bodies dealing with technical assistance could not be decided upon in advance. Even a preliminary study of forms of co-operation could not be other than pragmatic and should proceed on the basis of each individual case, without affecting the principle that the decision regarding the desirability of co-ordination rested with the Governments requesting assistance. The French delegation had certain doubts regarding the seventh preambular paragraph, since co-ordination could not always be carried out by the Special Fund and other methods should be considered. The same doubts also applied to operative paragraph 1, since, even if certain Governments wanted the Special Fund to be associated with specific projects, that was not necessarily a desirable method of expanding the Fund's activities. The necessary expansion should be achieved by increasing the resources available to the Fund and by adapting its terms of reference. Moreover, it was not clear what non-governmental organizations were envisaged in that paragraph. The French delegation wished to reserve its position regarding the opportunities for closer association offered by the regional economic commissions and the resident representatives, since the necessary preliminary study had not yet been made. It interpreted operative paragraph 3 in the sense that the principles and procedures to be recommended should be framed in practical and not in abstract terms.

17. Mr. HARLAND (New Zealand) said that the vagueness of the draft resolution, to which the representative of the Soviet Union had referred, was deliberate, because the sponsors had no pre-conceived notions about how the idea contained therein should be put into practice. The late submission of the draft resolution was not the fault of the sponsors, since the discussion of the item had been

brought forward in the Committee's agenda. Precisely because there was only limited time available for discussion, the draft resolution should not prejudice the issues involved. The representative of the Soviet Union had said that the role of the Special Fund was being over-estimated. However, the Fund was the body which was closest to the needs, problems and aspirations of the developing countries and it was therefore appropriate that it should be given the task of preparing the proposed study, which would be of a practical nature. It was not accurate to speak of a consortium of technical assistance programmes, since the sponsors envisaged an approach on a project basis and the only co-ordination possible would be between specific projects; accordingly, in the draft resolution, references were made to projects of the Special Fund. The possible role of the Expanded Programme of Technical Assistance was covered by the phrase in operative paragraph 2: "in consultation, as appropriate, with other agencies within the United Nations family". The draft resolution had been criticized for not going beyond the existing terms of reference and programmes of the Special Fund, but it had been the sponsors' intention that the draft resolution should remain within the existing legislation and policies of the Fund. The reference to different types of organizations had been included in operative paragraph 1 in order to show that any available source of assistance could come within its scope. The sponsors had been concerned with the availability, rather than with the source, of assistance, and it was not in the interests of the less developed countries to give a narrow definition of aid. In reply to the representative of France, he would point out that the draft resolution was indeed pragmatic in approach and that it included references to the participation of Governments, which was an essential element in any arrangements for assistance. The role of the regional economic commissions and the resident representatives was not prejudged in operative paragraph 2.

18. The sponsors of the draft resolution had been concerned with the point of view of the less developed countries themselves. Doubt had been expressed as to whether the draft resolution would increase the flow of aid to such countries. It was likely that the flow would be increased, and a considerable amount of aid had been used in the past for purposes which were not the most fruitful from the long-term point of view. Concentration on the most important projects would result in a more effective use of the aid available.

19. Mr. MAKEEV (Union of Soviet Socialist Republics) said that the statement just made by the New Zealand representative merely proved that the subject of the joint draft resolution was extremely complex and deserved more careful study. The sponsors would be unwise to insist that the Committee take a hasty decision on their text.

20. Mr. DIMBU (Romania) said that the joint draft resolution had taken his delegation by surprise. It was much more complex than it had at first appeared. Its basic aim was to expand the Special Fund's activities and to assign new functions to its Managing Director. The seventh preambular paragraph and operative paragraphs 1 and 2 raised constitutional problems which could not be solved by reference to the existing legislation of the Special Fund. No member of the Second Committee had

the right to push through a draft resolution which contained such provisions. At the present stage, the Committee did not even have time to decide whether the study recommended was desirable. The aim of the draft resolution must first be clarified and Governments consulted as to the wisdom of expanding the original terms of reference of the Special Fund. His delegation suggested that a decision on the matter should be postponed until the seventeenth session.

21. Mr. KAKITSUBO (Japan) said that the text of the draft resolution was simple and straightforward: it contained no hidden pitfalls. Its aim was to increase the activities of the Special Fund within its existing terms of reference. The number of requests made to the Special Fund was increasing and many of them related to large-scale projects which the Fund could not finance with its own resources. Hence the need for closer association with other forms of aid. There was no question of expanding the activities of the Special Fund at the present stage; all that was asked for was a report from the Managing Director. Nor should there be any fear that the adoption of the draft resolution might lead to an increase in the amount of assistance rendered for military or political purposes. It was already one of the guiding principles of the Special Fund that the assistance it furnished should not be accompanied by any conditions of a political nature. As to the question raised by the French representative about the non-governmental organizations mentioned in operative paragraph 1, the existing terms of reference of the Special Fund authorized it to receive donations from non-governmental sources, without specifying exactly what those sources were.

22. Mr. LINGAM (India) felt it would be very difficult at the present stage for the Committee to take a decision on the draft resolution. His delegation had serious reservations about operative paragraph 1. The Special Fund had been in operation for only a short time and it was too early to say whether its activities should be expanded. The draft resolution which the Committee had adopted at its 777th meeting on the United Nations Development Decade (A/C.2/L.555 and Add.1-3) also requested the Special Fund to expand its services along lines very similar to those recommended in the draft resolution. He hoped that the sponsors would not press it to a vote. If they did, India would have to abstain.

