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GE.67-18665

PRESENT:

Chairman:

Mr. VARELA (Panama)

Members:

Mr. FORTHOMME)
Mr. DARON) Belgium

Mr. GELBER)
Mr. WILSON) Canada

Mr. STAHL)
Mr. BERDYCH) Czechoslovakia

Mr. de SOUZA Dahomey

Mr. MARTIN-WITKOWSKI)
Mr. JOSPIN) France

Mr. PITHER Gabon

Mr. LAVALLE VALDEZ Guatemala

Mr. SHOURIE)
Mr. CHADHA) India

Mr. NADIM Iran

Mr. AL-MUTAIR Kuwait

Mr. ATTIGA)
Mr. SHERIF) Libya

Mr. COSIO VILLEGAS)
Mr. ZAMORA) Mexico

Mr. HADDAOUI Morocco

Mr. QURESHI Pakistan

Mrs. LEFEVRE de WIRS Panama

Mr. ENCINAS del PANDO)
Mr. de RIVERO BARRETO) Peru

Mr. BRILLANTES)
Mr. MABILANGAN) Philippines

Mr. GEORGESCO)
Mr. COSAC) Romania

Mr. FORSHELL Sweden

Mr. CUHRUK Turkey

Mr. SMIRNOV)
Mr. KOLLONTAI) Union of Soviet Socialist
Republics

Mr. MARK)
Mr. HAYES)
Mr. KITCHING) United Kingdom of Great
Britain and Northern Ireland

Mr. BIRCH)
Mr. BLAU) United States of America

Mr. FIGUEREDO PLANCHART Venezuela

Observers for Member States:

Mr. ALLOUANE	Algeria
Mr. CURTIS	Australia
Mr. POPOV	Bulgaria
Mr. RIBEIRO)	Brazil
Mr. NOGUEIRA Jr.)	
Mr. LARRAIN	Chile
Mr. HUANG	China
Mr. GUERRERO	El Salvador
Mr. PACHACHI	Iraq
Mr. KENNAN	Ireland
Mr. MUNAFO	Italy
Mr. TAKIGAWA	Japan
Mr. ALONSO	Portugal
Mr. AMER	United Arab Republic
Mr. VIDAS	Yugoslavia

Observers for non-Member States:

Mr. ANDINA	Switzerland
Father de RIEDMATTEN	Holy See

Representatives of specialized agencies:

Mr. THORMANN	International Labour Organisation
Mr. PUTTEMANS	International Bank for Reconstruction and Development
Mr. WILLIAMS	International Monetary Fund

Representative of the International Atomic Energy Agency:

Mr. GOSWAMI	
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Representative of a United Nations body

Mr. LASSO de la VEGA	United Nations Conference on Trade and Development
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Secretariat:

Mr. de SEYNES	Under-Secretary for Economic and Social Affairs
Mr. LACHMANN	Chief, Fiscal and Financial Branch Economic and Social Department of Affairs
Mr. KREPKOGORSKI	Secretary of the Committee

UNITED NATIONS DEVELOPMENT DECADE (item 3 of the Council agenda) (E/4362, E/4376; E/AC.6/L.366/Rev.1) (continued)

Mr. ENCINAS del PANDO (Peru) said he had consulted his fellow sponsors of the draft resolution (E/AC.6/L.366/Rev.1) and also other members of the Committee, and agreement had been reached on certain amendments.

First, the fifth paragraph of the preamble should be amended to read as follows: "Noting that, in these circumstances, it is advisable to consider the desirability of holding under United Nations auspices a meeting to provide an opportunity for an exchange of ideas, principles and experience in the field of economic development among university"

Second, there were the following consequential amendments in operative paragraph 1: the word "feasibility" in the second line to be replaced by "desirability"; the word "conference" in the third and fourth lines to be replaced by the word "meeting".

Third, the second, third and fourth lines of operative paragraph 2 should be amended to read as follows: "..... the desirability of convening, before the end of the present decade, a meeting such as described above, to be attended by"

Mr. KOLLONTAI (Union of Soviet Socialist Republics) said that the amendment removed many of the earlier ambiguities. He wondered, however, whether it was necessary to specify the participants of the proposed meeting in such detail: that was a matter which should be left to the Secretary-General. He proposed that the words "with the participation of interested countries" should be inserted after the words "under United Nations auspices" in the fifth paragraph of the preamble; and that in the same paragraph the words "among university teachers economic development field" should be replaced by the words "between specialists in that field".

Mr. BRILLANTES (Philippines) proposed the deletion of the words "government officials", so as to ensure that the people invited really were experts. The term merely complicated matters, since it was sometimes difficult to decide whether government officials were acting as such or in their personal capacity.

Mr. ENCINAS del PANDO (Peru) said that the USSR amendment ran counter to the basic idea underlying the resolution, which was that a meeting should be convened not of government experts but of experts in their personal capacities, who could exchange ideas, problems and experience in the economic development field in an informal atmosphere.

Speaking for his own delegation, he would accept the Philippine amendment, which was more in keeping with the spirit of the draft resolution, though it would deprive the meeting of some valuable experts.

Mr. KOLLONTAI (Union of Soviet Socialist Republics) maintained his amendment. He did not understand how the Philippine representative could interpret it as meaning anything else than that the meeting should be attended by all experts in the economic development field. It was difficult in practice to say what sectors experts would come from, and he felt that it would be better to use the general wording he had proposed, leaving the Secretary-General to determine which experts should be invited.

Mr. ATTIGA (Libya) said that the Philippine amendment had given rise to doubts in his mind. The deletion of the reference to government officials might tie the Secretary-General's hands, since many research workers in the public sector, who would be valuable participants, were in effect government officials. It would be better to leave the text unchanged or to adopt the USSR amendment and leave it to the Secretary-General to suggest certain categories or include a list in his report.

Mr. COSIO VILLEGAS (Mexico) agreed with the representative of Libya. The Philippine amendment would exclude, for example, persons concerned with implementing economic development plans. He would favour either the Peruvian text or the USSR amendment.

Mr. QURESHI (Pakistan) supported the views of the representatives of Libya and Mexico.

Mr. FORSHELL (Sweden), agreeing with the three previous speakers, proposed that the relevant part of the fifth paragraph of the preamble should be amended to provide for an exchange of ideas "among specialists in this field who would be invited in their personal capacities".

As to operative paragraph 1, he recalled that it was the representative of Peru who had suggested that the Secretary-General should report on the desirability of a meeting. In the opinion of his delegation, the desirability or non-desirability of a meeting was a political matter which should be decided by a political body such as the Council. It would be better to keep the word "feasibility" which had appeared in the original text, and the Secretary-General could be requested to prepare the factual material necessary for a decision on the feasibility of holding a meeting.

Mr. COSIO VILLEGAS (Mexico) supported the first of the Swedish representative's proposals. As to the second, he pointed out that the Spanish version used the word "viabilidad", which conformed exactly with the Swedish proposal. He suggested that the English text should be amended to conform with the Spanish.

Mr. BRILLANTES (Philippines) said he would not press his amendment if the Swedish amendment to the fifth paragraph of the preamble were adopted.

Mr. ENCINAS del PANDO (Peru) drew attention to an error in the first line of the sixth paragraph of the preamble: the reference should be to General Assembly resolution 2218 A (XXI).

In view of the comments of the USSR, Swedish and Mexican representatives, he would agree to an amendment eliminating the detailed description of participants, along the lines suggested by the representative of Sweden.

Mr. KOLLONTAI (Union of Soviet Socialist Republics) said that the idea of inviting experts in their personal capacities raised difficulties. He suggested that the words "be invited" in the fifth paragraph of the preamble should be replaced by the word "participate".

Mr. GELBER (Canada) said he would prefer to see the word "desirability" retained. He suggested, however, that the wording should be broadened on the following lines: "...considerations bearing on the desirability of holding ... a meeting", so that the Secretary-General would have wider terms of reference in carrying out his task.

Mr. COSIO VILLEGAS (Mexico) said that it had already been agreed to replace the word "feasibility" by "desirability". He would support the Canadian representative's suggestion to broaden the scope of the Secretary-General's task, but not the re-introduction of the word "desirability".

Mr. GELBER (Canada) observed that the word "desirability" had been introduced by the representative of Peru.

Mr. ATTIGA (Libya) considered that "desirability" and "feasibility" were two entirely different considerations. Not everything desirable was feasible, and vice versa. Feasibility involved the question of costs, which included the expenses of experts if they attended in their personal capacities. The Committee must decide which aspect it wished the Secretary-General to investigate. His delegation had no strong views on the question.

Mr. ENCINAS del PANDO (Peru) observed that the only point of disagreement was the question of "feasibility" or "desirability". He had introduced the latter word after consultation with certain representatives, but after hearing the comments of the Swedish and Mexican representatives, he was inclined to agree that it was not in keeping with the Secretary-General's functions.

Mr. FORTHOMME (Belgium) said he had doubts as to the value of the whole resolution, and they had not been allayed by the discussion on terminology. The problem did not exist in French, since both terms were translated as "utilité".

Mr. HAYES (United Kingdom) supported the Canadian proposal. His astute wording really covered both terms, since if a meeting were not feasible, that would undoubtedly have a bearing on its desirability.

The CHAIRMAN suggested that the words "on the feasibility of a conference" should be deleted and replaced by the words "containing ideas and considerations on the feasibility and desirability of a meeting".

Mr. FIGURED PLANCHART (Venezuela), supported by Mr. ATTIGA (Libya) and Mr. de SOUZA (Dahomey) accepted the amendment proposed by the Chairman and suggested that it should be put to the vote.

Mr. JOSPIN (France), referring to the fourth paragraph of the preamble, suggested that the Committee should adhere to the wording it had used in its draft resolution on the United Nations Development Decade (E/AC.6/L.367) approved at the 428th meeting, and replace the word "second" by the words "period following the".

Mr. CHADHA (India) said that although that phrase had been used in draft resolution E/AC.6/L.367, it would be awkward, from the point of view of drafting, to include it in the paragraph under discussion. He suggested therefore that the paragraph should be amended to read as follows:

"Considering that it would be desirable to have before the end of the present United Nations Development Decade the fullest review both of past experience and of possibilities for future action".

Mr. ENCINAS del PANDO (Peru) said the sponsors could accept the Indian delegation's suggestion.

The CHAIRMAN suggested that the Committee should approve the text of the fourth paragraph of the preamble as amended by the Indian delegation.

It was so decided.

Mr. JOSPIN (France) said he hoped the sponsors would be able to agree to the deletion of the words "and who would be invited in their personal capacities" in the fifth paragraph of the preamble. If its proposal were not acceptable to the sponsors, his delegation would request a separate vote on that paragraph. The French Government's traditional policy was to avoid an increase in the number of meetings in which the participants were not government representatives but individuals whose travel and living expenses would have to be borne by the international organization concerned and not by member governments. The substitution of the word "participate" for the words "be invited" would not solve the problem.

Mr. KOLLONTAI (Union of Soviet Socialist Republics) withdrew his proposed amendment to part of the fifth paragraph of the preamble in favour of the French proposal.

Mr. ENCINAS del PANDO (Peru) said he was unable to accept the proposed French amendment to the fifth paragraph of the preamble and requested the Chairman to put the matter to the vote.

The CHAIRMAN said that the Committee would vote on the various amendments proposed in the order in which they had been submitted. The first amendment to be voted on, therefore, was that relating to operative paragraph 1, in which it was suggested that the words "on the feasibility of a conference" should be deleted and replaced by the words "containing ideas and considerations on the feasibility and desirability of a meeting".

The amendment was adopted by 22 votes to none, with one abstention.

The CHAIRMAN said that the second amendment to be voted on related to the fifth paragraph of the preamble. He requested the Secretary to read out the text of that paragraph as amended, including the amendment proposed by the French delegation and supported by the Soviet delegation.

Mr. KREPKOGORSKI (Secretary of the Committee) said that the text of the fifth paragraph of the preamble, as amended, would read as follows:

"Noting that, in these circumstances, it is advisable to consider the desirability of holding under United Nations auspices a meeting so as to provide an opportunity for an exchange of ideas, principles and experiences in the field of economic development among specialists in this field".

Mr. ATTIGA (Libya), supported by Mr. LAVALLE VALDEZ (Guatemala), said that the deletion of the words "and who would participate in their personal capacities" would change significantly the substance of the draft resolution. The whole idea of the draft resolution was that United Nations international agencies and Member States should be afforded the opportunity of a free discussion among individuals not answerable to Governments. Discussions on the question of financing were premature at that stage.

Mr. ENCINAS del PANDO (Peru) supported the remarks made by the Libyan and Guatemalan representatives. The basic idea of the draft resolution was that the experts should attend the meeting as individuals, not as government representatives. The question of financing would be discussed after the Secretary-General had submitted his report. In any case, it was quite probable that universities, academic institutions and foundations would be willing to meet the costs of any of their staff members attending the meeting. He hoped the French representative would not insist on his amendment.

Mr. JOSPIN (France) said that his delegation maintained its amendment. It doubted the usefulness of an expert meeting. Any meeting which aimed at fixing the goals for international co-operation within the framework of the next Development Decade should be attended by Government experts.

The CHAIRMAN observed that there were two specific proposals before the Committee and suggested that members should vote first on the proposal made by the representatives of Libya, Guatemala and Peru that the words "and who would participate in their personal capacities" should be retained.

Mr. BLAU (United States of America) drew attention to rule 65 of the rules of procedure and suggested that the French amendment, which was furthest removed in substance from the original proposal, should be voted on first.

It was so decided.

The French amendment was rejected by 13 votes to 3, with 6 abstentions.

Mr. ENCINAS del PANDO (Peru) said that as the French amendment had been rejected, there was no need for a vote on the proposal that the words in question be retained.

The CHAIRMAN observed that there were no objections to the Peruvian representative's suggestion, and proposed that the Committee should approve the text of the fifth paragraph of the preamble as read out by the Secretary and with the inclusion of the words "and who would participate in their personal capacities".

It was so decided.

Mr. FORTHOMME (Belgium) requested a vote on the draft resolution as a whole.

Draft resolution E/AC.6/L.366/Rev.1, as amended, as a whole, was approved by 22 votes to none, with one abstention.

Mr. CHADHA (India) said that his delegation had voted for the draft resolution because the sponsors had modified the text along the lines suggested by the Indian delegation in informal meetings. Originally, the Indian delegation had had reservations concerning the advisability of holding a conference on the economic development of developing countries because it felt that the urgent need was for practical action rather than academic discussions. It felt, moreover, that discussions about a world-wide conference on economic development might detract from the importance of the second session of the United Nations Conference on Trade and Development. Despite those reservations, the Indian delegation was prepared to keep an open mind on the subject, pending further examination of the matter, on the basis of the Secretary-General's report, by the Economic and Social Council at its forty-fourth session.

Mr. BLAU (United States of America) said that his delegation had voted for the draft resolution because it shared the sponsors' desire to bring to bear on the assessment of the current Development Decade and on the planning of the new development decade all the ideas, thoughts and experiences of various private groups and private individuals. It shared the scepticism of the Indian delegation concerning the question whether the best way of meeting that objective was to convene another conference, but felt that given the form in which operative paragraph 1 had been recast it was within the province of the Secretary-General to consider the pros and cons of all possible methods of achieving the resolution's objectives. Questions relating to the type and size of the meeting, and the conditions of participation therein, had not been decided. Moreover, the Secretary-General could consider the alternatives he had previously proposed as

well as such possibilities as a "Congressional hearing" procedure which he understood some Secretariat sources had in mind. The Secretary-General would have to take into account the two General Assembly resolutions on special conferences. In those circumstances, the United States delegation had abstained from voting on the French amendment; the question of the financing of the meeting had not been prejudged, but was one of the matters to be dealt with by the Secretary-General in his report.

Mr. JOSPIN (France) said that his delegation hoped that in its report to the Council the Committee would state the conditions in which the vote on the draft resolution and particularly the separate vote on the fifth paragraph of the preamble had taken place. It also hoped that the Secretariat would inform the Committee of the financial implications, to the extent to which they could be assessed, of a meeting of important persons invited at the Organization's expense. Without that information, consideration of the item and of the draft resolution in particular would be illegal.

The CHAIRMAN said that in its report to the Council the Committee would give the necessary information concerning the form of the vote; it would also indicate the result of the vote. At that stage, the proposals contained in the draft resolution did not give rise to any financial implications. In the report he was to submit to the Council at its forty-fourth session, the Secretary-General would certainly refer to the financial consequences of a meeting such as that proposed in the draft resolution.

Mr. GELBER (Canada) said that his delegation had voted against the French amendment because of the concession the sponsors had made in operative paragraph 1 and because it felt that the proposal to be examined should be the one put forward by the sponsors, not an entirely different one. The Canadian delegation had voted in favour of consideration of the proposal contained in the draft resolution although, as it had explained at the 429th meeting, it had serious reservations about it.

Mr. ATTIGA (Libya), referring to the comments made by the French representative, said that so far the draft resolution had no financial implications. It merely requested the Secretary-General to submit a report on the feasibility and desirability of a meeting on economic development.

Mr. HAYES (United Kingdom) said that his delegation had voted for the draft resolution on the understanding that it was voting for a request to the Secretary-General to report on the desirability and feasibility of a meeting on economic development. It wished, therefore, to be able to reserve its position concerning the holding of a meeting until it had received the Secretary-General's report. The United Kingdom delegation hoped that in preparing his report the Secretary-General would bear in mind all the alternative ways in which the knowledge, experience and views of experienced persons were already being drawn on and could be drawn on in the future.

EXTERNAL FINANCING OF ECONOMIC DEVELOPMENT OF THE DEVELOPING COUNTRIES (item 5 of the Council agenda) (resumed)

(b) PROMOTION OF PRIVATE FOREIGN INVESTMENT IN DEVELOPING COUNTRIES (E/419 and Corr.1 and 2, E/4274 and Corr.1 and Add.1 and 2, E/4293 and Corr.1 and Add.1, E/4408; E/AC.6/L.368 and Corr.1, E/AC.6/L.369 and Add.1, E/AC.6/L.371) (continued)

The CHAIRMAN invited the Committee to consider the draft resolution submitted by the delegation of Pakistan (E/AC.6/L.368 and Corr.1).

Mr. MARK (United Kingdom) said that as at present worded the text of operative paragraph 1(b) of the draft resolution entrusted the Secretary-General with the task of devising practical national and regional schemes for the financing of capital goods exports by and among developing countries. It might be unwise at that stage for the Council to commit itself formally to the proposition that that was a function to be entrusted to the Secretary-General. His delegation wished to suggest, therefore, that the paragraph should be amended to read: "(b) to consult the appropriate national and international authorities on the best means of establishing the most practical national and regional schemes for the financing of capital goods exports by and among developing countries, on the basis of the available experience with existing export credit schemes in developing countries."

Mr. ATTIGA (Libya) said that whereas the amendment proposed by the United Kingdom delegation referred to export credit schemes in the developing countries, the title of the draft resolution seemed to imply that the aim was to study existing or future export credit schemes in developed countries. He asked whether the draft resolution was concerned with export credit schemes in the developed countries or in the developing countries.

Mr. QURESHI (Pakistan) said that the draft resolution was concerned with the export credit schemes of the developing countries.

Mr. MARK (United Kingdom) suggested that it would be more logical and accurate if the title of the draft resolution were amended to read "Export credits and capital development".

Mr. QURESHI (Pakistan) said that his delegation was able to accept the amendment to the title of the draft resolution proposed by the United Kingdom delegation and also that delegation's proposed amendment to operative paragraph 1(b).

Mr. FORTHOMME (Belgium) referring to the French text of the second paragraph of the preamble, said that the words "dignes de foi" gave the impression that much of the information supplied to the developing countries came from suspect sources. It might be better if those words were replaced by some word such as "autorisées" or "officielles".

Referring to operative paragraph 1(b), he said that although he was favourably impressed by the proposed United Kingdom amendment, he nevertheless still had some doubts about the paragraph. The question of export credits was fully within the competence of the United Nations Conference on Trade and Development (UNCTAD), as the Final Act of the first session of the Conference contained a recommendation (A.IV.14) on the subject. It was not clear whether the Secretary-General was being requested to have studies made without taking into account UNCTAD's competence in the matter, or whether he was being instructed to entrust the work to the competent organization. Unless the latter was the case, the Committee would be undermining all efforts to achieve co-ordination between the members of the United Nations family.

Mr. BIRCH (United States of America) considered that the draft resolution might give rise to a certain conflict of jurisdiction, since the UNCTAD Committee on Invisibles and Financing Related to Trade was also dealing with the same problem.

He supported the United Kingdom amendment and suggested the insertion after the first paragraph of the preamble of another paragraph, reading as follows: "Noting with satisfaction the work undertaken in this field by the International Bank for Reconstruction and Development as presented to the UNCTAD Committee on Invisibles and Financing Related to Trade".

Mr. LACHMANN (Secretariat), referring to the point raised by the United States representative, said that the Committee for Programme and Co-ordination had stated that UNCTAD should rely on the staff of the Department of Economic and Social Affairs to continue its studies in the field under consideration. UNCTAD certainly had competence in the matter, and the question which part of the Secretariat was to undertake the work involved was simply a matter of specialization.

Moreover, as noted in the report on Export credits and development financing (E/4274 and Add.1) mentioned in the first paragraph of the preamble, close co-operation had been maintained with the International Bank for Reconstruction and Development (IBRD), and there was no duplication of work in the field under consideration.

Mr. SHOURIE (India) said that, in view of the explanation offered by the Secretariat, his delegation would support the United States amendment.

He suggested that, in view of the valuable experience acquired by the developed countries, the words "and developed" should be inserted between the word "developing" and the word "countries" at the end of the United Kingdom amendment.

Moreover, to enable use to be made of the results of the consultations referred to in the United Kingdom amendment, he suggested that the end of operative paragraph 2 should be amended to read "... progress made in his efforts under paragraph 1(a) above, and make available to the Council the results of the consultations proposed in paragraph 1(b) above."

Mr. ATTIGA (Libya) said that his delegation was prepared to support the amendments proposed by the Indian, United Kingdom, and United States representatives. The substance of the Secretariat representative's remarks concerning the question of competence should, however, be reflected in a separate paragraph of the draft resolution.

Mr. LACHMANN (Secretariat) pointed out that the gist of his remarks was already reflected in the fourth paragraph of the preamble and in operative paragraph 1.

Mr. MARK (United Kingdom) said his delegation would support the amendments submitted by the Indian and United States representatives.

