

1923rd meeting

Monday, 14 October 1974, at 3.15 p.m.

President: Mr. Aarno KARHILO (Finland).

E/SR.1923

AGENDA ITEM 7

Special Programme to provide emergency relief and development assistance to the most seriously affected developing countries (*concluded*) (E/5590)

1. Mr. PREBISCH (Special Representative of the Secretary-General for the United Nations Emergency Operation) said that the outlook for the United Nations Emergency Operation had brightened considerably in recent weeks. At the conclusion of the initial assessment of the requirements of the most seriously affected developing countries, the amount needed had been very much higher than the commitments. That situation had been overcome and the current figures were more encouraging. Total pledges amounted to \$2,720 million, of which \$223 million in cash would form part of the Secretary-General's special account. That total included \$500 million from the European Economic Community, the provision of which had been made subject to two major conditions by the Community's Council of Ministers: first, that the developed countries' contribution on concessionary terms must reach a minimum of \$300 million, and, secondly, that the concessionary element contributed by the oil-exporting countries must amount to at least \$450 million. Both conditions had been fulfilled.

2. That did not mean that there were no outstanding problems; there were, and they were considerable. One of the main problems was the need, in view of the shortage of available resources, to draw up a very restrictive list of countries which could receive assistance from the Special Fund established by the terms of General Assembly resolution 3202 (S-VI). The basic criterion for classifying a State as a seriously affected country on the list¹ had been its capacity to pay for essential imports, such as food-stuffs and petroleum. In any event, it must be borne fully in mind that the list was not final and that sooner or later it would be necessary to consider requests from other countries wishing to be included in it. The initial period envisaged for the Emergency Operation was 12 months, but he believed that it would have to be extended and to take in more countries, since an increase in the number of most seriously affected developing countries could be expected. Accordingly, the sum of \$2,720 million, although substantial, would not be sufficient. It was therefore to be hoped that an appeal by the Secretary-General for an increase in the number and size of contributions would meet with the appropriate response.

3. Another cause of major difficulties was lack of information. In some cases the Secretariat had been able to identify the concessionary element in contributions, but in others it had been impossible to do so for lack of information. It was essential for contributors to indicate the percentages intended for each country. The cash amount of \$220 million would be avail-

able to the Special Fund shortly, and the Secretariat was already considering requests with a view to distributing it. He assured delegations that all information in that connexion would be kept strictly confidential.

4. Lastly, he emphasized that, although the worst was past, much more was needed to attain the objectives established by the General Assembly for the Emergency Operation.

5. Mr. LEGHARI (Pakistan) proposed that the Council should adopt the following draft resolution:

"The Economic and Social Council,

"Having considered the report of the Ad Hoc Committee on the Special Programme on its second session (E/5590),

"1. Draws the attention of the General Assembly to the above-mentioned report;

"2. Recommends to the General Assembly the adoption at its twenty-ninth session of the draft resolution contained in chapter I, paragraph 1, of that report."

6. Mr. HOSNY (Egypt) said that he did not agree with the reference in article VI (a) of the draft resolution contained in paragraph 1 of the report of the Ad Hoc Committee to "countries most seriously affected by economic crises"; the words at the end should be deleted, so that it would simply read: "countries most seriously affected", so that the draft resolution would be more in conformity with General Assembly resolution 3202 (S-VI), which defined those countries as those affected by economic crisis, natural calamities, foreign aggression and occupation, etc.

7. In accordance with the criteria established by General Assembly resolution 3202 (S-VI), Egypt, as a country subjected to foreign aggression and occupation, was eligible for assistance from the Special Programme and its emergency operations; it was also eligible simply on the basis of the narrow criteria of *per capita* income and the balance-of-payments deficit for 1974 and 1975 currently applied. Accordingly, his delegation expected that Egypt would be added to the provisional list of the countries most seriously affected.

8. Mr. ALGARD (Chairman of the Ad Hoc Committee on the Special Programme), replying to the representative of Egypt, pointed out that article I of the draft resolution defined which countries would receive emergency relief.

9. Mr. CORDOVEZ (Secretary of the Council) made a statement, pursuant to rule 34 of the rules of procedure, on the administrative and financial implications of the draft resolution recommended for adoption. If it was assumed, under the terms of article III (a) of the draft resolution, that the Special Fund was to operate as an organ of the General Assembly, the travel and subsistence costs for the members of the Board of Governors would be borne by their respective Governments. Consequently, financial implications would arise only in respect of documentation and conference servicing costs.

¹ See A/AC.168/6/Add.1.

10. Under the terms of article V (a) and (c), an Executive Director, appointed by the Secretary-General, would be chief executive officer of the Special Fund and would be assisted by a small secretariat within the framework of the United Nations Secretariat. The Secretary-General intended to review the most economical means of achieving the objectives of the Special Fund and to report to the General Assembly in due course on the financial implications of the establishment and operation of the Special Fund. At the time when the General Assembly considered those implications, the question of the method of funding of administrative expenses could also be decided.

11. Mr. TANK (United States of America) said that his delegation could agree to the adoption of the report of the *Ad Hoc* Committee by consensus, although it had reservations on some particular parts of the report.

12. With respect to the draft resolution contained in paragraph 1, he felt that the Board of Governors should have full discretion, subject to the provisions of General Assembly resolution 3202 (S-VI), to determine periodically the eligibility of beneficiaries of the resources of the Special Fund and, therefore, that there should be no automatic inclusion of least developed and land-locked developing countries among the most seriously affected, as appeared to be provided for in article VI (b). Secondly, his delegation had doubts about the Special Fund's participation in investment, since it interpreted investment as being primarily a commercial function and not one for which the resources of the Fund should be used. Those two issues had not been agreed in the *Ad Hoc* Committee and had been decided by vote. His delegation had not called for a vote on the current occasion and regarded its acceptance of the draft resolution by consensus as being consistent with the general position of the United States on the Special Fund, that position being that it planned to make no contributions to the Fund and, for emergency and development assistance, would continue to rely on bilateral and existing multilateral channels, which it found adequate.

13. His delegation had reached conclusions different from those of the *Ad Hoc* Committee on balance-of-payments deficits of the most seriously affected countries, partly because the United States assumed that developing countries would make some use of their foreign exchange reserves and would borrow through the International Monetary Fund (IMF) to meet some of their requirements. Nevertheless, his delegation regarded the figures given in the report as a reasonable initial assessment of needs. It further felt that import and export volumes and price levels were subject to significant changes over short periods of time and, accordingly, that calculations of balance-of-payments deficits needed to be revised periodically in order to keep current the basis for making decisions on aid needs.

14. Finally, his delegation noted that the monitoring function had been carried out by the staff of the Special Representative of the Secretary-General and, while it considered that there were some gaps in the results, it appreciated the difficulties involved in trying to assemble a reasonably complete set of data in a short period of time. That was especially true when it was recognized that precise definitions for the reporting had yet to be developed before Governments could be in a position to provide the data needed. In any

case, his delegation was of the opinion that the new Development Committee—the Joint Ministerial Committee of the Boards of Governors of the World Bank and IMF—would be in a position to develop general international guidelines for the transfer of real resources to developing countries.

15. Mrs. DERRÉ (France) said that, with regard to the emergency measures referred to in paragraphs 4 to 7 of the report of the *Ad Hoc* Committee, her delegation regretted that in many cases the Committee had been only an onlooker and had not been able to carry out a general assessment of the needs of the countries most seriously affected by the economic crisis. In that connexion, it had hoped that there would be closer co-operation with the secretariat of the Special Fund in the communication of data, not only with regard to assessment of the needs of the most seriously affected countries, but also with regard to accounting methods for the special assistance. Her delegation hoped that, by the time the Second Committee of the General Assembly considered the subject, the Secretariat would have been able to supplement the tables in annex II to the report so as to show clearly the amount of additional contributions, their form, their terms and their concessionary elements. It also hoped that the Secretariat would indicate the purpose for which funds remitted direct to the Special Fund would be intended and that the list of the countries most seriously affected by the economic crisis could be modified.

16. With regard to the Special Fund, she pointed out that, since there had been a great delay in circulating the text of the draft resolution, her delegation had been among those which had not been able to express their final views because of lack of instructions. For that reason, it reserved the right to speak later on the draft statute of the Special Fund, and it requested the Council not to take any decision on it for the time being and simply to transmit the report of the *Ad Hoc* Committee to the Second Committee.

17. In any case, her delegation wished to state that it would have preferred not to have the purpose of the Special Fund expressed in a single sentence. In dealing with a special operation, it was necessary to establish the specific character of its objectives, since, before potential donors assumed any obligations, they would obviously like to know how their contributions were going to be used. It must also be stressed that the activities of the Special Fund should not duplicate those of IMF or replace the assistance activities of the World Bank Group and the United Nations Development Programme (UNDP). It was necessary to specify the Fund's position in relation to other assistance agencies, since the operational activities of the United Nations system seemed to be more in need of classification than of co-ordination. More and more special funds were now being established, and that would inevitably lead to duplication. For example, in the field of agriculture there was already a fertilizer fund, and as a result of the World Food Conference to be held in Rome in November an agricultural development fund might possibly be established. In such circumstances, it must be determined how the activities of the new Fund were going to be organized in relation to those of existing bodies or bodies soon to be established.

18. That was an urgent and highly important problem which should be carefully considered by the Council because, in the present period of economic crisis,

the needs of the developing countries were too great for a substantial part of the assistance provided to them to be used to cover the administrative costs of various funds, as had happened in other cases.

19. Finally, her delegation considered that, in accordance with General Assembly resolution 3202 (S-VI), the United Nations had a new function to perform with regard to accounting methods for assistance; unfortunately, that aspect was not dealt with in the report of the *Ad Hoc* Committee. The United Nations was obviously in the best position to produce a complete picture of the needs of developing countries and the assistance granted to them.

20. Mr. KANAZAWA (Japan) noted that the report represented a compromise between the various views that had been expressed, and said that he could agree to its being adopted by consensus.

21. With regard to article VI (a) of the draft resolution, his delegation was of the opinion that emergency relief for the countries most seriously affected by the economic crisis should be complementary to existing bilateral and multilateral assistance. It did not agree that the Special Fund could participate in investment, since such activity was not compatible with the functions of a fund of that kind; moreover, the nature of the investment in question was not clear, and it should be determined with the greatest care.

22. With regard to article VI (b), he considered that the objectives of the Fund would be better served if the beneficiaries of the assistance were decided on in accordance with the provisions of General Assembly resolution 3202 (S-VI) and did not automatically include the least developed and land-locked developing countries.

23. Mr. NEUFELDT (Federal Republic of Germany) said that his delegation joined the consensus on the draft resolution orally proposed by the delegation of Pakistan. He briefly explained the position of his Government vis-à-vis the Special Fund. At the sixth special session of the General Assembly, his delegation had not objected to the establishment of a Special Fund. It felt that other potential contributors who, for one reason or another, had not made use of the existing multilateral machinery might prefer a new instrument for channelling assistance to the most seriously affected countries. His Government would continue to assist those countries through machinery which in the past had proved to be highly efficient. He was referring to the already existing bilateral and multilateral machinery.

24. In the field of multilateral assistance his Government closely co-operated with a number of United Nations organizations, especially with the World Bank and its affiliates, and with UNDP, the United Nations Children's Fund and the World Food Programme. The Federal Republic of Germany had recently increased its share in the Fourth Replenishment of the International Development Association from 9.6 per cent to 11.4 per cent, and the Government had proposed to Parliament an aid budget for 1975 that would be 9.1 per cent larger than that for 1974. That increase would be larger than the proposed increases of the budgets for any other purpose.

25. His Government's bilateral aid programme in 1974 was already to a large extent directed to those countries which were now most seriously affected by the recent increase in the prices of certain commodities.

In 1974 his Government responded promptly and generously to the plight of the drought-stricken countries of the Sudano-Sahelian Zone as well as of other countries stricken by natural disasters. His Government would also in 1975 continue to make special efforts to increase its assistance to the most seriously affected countries.

26. Mr. CHANG Hsien-wu (China) said that the draft resolution prepared by the *Ad Hoc* Committee was a result of the positive efforts made by the third-world countries, and his delegation agreed that it should be submitted for consideration by the Second Committee and the plenary General Assembly.

27. Referring specifically to the text of the draft resolution, he noted that article V (c) provided that the Special Fund might enter into management contracts with the World Bank and IMF; those agencies had exerted economic pressure on the third-world countries, refused to implement General Assembly resolution 2758 (XXVI) on the restoration of the lawful rights of the People's Republic of China in the United Nations, and were still keeping the "representatives" of the Chiang Kai-shek clique in their organizations. His delegation therefore had serious reservations about that provision. It was also firmly opposed to the Special Fund's providing any aid to the Lon Nol puppet clique, which appeared as one of the recipient countries in the provisional list.² The Royal Government of National Union of Cambodia was the sole legal Government representing the Cambodian people.

28. His delegation appreciated the efforts made by the developing countries most seriously affected by the economic crisis to defend the unity of the third world, and it was in favour of taking emergency measures. It hoped that such assistance would strictly respect the sovereignty of the recipient countries and would be in the interests of the independent development of their national economies. China would continue to make, in appropriate forms, its modest contribution within its capabilities.

29. Mr. BERLIS (Canada) said that, in view of the delay in circulating the report of the *Ad Hoc* Committee, it should simply be transmitted to the General Assembly, without any recommendations. It was unwise to adopt a draft resolution of the kind proposed by the delegation of Pakistan without having had time to study it.

30. Mr. MACKENZIE (United Kingdom), referring to the report just made by the Special Representative of the Secretary-General for the United Nations Emergency Operation, said that it was the third time the latter was requesting information, which seemed to be a sad state of affairs. It was even more distressing to have had to promise that the information received would be confidential. He recalled that the purpose was to meet human needs; his Government would supply the necessary information, and hoped that other countries would do the same.

31. He pointed out that the report of the *Ad Hoc* Committee on the Special Programme did not mention the fact that in the Committee decisions were taken by majority vote. His delegation's support for the contents of that report did not imply any commitment on the part of his country with regard to the Special Fund. Although his country recognized the merits of the

² A/AC.168/5.

Fund, it preferred to use the channels of assistance which already existed. However, whatever system was used, assistance should be provided as rapidly as possible. Finally, he hoped that the representative of Egypt would not insist upon his amendment to the draft resolution contained in the report.

32. Mr. BRITO (Brazil) said it was significant that, notwithstanding possible short-comings in its work, the *Ad Hoc* Committee had made an important contribution in a critical area of economic co-operation, thus bringing the United Nations to the centre of current preoccupations. Like other speakers, he considered that the result of the work of the *Ad Hoc* Committee was the fruit of a compromise, and should be received in that light by the Council when it took action on the report (E/5590). However, a few points might be clarified. It would be interesting to point out, for example, that, as the Chairman of the *Ad Hoc* Committee had observed at the preceding meeting, the draft statute proposed for the new Special Fund contained in the draft resolution in paragraph 1 of the report, had to be understood and interpreted in the light of the relevant provisions of section X of General Assembly resolution 3202 (S-VI). Those provisions were relevant both to the purposes of the Fund and to the selection of its potential beneficiaries. A more detailed presentation of its purposes would probably be inadequate, since the final nature of the operations of the Fund would depend, to a large extent, on the level of resources. It would therefore be difficult, at the current stage, to go into the details of the "purposes" of the Special Fund, beyond the general indication that it should provide both emergency relief and development assistance. He specifically supported the reference to "investments" in article VI (a) concerning the modes of operation of the Fund, because the statute should leave the door open not only to grants and concessional loans but also to investments. The latter could not be viewed as a purely commercial operation. There were modalities of investment in which the concessional, non-commercial element predominated, as was the case, for instance, with the United Nations Capital Development Fund.

33. With regard to the potential beneficiaries of the Special Fund, all of the criteria advanced by the General Assembly in resolution 3202 (S-VI) should be fully taken into account. Moreover, that resolution automatically included two categories of countries among the "countries most seriously affected": the least developed of the developing countries, and the land-locked countries. The same reasoning should prevail in relation to the selection of beneficiaries of the Emergency Operation. In that connexion, he wished to register the fact that the Special Representative of the Secretary-General had himself acknowledged the provisional nature of the list that he had prepared for the Emergency Operation.

34. Finally, his delegation supported the draft resolution orally proposed by the representative of Pakistan. The Council should provide the General Assembly with a specific recommendation on the issue, in order to comply with section X, paragraph 11, of General Assembly resolution 3202 (S-VI).

35. Mr. MASSONET (Belgium) said that his Government had not yet been able to give an opinion on the draft resolution contained in the report (E/5590), and reserved the right to express its point of view when

the item was discussed in the Second Committee of the General Assembly.

36. Mr. PEREZ GUERRERO (Venezuela) said that it was understandable that, despite the efforts made and the amount achieved, the goal had not yet been reached; he was confident that the support of all Governments could be relied on to achieve it. With regard to the draft resolution submitted by the *Ad Hoc* Committee on the Special Programme, he understood that it was a compromise document. While his country did not fully agree with its contents, it would provide financial support; but that would depend upon what other countries gave, particularly the richest. He welcomed the creation of a new element in the administrative machinery which, although a small unit, could count on the support of the other bodies. He was surprised by the evident hesitations of other delegations, although he understood that they needed more time to study the document, and trusted that they would finally overcome them.

37. Mr. CAVAGLIERI (Italy) said that, in view of the short time that had elapsed since the publication of document E/5590, he could not make a definite statement concerning his Government's position. While he agreed with the establishment of the Special Fund, he had doubts concerning its operation, and warned of the need to avoid duplication of the efforts of already existing bodies. He reserved the right to make further comments when the matter was discussed in the Second Committee.

38. Mr. GAJENTAAN (Netherlands) reaffirmed his Government's full support for the measures taken by the Special Representative of the Secretary-General for the United Nations Emergency Operation, and deplored the fact that it had not been possible to reach a consensus within the *Ad Hoc* Committee on the Special Programme. His delegation could take part in a consensus on the report and the corresponding draft resolution, but it should be borne in mind that the *Ad Hoc* Committee had not yet finished its work.

39. Mr. SKOGLUND (Sweden) said that the main features of the Special Fund seemed to correspond to the principles of the new economic order. He welcomed the intention to limit the administrative machinery, and hoped that a solution could be found on the basis of the existing proposal, so as to avert the risk that the Special Fund would not be able to commence its operations by the date laid down by resolution 3202 (S-VI).

40. With regard to the draft statute of the Special Fund, his delegation welcomed the proposal that the Fund might enter into management contracts with international organizations; in that connexion, however, it would be interesting to learn how the *Ad Hoc* Committee envisaged the relations with organizations other than those mentioned in article V of the draft resolution, particularly UNDP and the United Nations Capital Development Fund, which were referred to explicitly in resolution 3202 (S-VI).

41. With regard to the possibility of giving contributions in kind, mentioned in article II (a), his delegation would like to know what type of commodity the *Ad Hoc* Committee had in mind, and if that possibility would exist both for contributions for development and for emergency assistance. In that connexion, his delegation wondered how a "small secretariat" could deal with such commodity assistance, which often re-

quired a considerable amount of administrative machinery.

42. Finally, it was somewhat unclear how the *Ad Hoc* Committee envisaged the participation of the Special Fund in investments, and whether the expression "concessionary terms" also applied to investments.

43. Mr. MAKEYEV (Union of Soviet Socialist Republics) said that the measures envisaged during the sixth special session of the General Assembly were extremely important, and they included precisely the measures aimed at meeting the situation of the countries most affected by the economic crisis created by the capitalist countries.

44. He recalled that the Minister for Foreign Affairs of the USSR, in his speech in the general debate at the current session of the General Assembly (2210th plenary meeting) had repeated that the worsening of economic difficulties was closely related to the growth of military spending. His country's proposal at the twenty-eighth session of the General Assembly, on the reduction of the military budgets of States permanent members of the Security Council by 10 per cent and utilization of part of the funds thus saved to provide assistance to developing countries, had met with the support of an overwhelming majority of the developing countries. By implementing that proposal, all the needs of the Special Fund mentioned by the Under-Secretary-General for the Emergency Operation would be met, and there would even be a residue of funds for development. The USSR continued to provide a considerable amount of assistance with a view to promoting the establishment of a new economic order and putting an end to the consequences of colonialism, monopolies, the intervention of transnational enterprises, and so on. To that end, the Charter of Economic Rights and Duties of States, in the preparation of which his country had taken part, should be promoted.

45. The assistance provided by his country was not subject to political or any other conditions, but rather was based on the principle of mutual benefit. In that way, the receiving country avoided a loss of capital, its export capacity was increased and a contribution was made to stabilizing its balance of payments. Furthermore, his country's assistance was primarily aimed at the industrial and energy sector of the developing countries. The USSR was carrying out exploration and prospecting, and providing the services of highly qualified experts; in all cases, in its co-operation activities it took into account the socio-economic structure of the receiving countries.

46. His delegation would not oppose the adoption of the draft resolution on the structure and procedures of the Special Fund, but it wished to point out that it was incorrect to attribute monitoring faculties in connexion with bilateral assistance to a United Nations body, because that would imply that the body in question would be empowered to interfere in the internal affairs of countries. It was doubtful whether the Special Fund should be required to maintain close contacts with the World Bank, which was under the control of certain interests which acted in a manner hostile to the developing countries, as had been seen in the case of the Government of Popular Unity in Chile.

47. Neither did it seem particularly appropriate for contributions to the Special Fund to be made in convertible currencies. The principle regulating voluntary contributions was that they should be made in national

currencies. The reference, in article II (a) to the possibility of receiving contributions from private sources, also seemed inappropriate. In conclusion, he considered that the allocation of assistance to countries was the responsibility of the intergovernmental agencies and not that of the Secretary-General.

48. