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Eighteenth Session
ECONOMIC COMMITTEE

SUMMARY RECORD OF THE ONE HUNDRED AND SIXTY-EIGHTH MEETING

held at the Palais des Nations, Geneva,
on Friday, 30 July 1954, at 2.30 p.m.

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Present:

Chairman: Sir Douglas COPLAND (Australia)

Members:

Argentina	Mr. CAFIERO
Australia	Mr. JOCKEL
Belgium	Mr. JANNE Mr. van der SCHUEREN
China	Mr. CHEN
Cuba	Mr. RIBAS
Czechoslovakia	Mr. KAIGL
Ecuador	Mr. AVILES MOSQUERA
Egypt	Mr. EL-TANAMLI
France	Mr. MONMAYON
India	Sardar Swaran SINGH Mr. BAJPAI
Norway	Mr. THAGAARD
Pakistan	Mr. Saïd HASAN
Turkey	Mr. OZGUREL
Union of Soviet Socialist Republics	Mr. FILIPPOV
United Kingdom of Great Britain and Northern Ireland	Sir Alex RANDALL
United States of America	Mr. HOTCHKIS Mr. STIBRAVY
Venezuela	Mr. MONTOYA
Yugoslavia	Mr. BRILEJ Mr. STANOVNIK

Observers from member States of the United Nations:

Indonesia	Miss LAILURUSAD
Netherlands	Mr. WALRAVEN
Poland	Mr. BOGUSZ

Also present:

Mr. SCHEYVEN

Former President of the Economic and Social
Council

Representatives of specialized agencies:

International Labour Organisation	Mr. DAWSON
Food and Agriculture Organization	Miss BLAU
International Bank for Reconstruction and Development	Mr. LOPEZ-HERRARTE

Representatives of non-governmental organizations:

Category A

World Federation of Trade Unions	Mr. DRINKWATER
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Category B and Register

Chamber of Commerce of the United States	}	Mr. CRUICKSHANK
Inter-American Council of Commerce and Production		
International Federation of Friends of Young Women	}	Mrs. FIECHTER
International Federation of University Women		
World Union of Catholic Women's Organizations		Miss de LUCY FOSSARIEU

Secretariat:

Mr. Blough	Principal Director, Department of Economic Affairs
Mr. Caustin	Director, Division of Economic Stability and Development
Mr. Messing-Mierzejewski	Secretary to the Committee

ECONOMIC DEVELOPMENT OF UNDER-DEVELOPED COUNTRIES (item 3 of the Council agenda) (continued):

(a) Financing of economic development (continued):

- (i) Question of establishing a special fund for grants-in-aid and for low-interest, long-term loans (E/2599 and Corr.1, E/2618, E/2646 and Add. 1 and 2, E/AC.6/L.111, E/AC.6/L.113, E/AC.6/L.114) (concluded)

In reply to a question by the CHAIRMAN, Mr. EL-TANAMLI (Egypt) said that he would withdraw his draft resolution on the financing of economic development (E/AC.6/L.113) because his delegation had associated itself with the joint draft resolution on the same subject (E/AC.6/L.114) submitted by eight delegations.

Mr. CAFIERO (Argentina), Mr. AVILES-MOSQUERA (Ecuador) and Mr. MONTOYA (Venezuela) said that they too withdrew their joint draft resolution (E/AC.6/L.111), being in the same position as the Egyptian representative.

The CHAIRMAN pointed out that the purpose of the joint draft resolution now before the Committee (E/AC.6/L.114), which was the outcome of discussions among several delegations and represented the maximum degree of agreement possible, was to indicate that the problem of the financing of economic development was not solved and should therefore be kept before the Council pending the conclusion of Mr. Scheyven's work.

Drawing attention to certain drafting points, he observed that the term "Special United Nations Fund for Economic Development" (SUNFED) should be used throughout, and added that the French and Spanish texts would be revised by the Secretariat to bring them into complete agreement with the English text.

Mr. BRILEJ (Yugoslavia), introducing the joint draft resolution, which represented a proposal generally acceptable to the authors of five different earlier proposals, hoped that it would give rise to no detailed discussion.

The preamble and operative paragraph (2) stressed the main features of the general situation on the basis of General Assembly resolution 724 B (VIII). Attention was drawn to the various factors in the international situation affecting the establishment of SUNFED. The chief difficulty had arisen in the drafting of operative paragraph (2), the keystone of the proposal. That paragraph did not satisfy all those who had taken part in the informal discussions, but represented an effort to promote greater co-operation. The recommendation in operative paragraph (3) that the General Assembly should extend Mr. Scheyven's appointment was only logical, since he had not had time to complete his task under Resolution 724B (VIII) and answers from governments were still coming in.

