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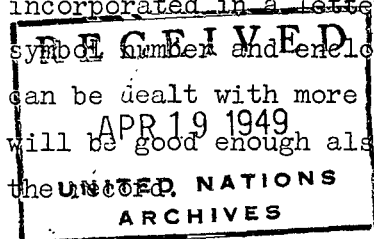
Held at Lake Success, New York,  
on Monday, 11 April 1949, at 3 p.m.

CONTENTS: Second draft of the report on the mobilization of  
financial resources for economic development.  
General observations.

Chairman: Mr. V.K.R.V. RAO  
Vice-Chairman and  
Rapporteur: Mr. Manuel BRAVO Jiminez  
Members: Mr. J. Nunez GUIMARAES  
Mr. D. K. LIEU  
Mr. J. PATEK  
Mr. E. G. COLLADO  
Mr. A. P. MOROZOV

Secretariat: Mr. DORFMAN Secretary of the  
Sub-Commission

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SECOND DRAFT OF THE REPORT ON THE MOBILIZATION OF FINANCIAL RESOURCES FOR ECONOMIC DEVELOPMENT

Mr. MOROZOV remarked that he would not repeat his views on the paragraphs of the Sub-Commission's draft report on which he had already abstained, but that those views should be considered as still valid.

The CHAIRMAN said that Mr. Patek and Mr. Collado likewise wished their previously stated views to be considered still valid.

Paragraph 15

Paragraph 15 was adopted with minor drafting changes.

Paragraph 16

Paragraph 16 was adopted with minor drafting changes.

Paragraph 17

Mr. LIEU suggested that the phrase: "form an interrelated whole" should be replaced by the word "are", since the original phrase appeared to him to suggest that every country should have a planned economy.

Paragraph 17 was adopted in its original wording with minor drafting changes.

Paragraph 18

Paragraph 18 was adopted unamended.

Paragraph 19

Mr. MOROZOV suggested that the last sentence, referring to the Secretariat studies, should be phrased in a less definite way as the Sub-Commission had not made much use of those studies.

The CHAIRMAN and the majority of the members considered that the wording of that sentence was already sufficiently subdued; it should not therefore be altered.

Paragraph 19 was adopted with minor drafting changes.

Paragraph 20

Mr. DORFMAN indicated that paragraph 20 had originally appeared as a footnote to a paragraph which had later been deleted. It had been drafted by Mr. Patek and had not been discussed by the Sub-Commission.

/Mr. MOROZOV

Mr. MOROZOV said that the specific peculiarities of socialist economy were not fully described in that paragraph and suggested that more might be said of them elsewhere in the report.

The CHAIRMAN, while understanding Mr. Morozov's point of view, felt that it was a very wide subject which would be difficult to treat in sufficient detail in the report at that stage, especially since there had not been adequate discussion of the matter. He therefore suggested that the paragraph should be inserted as a footnote to paragraph 21, which would then become paragraph 20.

Mr. PATLAK agreed. He suggested that the words: "from that in capitalist economies" should be added at the end of the footnote.

Mr. COLLADO felt that the paragraph gave the impression of a wider difference between capitalist and socialist economies than actually existed.

Mr. PATEK pointed out that in a socialist economy the whole process of economic development could be planned without individual profits having to be taken into account.

Paragraph 20 was adopted as a footnote to paragraph 21 (new paragraph 20) with minor drafting changes.

Paragraph 21 (new paragraph 20)

Paragraph 21 was adopted unamended.

Paragraph 22 (new paragraph 21)

Mr. MOROZOV pointed out that, though the paragraph dealt with the effect of the differences among the Great Powers on the economic development of underdeveloped countries, it did not describe the problem in its true perspective; in particular no emphasis was laid on the difficulties caused by the expansionist policy of certain capitalist states. He therefore proposed that his alternative draft should be inserted instead of the Rapporteur's draft.

Mr. LIEU considered the Rapporteur's draft was more suited to the Sub-Commission's unpolitical character.

The CHAIRMAN, supported by Mr. BRAVO Jiminez, Mr. GUIMARAES and Mr. COLLADO, also thought that it reflected the Sub-Commission's discussion more accurately.

/Mr. PATEK

Mr. PATEK preferred Mr. Morozov's draft.

Mr. MOROZOV pointed out that his draft contained statements of facts, none of which could be denied and many of which were very relevant, such as the reference to the Marshall Plan.

The CHAIRMAN said that the majority favoured the original draft, and asked whether Mr. Morozov would be satisfied if his alternative draft were reproduced in full in the summary record of the meeting, or if necessary, in a footnote to the report itself.

Mr. MOROZOV requested that his draft should be included as a footnote to the report.

Mr. COLLADO expressed his regret at that request. He could not agree that the statements made in Mr. Morozov's draft were factual. He had never used the deliberations of the Sub-Commission as a means of criticizing any other State. He would forego a point concerning local political disturbances which he would have wished to be included in paragraph 22, in the hope that Mr. Morozov might also be willing to make some concession to the general view.

Mr. MOROZOV quoted from the New York Herald Tribune to illustrate the truth of the statements in his draft and to show that certain States were not only exercising economic discrimination against the USSR, but were also influencing other States in the same direction.

The CHAIRMAN appealed to Mr. Morozov to delete from his proposed draft the words: "and above all in the United States of America", on the grounds that hitherto the Sub-Commission had carefully refrained from criticizing by name the domestic policy of any Member State of the United Nations, and that that was a healthy principle, the continued

/observance

observance of which would add value to the recommendations of the Sub-Commission.

Mr. MOROZOV felt unable to accede to the Chairman's request.

The CHAIRMAN wished it to be recorded that he very much regretted that, for the first time in the report of the Sub-Commission, the Government of a Member State should be criticized by name.

Mr. MOROZOV pointed out that he had not referred directly in his draft to the United States Government and, moreover, that he had always been opposed to discussing the domestic affairs of any State; his draft dealt solely with economic relations between States.

It was agreed that Mr. Morozov's draft of paragraph 22 should be included as a footnote to the Sub-Commission's report, and that the Chairman's appeal should be recorded.

Paragraph 23 (new paragraph 22)

Mr. MOROZOV objected to the implication that the Sub-Commission had agreed with the conclusions reached in the Secretariat study "Post-War Price Relations in Trade Between Underdeveloped and Industrialized Countries". The conclusions had been based on data from United States and United Kingdom sources, and the Sub-Commission had not, in fact, endorsed them.

Mr. COLLADO agreed that the Sub-Commission had not endorsed the Secretariat's conclusions, but pointed out that considerable material from States other than the United States and the United Kingdom had been included in the data for the study.

/Mr. DORFMAN

Mr. DOREFMAN stated that it had been pointed out during the discussion on that subject at the fifty-fifth meeting - and examination of document E/CN.1/Sub.3/W.5 confirmed the fact -- that data for the report were drawn from a number of different sources including the under-developed countries themselves, although the most important statistics had been supplied by the United States and the United Kingdom.

He felt, with regard to Mr. Morozov's second point, that it would be incorrect to say that the Sub-Commission had rejected all the conclusions presented in the report. He recalled that during the debate on the subject he had pointed to specific passages in the document in reply to most of the criticisms made. Moreover, the valuable suggestions made by members of the Sub-Commission in that connexion were fully recorded and would certainly be taken into account by the Secretariat in extending its study as requested. Consequently he felt that there was no need to state in the paragraph under discussion that the Sub-Commission did not agree with the conclusions reached in the document.

The CHAIRMAN suggested that the following should be inserted after the reference number in the fifth line of the paragraph: "The Sub-Commission is constrained to point out that the study under review contains certain conclusions in regard to the price relationships between developed countries and under-developed countries which, in its opinion, do not present a correct picture of the actual position."

It was so agreed.