He emphasized that the amendments proposed by his own delegation were not designed to call in question the competence of UNCTAD or the Council to deal with export credit problems. The intention was simply to recognize two possible stages in that process, namely, further investigations, and further action on the results of those investigations.

Mr. QURESHI (Pakistan) said his delegation was prepared to accept the amendments proposed by the United States representative as well as the proposed United Kingdom amendment as further amended by the Indian representative.

He suggested, however, that the beginning of the United Kingdom amendment should be changed to read "... consult with the appropriate ..."

Mr. MARK (United Kingdom) accepted the Indian representative's suggestion.

The draft resolution E/AC.6/L.368, as amended, was approved unanimously.

The CHAIRMAN invited the Committee to consider the draft resolution submitted by the delegation of Dahomey (E/AC.6/L.369).

Mr. ZAMORA (Mexico) asked what was meant by the term "authoritative Governments" in operative paragraph 2(a) of the draft resolution, and how the selective panel was to be chosen.

Mr. de SOUZA (Dahomey) said it had been his intention to replace the term "authoritative Governments" by the term "experts appointed by Governments Members of the Organization".

Mr. LAVALLE VALDEZ (Guatemala) said that his delegation was rather perplexed by the wording of operative paragraph 2(a), particularly as some of the terms used were rather unclear. He also asked what the financial implications of the draft resolution would be.

Mr. LACHMANN (Secretariat) said that the financial implications of the draft resolution were indicated in document E/AC.6/L.369/Add.1, on the assumption that the panel would consist not of Government representatives but of experts appointed by the Secretary-General.

Mr. FORTHOMME (Belgium) said that, apart from the fact that the United Nations Economic and Social Office in Beirut, mentioned in operative paragraph 2 of the English text, was not referred to in the French text, the wording of the draft resolution presented a number of difficulties, such as the composition of the panel, its terms of reference and its specific functions. Moreover, some of the references appeared to be out of place, and the nature of the recommendations referred to in operative paragraph 2(b) was unclear.

In his view, therefore, the draft should be carefully reviewed and the feasibility of its recommendations studied in detail.

Mr. BIRCH (United States of America) said that although the draft resolution was certainly constructive, it raised a number of difficulties. For example, it must be decided exactly how the panel was to be established, what it was to do and what recommendations it was to consider.

Mr. de SOUZA (Dahomey), replying to the various questions raised, explained that his delegation's objective in submitting the draft resolution was to convene a small group to study practical ways and means of increasing investments in the developing countries. It had considered that the best method of achieving that purpose would be to create a panel consisting not only of government experts and representatives of international agencies, but also investors. The task of selecting investors to serve on the panel did not, in fact, present any real difficulty, since the assistance of trade unions and particularly the International Chamber of Commerce could be requested in that connexion.

The recommendations in question would have to be applied by Governments, whose task would be considerably facilitated by the panel's discussions.

Mr. ATTIGA (Libya) said that although the draft resolution unfortunately failed to convey a coherent picture and attempted to touch upon too many matters at the same time, his delegation supported what seemed to be the underlying ideas.

He noted that private investments were already being promoted by a number of international bodies, such as IBRD, the United Nations Development Programme (UNDP) and the International Finance Corporation (IFC). Moreover, the United Nations Industrial Development Organization (UNIDO) was to act as a centre for the promotion of investments in the industrialization of the developing countries, so that that body too could reach a consensus concerning ways of promoting private investments.

Furthermore, the problem of private foreign investment in developing countries entailed a large number of political problems that could not be solved by reference to a panel.

For all those reasons, further consultations on the subject were necessary to decide how the objectives of the draft resolution could be achieved.

Mr. ZAMORA (Mexico) also agreed that the wording of the draft resolution was far from clear, particularly so far as the precise functions of the proposed panel were concerned. He therefore suggested that consideration of the draft resolution should be deferred pending further consideration of the subject.

Mr. MARK (United Kingdom) said that he agreed with much of what the Libyan and Mexican representatives had said. He, too, commended the report on the promotion of private foreign investment in developing countries (E/4293 and Corr.1), but could not see any justification in it for what was now being proposed, except possibly in paragraph 154. The representative of Dahomey had attempted to explain the background of the draft resolution, but would probably appreciate that a proposal of such scope could not be approved on the strength of a mere verbal explanation. The United Kingdom delegation would require a full statement, which it would be impossible to prepare before the Council's resumed session. Several major questions had been raised: there were the questions, for example, how the panel was to be constituted and what its cost would be. It seemed that Governments were being asked to approve the panel's recommendations in advance, which would be a most unusual course. Some information should also be given on how the proposed measures would fit in with work already in progress elsewhere. He therefore appealed to the Dahomean representative not to press his proposal to a vote, but to allow it to be considered at the Council's resumed session on the basis of a carefully reasoned paper.

