

GENERAL ASSEMBLY

THIRTEENTH SESSION

Official Records


 Tuesday, 25 November 1958,
at 3.15 p.m.

NEW YORK
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Chairman: Mr. Toru HAGIWARA (Japan).

AGENDA ITEMS 28 AND 12

Economic development of under-developed countries
(A/C.2/L.378 and Add.1 and 2, A/C.2/L.386 and Add.1
and 2, A/C.2/L.390 and Add.1 and 2, A/C.2/L.392)
(continued)

**Report of the Economic and Social Council (chapter I,
section VI, chapters II, III, IV and V) (A/3848; A/
C.2/L.389) (continued)**

**EXAMINATION OF DRAFT RESOLUTIONS (A/C.2/L.
378 AND ADD.1 AND 2, A/C.2/L.386 AND ADD.1
AND 2) (continued)**

1. The CHAIRMAN suggested that the Committee should begin its consideration of the draft resolutions before it by discussing the thirteen-power draft resolution concerning international co-operation in the economic development of under-developed countries (A/C.2/L.378 and Add.1 and 2) and the sixteen-Power draft resolution concerning a United Nations capital development fund (A/C.2/L.386 and Add.1 and 2).

It was so decided.

2. Mr. ABDEL-GHANI (United Arab Republic), introducing his delegation's amendments (A/C.2/L.396) to the thirteen-Power draft resolution, explained that the proposed new operative paragraph 6 was intended to make it clear that the purpose of the review of activities Governments were asked to undertake was to ascertain what progress had been achieved in meeting the financial needs of the under-developed countries. It also followed from the new operative paragraph 6 that the Secretary-General's interim report would be considered by the Council during its discussion of economic development at its twenty-eighth session. His delegation felt that the report might not receive the attention it deserved if it were examined, as the thirteen-Power draft appeared to propose, during the Council's general review of the development and co-ordination of the economic, social and human rights programmes and activities of the United Nations and the specialized agencies as a whole.

3. The proposed additional paragraph was intended to make it clear that the General Assembly would give

special consideration at its fourteenth session to all types of financial assistance given under bilateral, regional and multilateral arrangements to meet the development needs of the under-developed countries.

4. Mr. ENNAJI (Tunisia) said that his delegation had joined in sponsoring the sixteen-Power draft resolution because it attached the greatest importance to the financing of economic development through the United Nations. The under-developed countries' need for international capital assistance had been increased by the deterioration of their terms of trade and rapid population growth, and there was widespread recognition of the fact that the widening gap between levels of living in the developed and less developed countries was a serious threat to international solidarity. In an effort to meet that need important steps had been taken both within and outside the United Nations to increase the flow of capital to the under-developed countries through such measures as the establishment of the Special Fund and the increase in the resources of the International Bank for Reconstruction and Development (Bank) and of the United States Export-Import Bank. His delegation welcomed those measures and agreed that private capital could also play an important role. Nevertheless, further international action was called for, and he therefore hoped that the Committee would support the sixteen-Power draft resolution which appealed to Member States to increase their contributions to the Special Fund and to work for the speedy establishment of a United Nations capital development fund.

5. With regard to the thirteen-Power draft resolution, he considered that an inventory of the needs and resources of the under-developed countries would be extremely useful and accordingly welcomed the proposal.

6. Mr. BOIKO (Ukrainian Soviet Socialist Republic) considered that the wording of operative paragraph 1 of the thirteen-Power draft resolution was vague and did not make clear what Member States were expected to do. He did not understand the reference to new courses of co-operative action and wondered whether the five-year period mentioned in operative paragraph 6 was also intended to apply to operative paragraph 1.

7. Mr. CARANICAS (Greece) said that he fully approved of the thirteen-Power draft resolution but found the wording of the fourth preambular paragraph somewhat misleading. While the Bank had certainly been giving increasing assistance to the less developed countries the International Monetary Fund had been compelled by recent monetary crises to devote a large part of its resources to the more developed countries. It might be most accurate to say that the Bank and I.M.F. had been showing an increasing interest in the less developed countries.

8. Mr. FARHADI (Afghanistan) supported the suggestion as the paragraph would then reflect present trends in the work of the Bank.

9. Mr. ARKADEV (Union of Soviet Socialist Republics) endorsed the Ukrainian representative's observations on operative paragraph 1 of the thirteen-Power draft resolution. The reference to new courses was difficult to understand and it was hard to see why a country should be expected to revise its plans if it found them adequate. The use of the expression "private sector" also raised a difficulty so far as the socialist countries, which had no private sector, were concerned.

10. With regard to operative paragraphs 3 and 4, he doubted the propriety of the proposal that Member States in a position to assist the economic development of under-developed countries should disclose their future plans, and considered that it was an imposition on the under-developed countries to request them to provide information about their intentions. Moreover, even if all the information requested was collected, it was not clear who would analyse it or what purpose would be served. The proposals in the draft resolution appeared to be impractical.

11. Mr. KAUFMANN (Netherlands) said that his delegation would support the thirteen-Power draft resolution. A number of problems of the type referred to in paragraph 2 were being studied in the Netherlands, in particular the construction of a desalination plant and the use of electric computers in economic planning, and he felt that the systematic study of specific problems of economic development in universities would be very valuable. With regard to operative paragraph 5, he assumed that the interim report would be dealt with by the Council under the item relating to economic development. The request to the Council in operative paragraph 6 was therefore presumably intended only to ensure that, in its review of the consolidated report of the five-year appraisal of the scope, trend and cost of United Nations economic and social programmes, the Council would devote special attention to the development needs of the less developed countries and to ways in which such programmes could be more effectively organized. The emphasis the draft placed on the development aspect of the needs of the under-developed countries was in his view useful.

12. As a sponsor of the sixteen-Power draft resolution, which was in conformity with many earlier decisions taken by the Committee, he pointed out that the words "a United Nations capital development fund" had been used deliberately in operative paragraph 2 to indicate the flexible nature of the project. There would appear to be no reason why an international development association and a United Nations capital development fund should not exist side by side. He therefore hoped that the draft resolution would meet with general approval.

13. Mr. YRIART (Uruguay) said that the Organization of American States, of which Uruguay was a member, was perhaps the oldest regional organization in the world. It had been responsible for considerable progress in co-operation in the political, the legal and the economic fields. The rate of progress had been slowest in the last of those. The Ministers of Foreign Affairs of the American States had consequently, at their recent meeting at Washington, decided

to take special measures to give a fresh impetus to co-operation in that field. Efforts would be directed to identifying and removing the obstacles to closer co-operation. Information would be exchanged fully and frankly on all economic subjects in order to bring out clearly the elements entering into co-operation. New plans would be made in order to reinvigorate joint action. The Latin American countries were conscious, however, that while acting through a regional organization they were at the same time part of a world organization, and his delegation was therefore able to sponsor the thirteen-Power draft resolution, which it saw as having precisely the same economic objectives as the Organization of American States in the new endeavours to which he had just referred.

14. His delegation would vote for the sixteen-Power draft resolution since it drew attention to the need to provide capital assistance, which was one of the most important problems in international co-operation and one which should be kept under continuous review by the Economic and Social Council.

15. Mr. HALIQ (Saudi Arabia) thought that the value of the thirteen-Power draft resolution lay in its attempt to dramatize the need for development capital of the under-developed countries. The information supplied under it would make it clear which countries were doing the most to help themselves and were therefore most worthy of outside help. The amendments suggested by the United Arab Republic were acceptable in that they gave point and emphasis to what was implicit in the draft resolution itself. The sixteen-Power draft resolution emphasized the same goal and the two drafts were to that extent complementary.

16. Mr. TEIXERA PINTO (Portugal) considered that it would be easy enough to take stock of past accomplishments but difficult to report on measures to be taken in the future, since they would depend on conditions not yet known. However, if the under-developed countries felt that they could supply such information, his delegation would have no objection to the thirteen-Power draft resolution. Nevertheless it would seem advisable to insert, in operative paragraph 4, a request to the less developed countries to supply information on existing plans since "additional measures" must necessarily be supplementary to a basic programme.

17. Mr. Gopala MENON (India) pointed out that the two draft resolutions were closely related, so much so that his delegation would find it difficult to support the thirteen-Power draft if the sixteen-Power draft were not accepted. The action proposed under the sixteen-Power draft was, as it were, the logical sequel to that envisaged in the other draft. The amendments proposed by the United Arab Republic to the thirteen-Power draft seemed pertinent and useful. He agreed with the view that there was no necessary contradiction between one form of assistance and another; the under-developed countries needed a vast amount of assistance, from whatever source. They preferred to receive it through the United Nations and that was in part what had prompted the drafting of the sixteen-Power resolution. The need for a capital development fund had been argued in the United Nations for ten years; it was now a matter of urgency and he therefore hoped that all delegations would be able to support the sixteen-Power draft resolution.