The Yugoslav delegation greatly appreciated the spirit of co-operation that had animated the Working Party.

Mr. THAGAARD (Norway) stressed his delegations' view that SUNFED should be established as soon as possible, even if its activities had to be limited in the initial stages. It had been agreed that the Fund would be finally established only when at least thirty countries had together subscribed a minimum of 250 million dollars. Much moral support had been forthcoming, but few governments had so far pledged material support; new measures must therefore be taken to raise the money.

The joint draft resolution was a compromise, and some of the authors of other proposals would naturally have preferred another text. He agreed, however, with the Yugoslav representative's insistence on the value of co-operation, and hoped that the same spirit would inspire the Council and the General Assembly when the resolution came before them. In conclusion, he trusted that at the twentieth session Mr. Scheyven would be in a position to submit to the Council the names of thirty countries willing to make contributions, and that the United States of America and the United Kingdom would be among them.

Mr. HOTCHKIS (United States of America) praised the Working Party's sense of co-operation, which was in the true tradition of the United Nations, and congratulated Mr. Scheyven on his excellent work.

Mr. JANNE (Belgium) said that his delegation had felt that the draft resolution would be of greater service to Mr. Scheyven in his work if Belgium were not among the authors. It approved whole-heartedly of the text and wished Mr. Scheyven every success in his endeavours.

Mr. ÖZGUREL (Turkey) also thanked the Working Party for its efforts. The draft resolution represented a further step towards the establishment of SUNFED. His delegation would unreservedly support the proposal, which made provision for the extension of Mr. Scheyven's appointment, and hoped that the Committee would adopt it by a large majority.

Mr. Saïd HASAN (Pakistan) pointed out that many members of the Working Party had agreed to the terms of the joint draft resolution only to enable general agreement to be reached. While he did not wish to underestimate the advantages of compromise, he felt obliged to point out that they were limited. He hoped that those industrialized countries which had not associated themselves with the proposal

would respond to the spirit of co-operation in which it had been drafted by reviewing their positions and seeing whether they could not help to establish the Fund. It was encouraging to see that one highly developed country was a joint author of the draft resolution.

Mr. MONTOYA (Venezuela) thought that, although the joint draft resolution did not entirely fulfil the hopes of some delegations, it might well constitute a satisfactory basis for future measures for the establishment of SUNFED. It was gratifying that eight delegations should have joined forces in submitting the proposal.

He would like some clarification of the term "their positions" in the first line of operative paragraph (2). In the French and Spanish texts the word "position" was in the singular, and he wondered whether the English text entailed any difference of meaning.

The CHAIRMAN suggested that the Venezuelan representative's difficulty might be disposed of by the insertion of the word "respective" before the word "positions" in the English text.

Mr. MONTOYA (Venezuela) agreed.

Mr. EL-TANAWLI (Egypt) expressed his gratitude to the Yugoslav delegation, which had always attached great importance to the establishment of SUNFED.

He did not think, however, that operative paragraph (1) of the French text adequately reflected the authors' desire to show their great appreciation of Mr. Scheyven's work and interim report.

Sir Alec RANDALL (United Kingdom) said that his delegation would support the joint draft resolution, although it did not precisely meet its wishes. He paid a tribute to the spirit of conciliation with which the Working Party had been imbued and which had produced such satisfactory results. The draft resolution would serve to keep the important subject of SUNFED before the minds of the governments concerned, while at the same time avoiding any premature steps which might possibly jeopardize the attainment of the desired results.

Sardar Swaran SINGH (India) also expressed gratification at the spirit of compromise and conciliation that had prevailed in the Working Party and had made possible the adoption of a text acceptable to a large majority of the Committee.

It was to be hoped that by submitting the proposal in its present form to the Council, the Committee would be paving the way towards the realization of its laudable goal.

Mr. JANNE (Belgium) referring to the point made by the Egyptian representative, with which he agreed, suggested a drafting change in the French text of operative paragraph (1) to bring it more into line with the English.

Mr. MONMAYON (France) shared the views of the Egyptian and Belgian representatives. As amended by the latter, the text paid a higher tribute to Mr. Scheyven's work.

The joint draft resolution on the financing of economic development (E/AC.6/L.114) with the Belgian amendment to the French text of operative paragraph (1) was adopted by 16 votes to none, with 2 abstentions.

