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MEETING**

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**CONTENTS**

|  | Page |
|--|------|
| <i>Agenda item 29:</i>   |      |
| <i>Progress and operations of the Special Fund (continued):</i>                  |      |
| <i>Consideration of the sixteen-Power draft resolution (continued) . . . . .</i> | 39   |

Chairman: Mr. Marcial TAMAYO (Bolivia).

**AGENDA ITEM 29**

**Progress and operations of the Special Fund (A/4217<sup>1</sup> and Add.1, A/4143, chap. III, sec. XIII, A/C.2/L.408 and Add.1) (continued)**

**CONSIDERATION OF THE SIXTEEN-POWER DRAFT RESOLUTION (A/C.2/L.408 AND ADD.1) (continued)**

1. The CHAIRMAN announced that the sponsors of the joint draft resolution (A/C.2/L.408 and Add.1) and the delegations which had proposed amendments had met informally with a view to reaching agreement on a text that might command unanimous support.
2. Mr. STANOVNIK (Yugoslavia) said that the sponsors of the joint draft resolution had agreed at the informal meeting to which the Chairman had referred to accept the two amendments submitted orally by the Haitian representative at the Committee's 588th meeting. In the second preambular paragraph and in the fourth preambular paragraph the words "less developed" would therefore be replaced by the word "under-developed" and in the fourth preambular paragraph the words "soundly conceived" would be deleted.
3. The sponsors fully understood the considerations underlying the first of the three amendments submitted by the delegations of the People's Republic of Bulgaria and the Byelorussian Soviet Socialist Republic (A/C.2/L.409), and thought that the wishes of those delegations would be met if the words "and commends the Council on its first year of work" were added at the end of operative paragraph 1.
4. With regard to the third amendment in document A/C.2/L.409, and the question of participation in the Special Fund in general, the sponsors felt themselves bound by the terms of General Assembly resolution 1240 (XIII), part B, section III. They were prepared to replace the words "of the United Nations and of the specialized agencies" in operative paragraph 4 with the words "of the United Nations, of any of the specialized agencies or of the International Atomic Energy Agency", to bring the text of the paragraph into line with that of the founding resolution. He hoped that the new wording proposed would satisfy, at least partially,

the requirements of the Bulgarian and Byelorussian delegations.

5. The sponsors had found it impossible to accept the text which those delegations had proposed for a new paragraph to be added after paragraph 3, and had drafted an alternative text expressing the General Assembly's confidence that the Managing Director in conformity with General Assembly resolution 1240 (XIII), part B, section VI, would endeavour to make the fullest possible use of the contributions pledged by participating Governments.

6. Resolution 1240 (XIII), part B, section VI, set out certain basic principles regarding the financing of the Special Fund and the duties of the Managing Director in using available resources and, if those matters were to be raised again in a new draft resolution, it was essential to refer to the founding resolution. If the Bulgarian and Byelorussian delegations did not approve the text proposed by the sponsors, the latter would prefer not to insert any additional paragraph, and would ask the Committee to vote on the draft resolution in its original form, with the amendments which he had mentioned earlier.

7. Mr. KAMENOV (Bulgaria) said that his delegation was prepared to accept the change in operative paragraph 1 proposed by the sponsors in place of the first amendment submitted by his own and the Byelorussian delegations.

8. With regard to the new paragraph to be added after paragraph 3, he had no objection to the replacement of the word "Instructs" by the words "Expresses its confidence that", which would remove any impression that the additional paragraph implied criticism of the Managing Director. His delegation wished to submit a completely new text for the proposed additional paragraph, as follows:

"Expresses its confidence that the Managing Director, from the outset of the operations of the Fund, will take the necessary steps for the fullest possible use of all resources made available to the Special Fund."

He regarded the phrase "the fullest possible use" as preferable to the phrase "the full and rational use" and thought that no objection could be raised to it, since it was taken directly from the last sentence of paragraph 47 in part B of General Assembly resolution 1240 (XIII). He hoped that the sponsors would agree to include the additional paragraph, since there was no doubt that the Committee was authorized to offer guidance, where necessary, to the governing bodies of organizations established to give effect to the purposes of the United Nations.

9. His delegation could not accept the new wording for paragraph 4 proposed by the sponsors and would insist on the amendment originally submitted by his own and the Byelorussian delegations. Some delegations had objected to the latter amendment on legal grounds.

<sup>1</sup>/Note by the Secretary-General transmitting to the General Assembly the report of the Governing Council of the Special Fund to the Economic and Social Council (E/3270).

saying that it was at variance with the provisions of General Assembly resolution 1240 (XIII). He did not regard that as a valid objection. Resolution 1240 (XIII) had originated as a draft resolution which the Committee had adopted and then submitted to the General Assembly; and there was no reason why the Committee should not now adopt a draft resolution with a text differing partially or completely from that of an earlier resolution, even if the latter appeared to establish a general rule. The amendment co-sponsored by his delegation was designed to secure additional resources for the Special Fund, and could not be rejected merely by reference to an earlier resolution.

10. Mr. CARANICAS (Greece) agreed that the Committee should seek to achieve unanimity, the more so as only one or two differences of opinion remained concerning the draft resolution. However, his delegation shared the general disappointment at the size of the resources made available to the Fund and thought that the draft resolution's appeal to the developed countries to increase their contributions should be made much stronger. It therefore proposed the following amendments: firstly, in the second preambular paragraph, the words "and urgent" should be inserted after the word "important"; secondly, in the fourth preambular paragraph, the word "present" should be inserted before the word "resources"; thirdly, in operative paragraph 4, the words "Expresses the hope that" should be replaced by "Calls upon" and the words "will so contribute to the Special Fund that" should be replaced by the words "further to increase these contributions to the Special Fund so that".

11. Mr. TEIXEIRA PINTO (Portugal) expressed his appreciation of the changes the sponsors had made in the draft resolution to meet the wishes of other delegations, but said that he still considered that explicit reference should be made, in operative paragraph 4, to the voluntary nature of contributions to the Special Fund.

12. Sir Claude COREA (Ceylon) said that his delegation shared the Managing Director's disappointment at the results of the recent Pledging Conference. He felt that the disappointing response, though partly due to the fact that many countries were contributing to other economic development schemes, was also due to the fact that the Special Fund, which operated in a field where billions could be used, had set a goal of only \$100 million. Moreover, it should not be overlooked that under-developed countries would not have the financial resources to pay more until their economic development had advanced, and for that purpose it was necessary at the beginning for more advanced countries to pay more.

13. His delegation considered that the Committee was in basic agreement on the draft resolution and that, with some modification of existing viewpoints, unanimity might be achieved. As one of the sponsors of the draft, it considered the Greek and Portuguese amendments acceptable, with the exception of the Greek proposal to replace the words "Expresses the hope that" in operative paragraph 4 by the words "Calls upon the", which would give the paragraph the character of a directive to Governments, and was therefore inadvisable. With regard to the amendments submitted by the Bulgarian and Byelorussian delegations, he did not think the Committee could direct the Managing Director to make "full and rational use" of contributions, since their use partly depended upon whether

recipient countries were able and willing to make use of them. The most that could be included was an expression of confidence that the "fullest possible use" would be made of all resources available.

14. Mr. ERROCK (United Kingdom) remarked that in their desire to secure unanimity in the Committee the sponsors of the draft resolution had offered to insert a new paragraph expressing confidence that the Managing Director would endeavour to make the fullest possible use of contributions in conformity with resolution 1240 (XIII), part B, section VI. That was the furthest the sponsors could go in meeting the wishes of the Byelorussian and Bulgarian delegations. They did not in fact think it necessary at so early a stage to reiterate the financial provisions contained in the founding resolution of the Special Fund, but felt that if any mention of the matter was to be made at all it should be a reference to the relevant provisions as a whole. The Bulgarian and Byelorussian delegations had been unable to accept that draft as it stood and had put forward a re-wording of it, as the Committee had heard. His delegation would have to vote against that text if it were put to the vote.

15. He understood the Bulgarian representative to have implied that the present draft resolution and any amendments to it were in his view on an equal footing with General Assembly resolution 1240 (XIII). His delegation strongly repudiated the suggestion that any resolution could be altered through an amendment to an entirely different resolution. If that suggestion were entertained his delegation would be compelled to reconsider its entire attitude both to the present resolution and to resolution 1240 (XIII). With regard to the amendment to operative paragraph 4 of the present draft resolution proposed by the Byelorussian and Bulgarian delegations, his delegation would have to vote against it, if it were pressed.

16. With regard to the amendments suggested by the Greek and Portuguese representatives, he would suggest that the Committee should suspend its meeting for a short while to enable the sponsors to consider them.

*It was so decided.*

*The meeting was suspended at 5.35 p.m. and resumed at 6.5 p.m.*

17. Mr. ADARKAR (India), referring to the Greek representative's suggestions, said that the sponsors were ready to accept his proposals to insert the words "and urgent" in the second preambular paragraph and to add the word "present" before the word "resources" in the fourth preambular paragraph, and to replace the words "Expresses the hope that" in operative paragraph 4 by the words "Calls upon". The Greek representative had agreed to the re-wording of the fourth operative paragraph to read: "... so to contribute to the Special Fund that ..." There was then no call for the amendment proposed by the Portuguese representative.

18. With regard to the Bulgarian and Byelorussian representatives' proposal for a new paragraph for insertion after operative paragraph 3, the sponsors had proffered various alternatives within the limiting factor of the financial provisions as laid down in resolution 1240 (XIII), part B, section VI, but those delegations had rejected all of them. That being so, the sponsors did not feel that they could offer any new paragraph for insertion in the draft.

19. Mr. GURINOVICH (Byelorussian Soviet Socialist Republic) said that the Bulgarian and Byelorussian delegations had been ready and anxious to meet the sponsors of the draft resolution on the subject of the additional paragraph and had suggested the use of the phrase "in accordance with resolution 1240 (XIII)" or "... with the relevant parts of resolution 1240 (XIII)", but had come up against a wall of resistance. He assured the Committee that it was not the intention of his delegation to attempt to revise resolution 1240 at the present stage or to introduce changes into the financial provisions contained in that resolution through the present draft. In fact the financial regulations were to some extent ambiguous and a good deal was left to the discretion of the Managing Director in applying them. The intention of the draft amendment was to assist the Managing Director in finding ways of using all contributions. His own country's contribution, for instance, had not been fully utilized although it could be used to pay for the services of experts and supplies of equipment and machinery. The amendment did not,

however, reflect any lack of confidence in the Managing Director.

20. With regard to the third amendment proposed by the two delegations, it seemed to them merely illogical to attempt to increase the Fund's resources by appealing to donor countries to contribute more while not at the same time attempting to make the membership of the Special Fund completely universal.

21. The CHAIRMAN stated that the Committee would have before it at its next meeting the revised texts of the draft resolution and the amendments of it.

22. Mr. BLUSZTAJN (Poland) moved the adjournment of the meeting in accordance with rule 119 of the rules of procedure. It would be pointless to prolong the discussion at the present stage.

*The motion was adopted by 54 votes to none, with 7 abstentions.*

The meeting rose at 6.35 p.m.