18. Mr. WOULBROUN (Belgium), referring to operative paragraph 1 of the sixteen-Power draft resolution, recalled that many Governments with problems of their own—and Belgium was among them—had made a great effort to pledge an initial contribution to the Special Fund, which had yet to prove its worth. Furthermore, the \$100 million referred to in General Assembly resolution 1219 (XII) had always been considered a provisional rather than a final figure. The reference in operative paragraph 2 of part II of that resolution was deliberately vague and it was rather unworthy to try to bring pressure to bear on Governments by interpreting it strictly. It was in any case the privilege of Governments to decide when and to what extent to increase their contributions. The wording of operative paragraph 1 might therefore be altered to make it less mandatory, perhaps by inviting Governments to consider making their future contributions to the Special Fund taking into account the goals fixed in General Assembly resolution 1219 (XII). That was not to say that his delegation was not interested in the Special Fund or in measures to improve the economic infrastructure of the less-developed countries. On the contrary, it was its intention to participate in those efforts to the utmost of its ability.

19. Mr. SCOTT FOX (United Kingdom) said that his delegation was in sympathy with the spirit prompting the thirteen-Power draft resolution. It had always maintained that the question of economic development should be seen in the broad context of all activities, regional, bilateral or multilateral, in which Governments were engaged on behalf of the under-developed countries, and considered that a review of accomplishments to date could not but be of value. As to the "charting anew" of courses of co-operative action, his delegation could accept that—somewhat coloured—form of wording on the understanding that it did not imply a jettisoning of existing plans or a commitment to undertake new action. The United Kingdom Government, like other Governments, was in the habit of reconsidering and, where necessary, revising current policies as a matter of course, and it would have no objection to informing other Member Governments of the results of such examinations. It might be more appropriate to use the word "Invites" instead of "Requests" in operative paragraphs 3 and 4, which were addressed to Member States. His delegation was not convinced that the amendments proposed by the United Arab Republic were really necessary. The first added nothing to what was already implicit in operative paragraph 5 of the thirteen-Power draft resolution as it stood. The second was virtually identical with operative paragraph 3 of the sixteen-Power draft resolution.

20. Mr. CHARPENTIER (France) endorsed the remarks of the Belgian representative. He agreed with the United Kingdom representative in his comment on the second United Arab Republic amendment which would seem as appropriate in the sixteen- as in the thirteen-Power draft resolution. He wished to support the Greek representative's suggestion that the fourth preambular paragraph of the thirteen-Power draft should be modified to conform more closely to reality.

21. Mr. CARANICAS (Greece) regretted the attitude of the Belgian representative especially because in the past the Belgian representative, Mr. Scheyven, had made a powerful contribution to the promotion of the

idea of a United Nations capital development fund. The purpose of the sixteen-Power draft was not to set up SUNFED at once but to urge Member States, in the words of operative paragraph 2, to "work for the speedy establishment" of a capital development fund. He would point out that the general attitude to the matter of the financing of economic development was changing rapidly; even the Bank, which had formerly opposed the whole idea and more particularly the so-called "soft loans", had, at the recent meeting at New Delhi, welcomed the proposal to set up an international development association and wished to see it as an affiliate of the Bank itself. Moreover, there was no great difference in intent behind the sixteen-Power and the thirteen-Power drafts. Obviously, the latter had been prompted by the desire of the United States and other sponsors to make a more systematic use of the agencies of the United Nations in providing economic assistance and by the knowledge that there was a growing tendency on the part of the highly developed countries to use the United Nations more and more to provide the economic assistance to under-developed countries which would otherwise be provided bilaterally. The two drafts were thus, as the representative of India had said, very close together and it was to be hoped that both could be adopted unanimously; they might even be combined in a single proposal.

22. Mr. ENCINAS (Peru) said that he could see no incompatibility between the two draft resolutions. In many ways they complemented each other. His delegation had always supported the idea of a United Nations capital development fund, with which the General Assembly had been concerned for many years, and would therefore vote in favour of the sixteen-Power draft resolution. There was nothing mutually exclusive about a capital development fund and the proposed international development association; the two could easily be merged. As regards the fourth preambular paragraph of that resolution, he asked whether it was not so that the Preparatory Committee for the Special Fund had merely mentioned contributions for the initial period in its report (E/3098),^{1/} without specifically referring to "the year 1959".

23. His delegation would also vote for the thirteen-Power draft resolution but had some observations to make. In the second preambular paragraph, the word "considerable" would be more suitable than the word "significant". Operative paragraph 1 was very vague and ambiguous and should state more precisely the purpose of the draft resolution. In operative paragraph 2, the main stress should be laid on co-operation with universities and scientific institutions in other Member States, since most countries already made a practice of enlisting the aid of their own centres of learning.

24. Mr. MANSFIELD (United States of America) said that the Uruguayan representative had correctly interpreted the intentions of the sponsors of the thirteen-Power draft resolution. Many questions had been raised, however, and required answers. It had been suggested that the "review of accomplishments" called for in operative paragraph 1 was unorthodox, but such reviews were in fact made periodically by all countries and were a wise procedure. In the same

^{1/} Official Records of the Economic and Social Council, Twenty-sixth Session; Annexes, agenda item 4.

paragraph, the words "to chart anew their courses" did not mean to chart a new course, but to refurbish or reorientate the existing ones. There should be no objection to the idea of "co-operative action", since all States were equal and interdependent. As far as the reference to "public and private sectors" was concerned, although some nations operated solely on a public basis, others, such as his own, also had private institutions, and believed that aid from all sources should be used to help the less developed countries. To request States to provide information about measures which they contemplated taking, as was done in operative paragraph 3, was in no way irregular. It had been said that the reference in operative paragraph 4 to "additional measures" to be taken by the less developed countries was unrealistic, but that was not so. Many such countries had made great contributions to progress and now wished to accelerate their development. The period to be covered by the action requested in the draft resolution would be up to the fourteenth session of the General Assembly.

25. The amendment proposed by the United Arab Republic seemed to be based on a misunderstanding. In introducing the thirteen-Power draft resolution, the United States delegation had said that the report mentioned in the operative paragraph 5 would be considered by the Economic Committee and by the Economic and Social Council at its plenary session; there was no intention of submitting it to the Co-ordination Committee. The assumption had been that the report would be considered under the item "Economic Development of Under-Developed Countries". In order to meet the United Arab Republic representative's objections, however, the sponsors would be prepared to add the words "for discussion under the item: Economic Development of Under-Developed Countries" at the end of operative paragraph 5. Operative paragraph 6 was quite different in scope and merely sought to lay special stress on one aspect of the review in question, which would take place in any case. He hoped that on that basis the United Arab Republic representative would be able to withdraw his amendment.

26. Mr. Gopala MENON (India) pointed out, in reply to the question raised by the Peruvian representative, that the report of the Preparatory Committee specifically mentioned contributions "for the year 1959" in paragraph 23.

27. Mr. SOPIEE (Federation of Malaya) considered that the two draft resolutions had a common basis, in that both recognized the need for further aid to the less developed countries. They differed only in the stress that each lay on different ways of granting that aid. His delegation, which was a sponsor of the thirteen-Power draft resolution, would support the sixteen-Power draft resolution, which it considered complementary to its own. The Soviet representative had expressed doubts about the requests for infor-

mation contained in operative paragraphs 3 and 4 of the thirteen-Power draft resolution, but there was no reason for any State to hide its efforts either to improve its own position or to help others. Without wishing to commit the co-sponsors, he suggested that the United Arab Republic's amendment to operative paragraph 6 might not be necessary if after the addition suggested by the United States representative, the following words, taken almost exactly from the United Arab Republic's amendment, were added: "including a review of the financing of the economic development of the under-developed countries". The operative paragraph 7 proposed by the United Arab Republic was already contained substantially in operative paragraph 3 of the sixteen-Power draft resolution.

28. Mr. JAZAIRI (Libya) remarked that in the general debate many delegations had expressed concern over the situation of the under-developed countries as a result of the lack of investment capital and the deterioration in the terms of trade. He expressed his satisfaction with the practical steps for promoting the economic development of the under-developed countries proposed in the two draft resolutions. Any increases in the resources of the Bank and the I.M.F. would be very welcome to countries which had to seek all possible sources of capital, both within and without the United Nations. There was much similarity between the two draft resolutions and he hoped that they could be combined in a single generally acceptable text. He had had some misgivings about the thirteen-Power draft resolution which had seemed to link the proposed report with the question of co-ordination, but they had been dispelled by the United States representative's explanations.

29. Mr. KITTANI (Iraq) said that despite the assurances given by the United States representative, he considered that the word "anew" in operative paragraph 1 of the thirteen-Power draft resolution was open to objection, since it meant "again" or "from the beginning". It might be better to omit it altogether.

30. Mr. ABDEL-GHANI (United Arab Republic) stated that in view of the addition the United States representative had agreed to make to operative paragraph 5 of the thirteen-Power draft resolution he would withdraw his amendment to operative paragraph 6. He could not withdraw his delegation's proposal for an additional paragraph, unless some explicit statement of the objective were included in the draft resolution. In that respect, the wording proposed by the Malayan representative seemed acceptable. With regard to the objection that the proposed additional paragraph was covered by operative paragraph 3 of the sixteen-Power draft resolution, he pointed out that the two resolutions were separate documents and would not necessarily both be adopted.

The meeting rose at 5.55 p.m.