Mr. SHOURIE (India) thought that it might be possible to discuss the draft resolution at the current session, if the text was re-worded in such a manner that the procedure for arriving at a consensus was not spelt out in detail and that acceptance by Governments of the panel's recommendations was not anticipated. The aim would be to constitute a panel of specialists who would examine the Secretary-General's recommendations in detail and make recommendations to Governments which might be implemented to the extent to which they were acceptable. He was advancing that suggestion because of the concern expressed by many delegations in the general debate at the inadequacy of private foreign investment.

Sub-paragraphs (a) and (b) might be amended to read:

- "(a) to convoke a panel of specialists representing Governments and United Nations organizations and specialized agencies concerned, in order to review these recommendations with a view to stimulating greater flow of foreign investments to developing countries; and
- "(b) to provide assistance to the developing countries in the implementation of the recommendations acceptable to the interested Governments".

Mr. de SOUZA (Dahomey), replying to the Libyan representative, said that in the preambular paragraph, the draft resolution referred to several different sources expressing more or less identical ideas. He did not think that diversity of sources was a flaw in the text. The United Kingdom representative had suggested that the Dahomean proposal anticipated acceptance by Governments of the panel's recommendations. That was certainly not the case, and he had had no intention of expressing such an idea.

Mr. JOSPIN (France) thought that it was the composition and role of the panel which caused the most concern. Perhaps it would be possible to abandon the idea of the panel for the time being. The Council might await implementation of the resolution by Governments. If the Secretary-General's periodic reports showed that certain difficulties or problems had arisen which required the establishment of a panel, the proposal could be taken up later. The draft resolution might prove acceptable if paragraph 2 were deleted and some minor improvements were made to paragraph 3.

Mr. ATTIGA (Libya) said that he had not intended to complain about the diversity of the sources quoted in the Dahomean proposal, but he thought that the agencies called upon to take action were heterogeneous. The best vehicle for promoting private investment was not the United Nations but some specialized bodies such as the African, Asian and Inter-American Development Banks, IBRD, and various private consortia. He agreed with the United Kingdom representative that the Council should refrain from taking a decision on the basis of a verbal statement as to the nature and scope of certain recommendations in the proposal, and also thought that consideration of the draft resolution should be deferred until the Council's resumed session.

Mr. de SOUZA (Dahomey) agreed that verbal explanations might be an insufficient basis for a vote on his proposal. The French representative was right in saying that while there was perhaps as yet no need for a panel, a panel might have to be set up if difficulties arose.

Mr. GELBER (Canada) thought that the French and Libyan representatives had been right to suggest that there might be many different ways of dealing with the important problem referred to in the draft resolution. He supported the United Kingdom proposal that consideration should be deferred to the Council's resumed session.

The CHAIRMAN inquired whether he could take it that the Committee agreed to defer consideration of draft resolution E/AC.6/L.369 until the resumed session of the Council as proposed by the representatives of the United Kingdom and Libya, and seconded by the representative of Canada.

There being no objection, it was so decided.

The CHAIRMAN invited the committee to consider the draft resolution submitted by the delegation of Dahomey (E/AC.6/L.370).

Mr. ATTIGA (Libya) drew attention to the fact that other bodies, including particularly the International Monetary Fund (IMF) dealt with taxation. The IMF Fiscal Affairs Department provided advice on taxation and public finance for the developing countries. The Council, which was responsible for co-ordination, should not initiate any action which might lead to duplication and waste of resources.

Mr. de SOUZA (Dahomey) thought that the Libyan representative's criticism might be met if operative paragraph 1 of the draft resolution were amended to read: "Requests the Secretary-General to work with the competent specialized agencies and to rely substantially on the regional economic missions and the United Nations Economic and Social Office in Beirut, in order to carry out ...". The Libyan representative had rightly referred to the responsibilities of IMF in fiscal matters. But tax problems were not isolated; they were integrated in general economic problems, and IMF was not competent to undertake integrated economic studies.

Mr. ATTIGA (Libya) thought that the Dahomean representative's amendment improved the text, but it was not correct to say that IMF was capable only of studying tax problems in isolation. No valid recommendations on a tax system could be framed without reference to the economy of the country concerned. Moreover, the task referred to in the draft resolution could be performed equally well by either the IMF or the United Nations Secretariat, though the latter would require additional funds for the purpose. It would therefore be preferable to use the resources of IMF.

Mr. de SOUZA (Dahomey) disagreed. The officers of IMF were specialists who were not competent to study the effects of tax systems on the economy in general.