Mr. FILIPPOV (Union of Soviet Socialist Republics) said that his delegation had received the Russian text of the resolution only a short time previously and had therefore been unable to state its views.

The CHAIRMAN thanked the Working Party for the good humour it had displayed in its discussions which had resulted in a resolution which, although not unanimously adopted, had aroused no dissent. He would also like, on behalf of the Committee to thank Mr. Scheyven for his excellent work which had made the resolution possible.

Mr. SCHEYVEN, speaking at the invitation of the CHAIRMAN, expressed his great satisfaction with the resolution adopted, not only because of the tribute it paid to him personally, but also because unanimous agreement had been reached on it. The replies of the highly industrialized Powers, such as the United States of America, the United Kingdom and the Soviet Union, showed that those countries were not yet prepared to lend material support to SUNFED. It was essential that it should never be thought of as an engine of war, but regarded as an institution to which various countries should give the same warm welcome as he had himself received in Washington and London when carrying out the General Assembly's instructions.

The Chairman's impartiality, authority and good humour had greatly contributed to the agreement reached in the Working Party.

(ii) Report of the International Bank for Reconstruction and Development on the question of creating an international finance corporation (E/2616)

Mr. STANOVNIK (Yugoslavia) pointed out that the report of the international Bank for Reconstruction and Development on the creation of an international finance corporation (E/2616) contained no new specific proposals, and that delegations would probably be in a better position to express their views on the subject when the General Assembly next met. For the moment, therefore, it would suffice if the Council adopted a resolution taking note of the report and inviting the International Bank to keep the problem under review in the light of the various discussions in the Council. It would save time if, following the course which had just borne such fruitful results in the case of the financing of economic development, the delegations specially interested in the subject would confer informally over the week-end and endeavour to produce for submission at the next meeting a text likely to command wide support without lengthy discussion.

Mr. Saïd HASAN (Pakistan) said that his delegation, which had intended to submit a draft resolution on the proposed international finance corporation, would fall in with the Yugoslav representative's suggestion.

Sardar Swaran SINGH (India) expressed some misgiving whether an informal working party of the kind proposed would be able to reach agreement on a text unless it had some concrete basis for its discussions. He suggested therefore that the Committee should meet the next morning and have before it the text of a draft resolution which a working party could be asked to give its final shape.

Mr. EL-TANAMLI (Egypt) was unable to support the Indian proposal because the Co-ordination Committee was due to meet the following morning and he would have to attend. The President of the Council and the Secretariat would find it difficult to draft the report called for in paragraph 5 of General Assembly resolution 724 C I (VIII) unless the Committee held a general discussion.

Several delegations having supported the Yugoslav proposal, the CHAIRMAN said that in his view a general discussion on the proposed international finance corporation would inevitably entail going over some of the ground already covered during the discussion on SUNFED. It might therefore be better to follow the course proposed by the Yugoslav representative.

It was so agreed.

- (b) Integrated economic development: reports by the Secretary-General under Council resolution 461 (XV) (E/2613, E/2538) and
- (c) Methods to increase world productivity (Council resolution 416 E (XIV)) (E/2604 and Corr.1)

Mr. CAFIERO (Argentina) said that his delegation was not yet ready to discuss integrated economic development and hoped that the subject could be deferred, or at least that the debate could be left open.

Mr. EL-TANAMLI (Egypt), although feeling that the Committee might conclude the discussion at the present meeting was prepared to fall in with the wishes of the majority. He would suggest that the Committee recommend the Council to request the Secretary-General to continue his work and to submit a final report to it as soon as possible.

Mr. STANOVNIK (Yugoslavia) pointed out that the Secretary-General had not yet completed his studies on integrated economic development. It was, however, likely that he would have done so by the end of the year, so that at the next session the Council would have a sounder basis for a detailed examination of the subject. He would therefore support the Egyptian representative's suggestion. Furthermore, integrated economic development was closely bound up with methods to increase world productivity; indeed, the two sub-items were together fundamental to the whole of the United Nations endeavours in the field of economic development. He therefore considered that a full discussion on both subjects should be held at a later session.

After further discussion,

it was agreed that the detailed discussion on sub-items 3(b) and 3(c) of the Council agenda should be deferred, and that a resolution should be adopted taking note of the interim reports by the Secretary-General and requesting him to continue his work and to present his completed reports to the Council at its nineteenth session.

The meeting rose at 4.40 p.m.