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**SECOND COMMITTEE 524th
MEETING**

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Chairman: Mr. Toru HAGIWARA (Japan).

AGENDA ITEM 28

Economic development of under-developed countries:

(a) Establishment of the Special Fund: reports of the Preparatory Committee for the Special Fund and of the Economic and Social Council (E/3098, A/3848, paras. 164-177, A/3909, part B, A/3910, A/C.2/L.364, A/C.2/L.365) (continued)

1. The CHAIRMAN invited the Committee to consider the draft resolution contained in the note (A/C.2/L.364) he had prepared in accordance with the Committee's decision at its previous meeting. Two amendments to the new draft were to be found in document A/C.2/L.365.

2. Mr. Gopala MENON (India) introduced the first amendment concerning paragraph 13 of part B of the draft resolution. In support of the proposal, he pointed out that the majority of the bodies so far concerned with the establishment of an economic development or special project fund had found their genesis in the General Assembly.

3. Mr. KITTANI (Iraq) explained, with reference to the amendment, that his delegation had no objection to the election of the Managing Director of the Special Fund by the Economic and Social Council, since it regarded that as a strictly functional matter, but it felt that the selection of the Fund's Governing Council was a political rather than a functional matter and the appropriate place for it, therefore, was the General Assembly.

4. The CHAIRMAN invited the Committee to vote on the first amendment (A/C.2/L.365, para. 1) to the draft resolution.

At the request of the representative of Ceylon, a vote was taken by roll-call.

Liberia, having been drawn by lot by the Chairman, was called upon to vote first.

In favour: Libya, Morocco, Poland, Romania, Sudan, Tunisia, Ukrainian Soviet Socialist Republic, Union of Soviet Socialist Republics, United Arab Republic, Yemen, Yugoslavia, Afghanistan, Albania, Brazil, Bulgaria, Burma, Byelorussian Soviet Socialist Republic, Cambodia, Ceylon, Czechoslovakia, Ethiopia, Federation of Malaya, Ghana, Greece, Hungary, India, Indonesia, Iraq, Lebanon.

Against: Liberia, Luxembourg, Mexico, Netherlands, New Zealand, Nicaragua, Norway, Pakistan, Panama, Paraguay, Peru, Philippines, Spain, Sweden, Thailand, Turkey, Union of South Africa, United Kingdom of Great Britain and Northern Ireland, United States of America, Uruguay, Venezuela, Argentina, Australia, Austria, Belgium, Canada, Chile, China, Colombia, Cuba, Denmark, Dominican Republic, Ecuador, El Salvador, Finland, France, Guatemala, Haiti, Honduras, Iceland, Iran, Ireland, Israel, Italy, Japan, Laos.

Abstaining: Portugal.

The amendment was rejected by 46 votes to 29, with 1 abstention. 1/

5. Mr. KITTANI (Iraq) said that the sponsors of the amendments would be grateful if the Chairman would allow a short recess before the Committee took up the second amendment.

The meeting was suspended at 11.10 a.m. and resumed at 11.40 a.m.

6. Mr. Gopala MENON (India) introduced the second amendment concerning an additional paragraph to part C of the draft resolution.

7. Mr. HADWEN (Canada) said that both General Assembly resolution 1219 (XII) and the Preparatory Committee's recommendations (E/3098) had been compromise solutions. The amendment now put forward was, he thought, somewhat out of line with such solutions. Moreover, it appeared to anticipate the action the General Assembly was, at some future time, to take in accordance with the undertaking implicit in section III of its resolution 1219 (XII). The wisest course, in his delegation's view, was to support the establishment of the Special Fund, as at present envisaged, and to reopen discussion in the General Assembly on possible further developments, when it had been made an effective institution.

8. His delegation did not, therefore, feel able to support the present amendment.

9. Mr. URQUIDI (Mexico) said that his delegation and others found themselves in an embarrassing position regarding the second amendment. They had great sympathy with the idea of a capital development fund, but would find it difficult to support the amendment which, as the representative of Canada had said, appeared to conflict with the action foreseen in the existing paragraph of part C of the draft resolution. Since it was clear that the amendment, as it stood, would not win unanimous support, he would suggest that it might be amended to read: "Appeals to Member States to make efforts towards the attainment of these conditions as

1/ The representatives of Nepal and Saudi Arabia, who were absent during the vote, requested at the following meeting for their countries to be considered as having voted in favour of the amendment.

soon as possible." That wording would be more logical in the context and would be more likely to gain the acceptance of all members of the Committee.

10. Mr. GIRETTI (Italy) said that his delegation, too, found itself embarrassed by the second amendment, the substance of which was, he felt, implicit in the reference to section III of General Assembly resolution 1219 (XII). His delegation's position was very close to that of the delegation of Mexico, but he would propose as an alternative wording for the new paragraph of part C: "Expresses the hope that these conditions will soon be fulfilled."

11. Mr. Mir KHAN (Pakistan) said that, while his delegation had every sympathy with the idea behind the second amendment, it could not lend it its support, for the reasons given by the representatives of Canada, Mexico and Italy. He did not think it would help forward the establishment of the capital development fund which all had in mind. He would, however, assure the sponsors that, if a text along the lines suggested by the representatives of Mexico and Italy did not prove universally acceptable, his delegation would be ready to co-operate with them in drafting a suitable proposal under a different agenda item.

12. Mr. Gopala MENON (India) pointed out that, under section III of resolution 1219 (XII) the General Assembly had undertaken to discuss the action to be taken to establish a capital development fund; it had already been decided that such a fund would be established when sufficient resources were available. That being the case, he could see no impropriety in the proposed amendment. In the interests of unanimity, he would, however, accept the Mexican representative's suggestion on behalf of the sponsors of the amendment.

13. Mr. WOLBROUN (Belgium) expressed appreciation of the conciliatory spirit in which the representative of India had accepted the Mexican proposal. If the seventeen-Power amendment had been adopted, Governments might have felt that they were being called upon to commit themselves morally to a capital development fund at the very time when they were accepting a new financial commitment in respect of the Special Fund, and the prospects of both the Special Fund and the capital development fund, which he hoped might eventually be established, might have been impaired in consequence. Although the additional paragraph seemed unnecessary, as the reference to section III of General Assembly resolution 1219 (XII) in part C of the draft resolution ensured that the idea

of a capital development fund would not be lost sight of, he considered that the efforts in the direction indicated by the Mexican and Italian suggestions should be pursued in order to bring about the necessary unanimity.

14. Mr. CHARPENTIER (France) suggested that it might be easier to achieve unanimity on the Italian than on the Mexican text.

15. Mr. MORALES (Argentina) and Mr. ENCINAS (Peru) said that they supported the Mexican suggestion, which represented the only solution consistent with the provisions of General Assembly resolution 1219 (XII).

16. Mr. RONAN (Ireland) also supported the Mexican text.

17. Mr. FARHADI (Afghanistan) asked whether, for the sake of achieving unanimity, the Italian representative would withdraw his suggestion.

18. Mr. GIRETTI (Italy) said that his suggestion was still before the Committee.

19. Mr. MANSFIELD (United States of America) said there was, in fact, no unanimity in the Committee. His delegation, for one, would need time to study the suggestions which had been made. It might be advisable for the Committee to await the results of the Pledging Conference for the Special Fund before taking a final decision.

20. Mr. SCOTT FOX (United Kingdom) said that the question was a difficult one and that time should, therefore, be allowed for consideration of the Mexican suggestion, which introduced a new idea at short notice.

21. Mr. ARKADEV (Union of Soviet Socialist Republics) said that his delegation found the Mexican suggestion acceptable in principle, but suggested that the Committee should have the alternative texts in writing before further discussion.

22. Mr. HADWEN (Canada) supported that suggestion and proposed that, to save time, the delegations principally concerned should meet together with the objective of preparing a generally acceptable draft. He agreed that it was difficult to consider immediate action on the basis of the present confused situation.

It was so decided.

The meeting rose at 12.45 p.m.