Mr. DOREFMAN, in answer to Mr. COLLADO, explained that the study of "costs" had been dropped from the text because of the difficulties involved, firstly, in distinguishing between costs and prices statistically, and secondly, in obtaining data in that field for a wide geographical area.

Mr. COLLADO agreed to the deletion.

Paragraph 24 (new paragraph 23)

Paragraph 24 was adopted without change.

Paragraph 25 (new Paragraph 24)

The CHAIRMAN suggested that the words: "that take place" in the first sentence should be deleted. In the last sentence he proposed the words "would suggest" instead of "desires", and "arrangements" in place of "agreements".

/Mr. COLLADO

Mr. COLLADO wished the words: "attention is being paid to the study" to be deleted from the last sentence and the words: "continuing studies are being made" to be substituted therefor.

Those amendments were adopted.

Paragraph 25, as amended, was adopted.

Paragraph 26 (new paragraph 25)

Mr. COLLADO proposed that the word "non-monetary" should be added to the third sentence of the paragraph to read: "Instances are non-monetary stocks of gold".

Mr. BRAVO Jimenez suggested placing the word "abroad" in the fifth sentence before "without productive purpose".

Those amendments were adopted.

Mr. MOROZOV wondered whether it was advisable to include in that paragraph the phrase: "even where they are not blocked by action beyond the control of the underdeveloped country itself."

The CHAIRMAN thought the condemnation of under developed countries for not utilizing all their available assets was a valid criticism for the Sub-Commission to make.

Paragraph 26, as amended, was adopted.

Mr. BRAVO Jimenez regretted that he would not be able to participate in the rest of the Sub-Commission's discussions. Before taking leave, however, he would approve the rest of the Sub-Commission's report, provided that no changes in substance were incorporated.

The CHAIRMAN suggested the addition of the sub-heading "FOREIGN ASPECTS OF FINANCING ECONOMIC DEVELOPMENT" to be inserted before paragraph 27.

That proposal was adopted.

Paragraph 27 (new paragraph 26)

The CHAIRMAN proposed that the second sentence of paragraph 27 should be amended to read: "... the right to determine whether to

/employ

employ in foreign or domestic fields or in both its financial resources."

Mr. COLLADO thought that, since the paragraph referred first to creditor countries and then to receiving countries and finally listed the limitations with regard to both types of country, the second sentence might be amended to read: "... the right to determine where, how and to what extent to employ its financial resources whether at home or aboard."

The CHAIRMAN, in reply to Mr. MOROZOV, explained that the paragraph recognized national autonomy in that field. Since no capital could be forced on a country, however, the logical corollary of that principle was to state that neither could a country be forced to export capital in a particular form. The purpose of paragraph 27 was to define the limitations on both the import and export of capital, within the spirit of the Charter.

Mr. COLLADO proposed to eliminate any mention of the domestic field by deleting from his proposal the words: "whether at home or".

That amendment was adopted.

Mr. MOROZOV proposed that the third sentence should be revised as follows: "The Sub-Commission wishes to emphasize, however, that the conditions of the introduction of foreign capital must be in accordance with the provisions of the United Nations Charter and the relevant Resolutions of the United Nations organs."

The CHAIRMAN felt that the original wording was stronger and more effective than the proposed revision. He wondered why no objections had been raised to the third sentence when the first draft had been reviewed.

Mr. GUIMARAES and Mr. COLLADO supported the Chairman.

Mr. PATEK thought that Mr. Morozov's proposal was a clearer exposition of the Sub-Commission's opinion.

Mr. COLLADO considered that Mr. Morozov's draft would alter the sense of the paragraph because it referred to conditions on the import of capital but did not mention rules for the export of capital.

/Mr. LIEU



Mr. LIEU preferred the original wording.

The Sub-Commission decided to retain the third sentence as amended by Mr. Collado.

Mr. LIEU proposed the deletion of the words "to the development of national industry and agriculture" from sub-paragraph 2. He felt there was no reason to specify only those two types of activity, since others such as transport and power were also very important.

Mr. MOROZOV did not agree with that amendment, but had no objection to the addition of "transport" at the end of sub-paragraph 2.

The CHAIRMAN suggested the insertion of the word "especially" before the words "to the development of national industry and agriculture." That amendment was adopted.

Mr. COLLADO stated that he agreed with the basic intentions expressed in sub-paragraphs 1, 2, and 3. He had given his full support to those sub-paragraphs on the assumption that the word "national" was used to mean "within the territory of the country". In his opinion the Sub-Commission was not prejudging in paragraph 27 the form of organization desired by or permitted to the country.

The CHAIRMAN proposed the substitution of the words "in the spirit of" for the words "as provided in" in sub-paragraph 1.

Mr. MOROZOV objected to that alteration.

Mr. COLLADO thought that references to the Charter should be accurate.

The CHAIRMAN stated that Mr. BRAVO Jimenez had recommended that the word "self-determination" should replace the word "independence" in sub-paragraph 1.

/ Mr. LIEU

Mr. LIEU preferred to keep the word "independence" while substituting the words "in the spirit of".

Mr. GUILMARAES agreed with Mr. Lieu.

Mr. PATEK favoured the original text.

Mr. COLLADO agreed with the words "in the spirit of".

That amendment was adopted.

Paragraph 27, as amended, was adopted with minor drafting amendments.

Paragraph 28 (new paragraph 27)

Mr. COLLADO remarked that he had already stated his views on the remaining paragraphs of the report. Since he did not concur in the opinions expressed therein, he would make no further comments, unless the substance of the report were to be changed materially so that he would no longer have to dissent.

The paragraph was adopted with minor changes.

Mr. COLLADO assumed the chair.

Paragraph 29 (new paragraph 28)

Minor drafting changes were made in the text of paragraph 29.

Mr. DORFMAN suggested that the words "the introduction of" in the third sentence should be replaced by the words "direct investments," in order to qualify the kind of financing the Sub-Commission had in mind.

The CHAIRMAN thought that the phrase "direct investments" would be unnecessarily limiting.

Mr. RAO resumed the chair.

The CHAIRMAN favoured the retention of the broader phrase "the introduction of".

Mr. MOROZOV suggested the following amendment to the third sentence: "..... they are also aware that, if it is provided for in the conditions, the introduction of private foreign capital may be accompanied by technical skill and know-how." He was not satisfied that technical skill and know-how would automatically accompany the introduction of private foreign capital.

/ The CHAIRMAN

The CHAIRMAN thought that any capital coming in for purposes of investment would have to be accompanied by the introduction of technical skill and know-how. Nevertheless, in view of the point raised by Mr. Morozov, he thought that it might be wiser to accept the wording "direct investments" as proposed by the Secretariat, and insert the word "usually" before "accompany".

Mr. MOROZOV preferred his original proposal.

Mr. LIEU would accept either the original wording or Mr. Morozov's proposal.

The CHAIRMAN thought that, when foreign capital was introduced into a country, if it was not consumption capital, technical skill and know-how would necessarily have to be imported.

Mr. MOROZOV felt that the Sub-Commission had not studied the problem thoroughly enough to justify such a generalization in its report.

The CHAIRMAN thought that the word "usually" would meet that objection.

Mr. PATEK suggested the insertion of the word "may", so that the sentence would then read: "..... they are also aware of the technical skill and know-how which may accompany the introduction of private foreign capital."

That proposal was adopted.

In view of the decision taken regarding paragraph 27, the CHAIRMAN proposed that the words "as provided for in" in the last sentence should be replaced by the words "in the spirit of".

It was so agreed.

Paragraph 29, as amended, was adopted.

Paragraph 30: (new paragraph 29)

Paragraph 30 was adopted unamended.

Paragraph 31 (new paragraph 30)

Mr. LIEU thought the enumeration of conditions in the paragraph was not advisable since it seemed to sharpen the conflict between countries importing and those exporting capital.

/The CHAIRMAN

The CHAIRMAN suggested that Mr. Lieu might wish to associate himself with Mr. Collado's reservation referring to that paragraph.

Mr. LIEU said he did not entirely agree with Mr. Collado's views and he would like it to be recorded that: "Dr. Lieu expressed the opinion that it was not desirable to list so extensively conditions which may not be required by every foreign investor".

He further suggested that in the listing of conditions the last "and" be replaced by "or".

Paragraph 31 was adopted with the/ <sup>above</sup> and other minor drafting changes.

At the instance of Mr. Lieu it was agreed to take up discussion of the last sentence in connexion with paragraph 35.

Paragraph 32 (new paragraph 31)

Paragraph 32 was adopted with minor drafting changes.

Paragraph 33 (new paragraph 32)

Paragraph 33 was adopted with minor drafting changes.

Paragraph 34 (new paragraph 33)

Paragraph 34 was adopted with minor drafting changes.

Mr. LIEU said that originally the Chinese delegation had brought up the idea of an international code on foreign investment in the Economic and Social Council, and that it had visualized a moral or ethical code and not a formal legal agreement. Furthermore it had not been intended to state the conditions which would be required to promote the flow of foreign capital into a country but rather the conditions under which those countries would be willing to accept the entry of foreign capital. He thought that, if such a code were considered as a statement of general principles, the Sub-Commission should be in favour of it, provided the context was acceptable. Since the Sub-Commission had no a priori objections to private foreign investments he did not think it should express the opinion "that no useful purpose would be fulfilled by attempting to draw up an international agreement on the promotion of private foreign investments".

/Since the

Since the Sub-Commission had not had sufficient time to consider the nature of the proposed code, he suggested that the whole paragraph should be deleted so as not to preclude the possibility of the matter being discussed at some future session or by some other United Nations body such as the International Trade Organization.

The CHAIRMAN felt that there was a certain amount of misunderstanding of the circumstances in which the paragraph had been drawn up and wished Mr. Lieu fully to understand the background.

The Sub-Commission had considered the idea of an international code from the point of view of countries exporting capital rather than from that of the underdeveloped countries since the demand for some sort of an agreement came from the former. Certain groups in the United States of America, on the basis of Point 4 of President Truman's new programme, were engaged in studying the provisions which would be needed for inducing the investment abroad of domestic capital. Those groups wished safeguards for such capital to be embodied in multilateral or bilateral treaties. As examples of that trend, Mr. Rao quoted from The New York Times concerning a special committee appointed by the National Foreign Trade Council to formulate recommendations on President Truman's plan, which had suggested safeguards for investors covering eight major headings. He also quoted a cutting from The New York Times to the effect that Mr. Heurter, a member of Congress, and the Director of the School of Advanced International Studies, had drawn up a document urging the government to enter into treaties which would specifically protect United States investments abroad, and outlining the proposed treatment of bilateral treaties.

The Sub-Commission had thought that that problem was not a matter for government intervention, but for arrangement by private individuals. Bilateral treaties were likely to result in the creation of conditions prejudicial to the interests of countries importing capital.

Mr. LIEU pointed out that two articles in the Havana Charter, in particular, article 12, paragraph 1 (c), were mainly in favour of underdeveloped countries.

/The paragraph

The paragraph under discussion said that the question of private foreign investments should be a matter for negotiation between individuals, but he felt that that might be as dangerous as inter-governmental agreements, and quoted the instance of a Chinese agreement to supply Japan with pig-iron which had resulted in Chinese manufacturers being unable to obtain enough pig-iron for domestic use. He felt that an international agreement would be more suitable for the underdeveloped countries than bilateral treaties although the latter might not necessarily be harmful in every case.

The CHAIRMAN suggested that the words "bilateral treaties" should be substituted for "international code" in the first sentence of the paragraph, that the words from "is therefore of the opinion" to the end of the paragraph should be deleted, and that the words "however, is of the opinion that an internationally agreed statement of the principles governing the import and export of private capital may serve a useful purpose in promoting private foreign investments" should be added.

Mr. COLIADO said that with that alteration a large portion of the objections which he had raised at the preceding meeting on the subject of bilateral treaties would disappear.

Mr. LIEU and Mr. GUIMARAES agreed to the Chairman's proposal.

Mr. MOROZOV said that the Chairman's proposal introduced a very substantial change in the text, and that the new wording seemed to indicate that the objective was the promotion of private foreign investment rather than the development of underdeveloped countries.

The CHAIRMAN emphasized that Mr. Lieu had not had in mind a treaty or legal agreement but a general statement of principles. Such a statement would help underdeveloped countries because it would make it possible to oblige investors of private capital to impart technical knowledge. Mr. Lieu had agreed that a bilateral treaty was not desirable because of the balance of strength between underdeveloped and industrialized countries.

/The Chairman

The Chairman said that his suggestion for an international code had been based on a document not yet made public, and that the wording had been changed to mean bilateral treaties since documents dealing with such treaties had already been published. With the introduction of the idea of bilateral treaties, he had been constrained to make his suggestion in order to safeguard underdeveloped countries from being "persuaded" to accept conditions prejudicial to their economic development. He thought that his new suggestion was perhaps better than the original from a purely practical point of view.

In order to meet Mr. Morozov's objection, he suggested that the words "in promoting private foreign investments" should be deleted.

Mr. LIEU suggested that the words "rights and" should be inserted before "obligations of member nations".

He supported the Chairman's draft, and pointed out that, if the Sub-Commission's report were endorsed by the Economic and Social Council, it would become the international statement of principles they had been discussing.

Mr. MOROZOV saw no need to revise the paragraph and take a new decision on it.

The CHAIRMAN said that the revision of the Sub-Commission's decision was not substantially at variance with the spirit of the original decision.

Mr. MOROZOV abstained on the paragraph.

In order to meet Mr. PATEK's objection, the CHAIRMAN proposed that the words "and hopes that such a statement will follow the lines set out in this report" should be added after "useful purpose".

Mr. PATEK also objected to the phrase "private capital".

Mr. GUIMARAES pointed out that to omit "private" would render the paragraph inconsistent with the preceding one.

It was agreed to retain the word "private".

The paragraph as amended was adopted.

Paragraph 35a (new paragraph 35)

The CHAIRMAN reminded the Sub-Commission that, with one or two abstentions, it had agreed to insert the text of paragraph 35a in the report.

Mr. MOROZOV said that the obligations undertaken by Member States did not necessarily apply to private investors, and that the last phrase was therefore illogical.

The CHAIRMAN expressed the strong opinion that it would be a healthy development if every national of a Member State considered himself bound by the obligations of the Charter. The whole paragraph was, however, only the expression of an ethical obligation or pious hope, without any legal implication.

Mr. MOROZOV nevertheless considered the paragraph unsatisfactory and would abstain from voting upon it.

Mr. PATEK proposed that the entire paragraph be omitted.

Paragraph 35a was adopted without change.

Paragraph 36

Paragraph 36 was adopted with minor drafting changes.

Paragraph 37

Paragraph 37 was adopted without change.

Paragraphs 38 and 39 (new paragraph 38)

The CHAIRMAN suggested that paragraphs 38 and 39 should be combined.

It was so agreed.

Paragraphs 40 and 41 (new paragraphs 39 and 40)

Paragraphs 40 and 41 were adopted with minor drafting changes.

Part V, paragraph 1

Certain minor drafting changes were made in the text of the paragraph.

Mr. MOROZOV suggested that the last sentence of the paragraph should be amended to read: "so as to enable the Sub-Commission to study the obstacles to economic development...." Some reference should be made to that important aspect of the study of economic development.

/The CHAIRMAN



The CHAIRMAN pointed out that, in the preceding sentence, the word "problems" had been used to cover the point raised by Mr. Morozov. Arrangements had been made for the Sub-Commission to take up discussion of those obstacles at its next session. He thought, however, that the phrase "and the obstacles to such advance" could be added to the last sentence.

It was so agreed.

Paragraph 1, as amended, was adopted.

Paragraphs 2, 3, and 4

Paragraphs 2, 3, and 4 were adopted without change.

Part VI, paragraph 1

Paragraph 1 was adopted without change.

Paragraph 2

Mr. COLLADO suggested that paragraph 2 should be amended to read: "to give those studies full consideration."

It was so agreed.

Paragraph 2, as amended, was adopted.

Part VII

Part VII was adopted without change.

Annex I

The CHAIRMAN requested the permission of the Sub-Commission to revise his memorandum on the creation of a new international financing agency with a view to shortening the statement and arranging the arguments in a more logical order. He assured the Sub-Commission that there would be no change in the substance of the text.

It was so agreed.

#### GENERAL OBSERVATIONS

Mr. MOROZOV reminded the Sub-Commission that he had suggested the elimination of the word "under-developed" from the report and the addition of a note to the effect that the word "country" had been used in the report to signify "under-developed country". Although that suggestion had been accepted by the Sub-Commission, it had not been carried out in the report.

/Mr. COLLADO

Mr. COLLADO agreed that the idea was good, but thought that it was too late to re-read the entire report and make the necessary changes.

The CHAIRMAN regretted that Mr. Morozov's suggestion had not been taken into account.

Mr. DORFMAN explained that in preparing the report the Secretariat had kept that suggestion in mind. It had found, however, that the sense of the report would be obscured by the omission of the qualifying term, since several different types of countries were mentioned: in many instances it would be difficult to be sure exactly what the Sub-Commission had intended, without including the term "underdeveloped". If the Sub-Commission wished to maintain the suggestion, however, the text of its report would have to be partially re-drafted.

Mr. MOROZOV wished to make certain reservations before the report was finally approved.

Though in general he would vote for the report, he wished to emphasize that that did not imply agreement on points concerning which he had made reservations during the discussions.

Among such points, was the question of divergences among the Great Powers, dealt with in paragraph 22 (new paragraph 21). The correct evaluation of the obstacles to economic development of underdeveloped countries, in his opinion, was not given.

The report addressed recommendations to the International Monetary Fund and to the International Bank, but nevertheless contained no criticism of their policies. The report also made no reference to the historic experience of private investment. Again, it mentioned guarantees to foreign investors, but failed to define those guarantees.

In spite of those omissions and inadequacies, however, the report did contain many correct principles for assisting the economic development of underdeveloped countries and also on private investment: subject to the previous reservations. He would therefore support it.

Mr. COLLADO announced that he had decided to revise the footnote which he had requested should be appended to paragraph 29 of the report so that paragraph 32 of Annex B would be replaced by the following sentence:

"My detailed views on the suitability and adequacy of the various  
/types of foreign

types of foreign financing, and on a number of other points dealt with in the paragraph referred to, will be found in the summary records."

The CHAIRMAN expressed the gratitude of the Sub-Commission for the change made by Mr. Collado; it would shorten the report considerably and make it more coherent.

In closing the final meeting of the third session, the Chairman thanked the Secretariat for its assistance, which in every case except that of the Russian translations, had been efficient and of a high standard; the summary records had never before been so satisfactory.

He expressed his appreciation of the courtesy and patience shown by the members of the Sub-Commission; it had been a fine experience to work in such an atmosphere of harmony and international co-operation.

Mr. GUIMARAES thanked the Chairman, to whom much of the credit for the Sub-Commission's achievements was due, and the Rapporteur for his energetic work.

Mr. MOROZOV hoped that the corrected translations would soon be made available. However, he wished to record his gratitude for the services rendered by the translators and interpreters.

The meeting rose at 9 p.m.