Mr. MARTIN-WITKOWSKI (France) suggested that the wording of operative paragraph 1 could be improved by replacing the phrase "in full reliance with" by "with the assistance of". In the second and third lines, rather than "interested Governments", he would prefer the usual phrase, "the Governments of the developing countries, States Members of the United Nations".

Mr. WILLIAMS (International Monetary Fund) pointed out that IMF's Fiscal Affairs Department, like the United Nations Department of Social and Economic Affairs, was staffed by experts who regularly took part in consultative missions throughout the world and who worked closely with the corresponding sections of the United Nations Secretariat. Relations between the two were excellent, and there was enough work for both without any duplication or overlapping.

Mr. ATTIGA (Libya) said that if two agencies were to work in the same field the question of overlapping functions was bound to arise sooner or later. Taxation naturally had social aspects, as no tax expert would deny, but it might be more efficient for the developed countries to obtain their assistance in fiscal matters from IMF, which specialized in the field.

Mr. FORSHELL (Sweden) agreed that it was important to avoid duplication between the United Nations Department of Economic and Social Affairs and IMF. He suggested that operative paragraph 2 should be amended to read: "... a report to its forty-fifth session on the implementation of this resolution."

Mr. MARK (United Kingdom) said he wished to make it clear that his delegation would have been unable to support the draft resolution if there had been any implication that IMF was not competent or not suitably placed to carry out any work in the field of fiscal reform. His delegation shared the view expressed by the Libyan representative, and it supported the French and the Swedish amendments to operative paragraph 1.

Mr. QURESHI (Pakistan) said that although the Department of Economic and Social Affairs and IMF each had a section concerned with fiscal problems, there was, as the IMF representative had pointed out, enough work for all. Perhaps any possibility of duplication would be eliminated if the two sections maintained their close working relations. His delegation's view was that if the Council felt that there was need for the resolution on substantive grounds, the question of duplication need not be a matter for serious concern.

Mr. LACHMANN (Secretariat) confirmed that the United Nations department concerned had had a close working relationship with the Fiscal Affairs Department of IMF ever since its establishment. The possibility of duplication was always present, since in addition to the two units in question there were various bilateral and other programmes in the same field. The staff naturally did everything possible to avoid any overlapping or conflicting activities.

If the Libyan representative's view was that the United Nations should not deal with tax problems, he would point out that, if adopted by the Council, that view would have far-reaching implications. For example, the Committee for Programme and Co-ordination had said that UNCTAD and UNIDO should rely on the Fiscal and Financial Branch for studies in the field of taxation.

Mr. de SOUZA (Dahomey) welcomed the amendments which had been suggested.

With reference to the Libyan representative's misgivings regarding duplication, he pointed out that some degree of overlapping was inevitable; yet it must be borne in mind that where development programmes failed, the failure was often due in part to ignorance of the social aspects of fiscal measures.

He announced that Turkey had become a sponsor of the draft resolution.

Mr. FIGUEREDO PLANCHART (Venezuela) noted that misgivings had been expressed regarding the division of functions and overlapping; perhaps the best course would be to adopt a solution along the lines of the Swedish representative's suggestion. The Secretary-General could be invited to submit a report to the Council at its forty-fifth session, in which he would consider the desirability of carrying out an assistance programme; in other words, the Secretary-General would study the various considerations which had been put forward in the meeting.

Mr. MARK (United Kingdom) said that his delegation did not share the Venezuelan delegation's view; it felt that the main proposal - the programme - was a very modest one.

He pointed out that the word "stabilized" in the first paragraph of the preamble was probably meant to be "mobilized".

Mr. ATTIGA (Libya) believed that his remarks might have been misinterpreted. He had raised certain points for consideration by the Council, but it was not at all his intention to prejudge the matter. He agreed with the representative of Dahomey that the taxation was related to many aspects of national life; at the same time the mere fact that two bodies would be working in the same field meant that the question of a division of labour must arise.

He wished to make it clear that he would have no objection to any agreement reached in the Committee.

Mr. WILLIAMS (International Monetary Fund) emphasized that there was no conflict whatever between his Organization and the United Nations Department of Economic and Social Affairs. If the Council called upon the United Nations Department for the services in question, the Fund would co-operate; if it called upon IMF, the Fund would be prepared to carry out the work using its own resources. In any event he could assure the Committee that the work of the two bodies would continue to be closely co-ordinated.

The CHAIRMAN said that, if there were no objections, draft resolution E/AC.6/L.370, incorporating the drafting amendments proposed, would be considered to be approved unanimously.

There being no objections, it was so decided.

The meeting rose at 7.50 p.m.