23. Mr. HARLAND (New Zealand) said, in reply to the Indian representative, that the service recommended in document A/C.2/L.555 differed from that proposed in the joint draft resolution (A/C.2/L.614/Rev.1); the former related to assistance already given by the Special Fund whereas the latter related to assistance within the field of pre-investment that might be requested in the future.

24. Mr. CARANICAS (Greece) moved the closure of the debate on the draft resolution (A/C.2/L.614/Rev.1) under rule 118 of the rules of procedure.

The motion for closure was adopted by 22 votes to none, with 46 abstentions.

Organization of the Committee's work (A/C.2/L.632)

25. Mr. LINGAM (India) thought that the Chairman's suggestions (A/C.2/L.632) were practical,

logical and impartial. He proposed that the Committee should adopt them.

26. Mr. BERNARDO (Argentina) supported the Chairman's suggestions in principle but felt that the one contained in paragraph 6 was premature.

27. Mr. VIAUD (France) agreed with the representative of Argentina regarding paragraph 6 of document A/C.2/L.632. It should be made clear that the items not disposed of by 19 December 1961 would be referred to the seventeenth session of the General Assembly. Even if the Assembly, for reasons which were not the concern of the Second Committee, decided to resume its sixteenth session after 31 December 1961, that would not justify the reconvening of the Second Committee. There was the risk that the programme of work of the Economic and Social Council and its functional commissions might be completely disrupted. That was one more reason why the French delegation opposed any recommendation which might involve a resumption of the sixteenth session so far as the Second Committee was concerned.

28. In any event, the final inclusion of items in the agenda of the seventeenth session of the General Assembly would of course depend on the Assembly itself and the recommendations of the General Committee at that session. The Second Committee could therefore only record an opinion as to the items to be included in that agenda; it could not make a decision. He agreed with the Chairman's suggestions contained in paragraph 5 (a) and (b).

29. Mr. MALINOWSKI (Secretary of the Committee), replying to the representatives of Argentina and France, said that under rule 13 of the rules of procedure any items not debated at the current session would, if recommended by the Committee itself and the General Assembly, be included in the provisional agenda for the seventeenth session. The decision as to whether they would remain in the final agenda at that session would, of course, be for the General Assembly to take at that time.

30. Mr. WODAJO (Ethiopia) agreed with the suggestions made by the Chairman in document A/C.2/L.632. Items 22 (b) and (c), on the economic development of Africa and African educational development, were particularly urgent and deserved the Committee's immediate attention, since item 22 (c) referred to a programme which had already been initiated by UNESCO and the Economic Commission for Africa while item 22 (b) had already been postponed from the fifteenth session. The items entitled "Population growth and economic development" (item 84) and "Permanent Sovereignty over natural resources" (item 87) were, undoubtedly, extremely important, but they did not call for immediate action, so that it would be better to postpone the discussion of them until there was sufficient time available.

31. Mr. TABIBI (Afghanistan) said that the fear he had expressed at the 716th meeting of the Committee that the placing of item 87 at the end of the agenda might mean its postponement until the following session had unfortunately proved justified. In the view of his delegation that item was one of the most important on the agendas of the Committee and the General Assembly; he could not agree that it was controversial. Nevertheless, in the circumstances there was no alternative but

to accept the Chairman's proposals, since otherwise none of the other items would be completed.

32. However, since item 87, had already been delayed for four years, he proposed to submit, with other delegations, a procedural draft resolution^{1/} recommending, first that the mandate of the Commission on Permanent Sovereignty over Natural Resources should be continued; secondly, that the Secretariat should publish the study already made by that Commission; and thirdly, that the item on permanent sovereignty over natural resources (item 87) should be given first priority either at the resumed sixteenth session, if it took place, or at the seventeenth session.

33. In the meantime, his delegation fully approved the proposals in paragraph 5 (a), (b) and (c) of document A/C.2/L.632.

34. Mr. BOLIN (Sweden) said that his delegation endorsed the proposals in document A/C.2/L.632. However, he considered that if it were decided to postpone discussion of items 84 and 87, then item 84 should be discussed before item 87. As a matter of principle he believed that the Committee should keep to the agenda order which it had decided upon, since nothing had happened to change the relative importance of the different items, and he hoped that the representative of Afghanistan would agree with that point of view.

35. Mr. FINGER (United States of America) and Mr. CHAMMAS (Lebanon) suggested that the Com-

mittee should confine its discussion to paragraph 5 of document A/C.2/L.632 and take up paragraph 6 after the General Committee had taken a decision regarding a resumed session.

36. Mr. BUTTI (Iraq), after expressing his delegation's agreement with the views put forward by the representative of Afghanistan, pointed out that the proposed time-table did not appear to allow any time for discussion of the Second Committee's draft report.

37. Mr. MALINOWSKI (Secretary of the Committee), in reply to the representative of Iraq, said that the Rapporteur proposed to make a statement on that subject at the following meeting.

38. Mr. CARANICAS (Greece) appealed to the sponsors of the draft resolution entitled "Inflation in under-developed areas" (A/C.2/L.564/Rev.1) to withdraw their text for the current session, as the subject was an extremely important one on which it would be better not to rush discussion. If consideration of that draft resolution and of items 84 and 87 were postponed until the next session, the Committee should be able to complete its work by 18 December.

39. The CHAIRMAN suggested that the Committee should accept the proposal by the representative of the United States to adopt paragraph 5 (a), (b) and (c) of document A/C.2/L.632 and to discuss paragraph 6 after the next meeting of the General Committee.

It was so decided.

The meeting rose at 6.40 p.m.

^{1/} Subsequently circulated as document A/C.2/L.634.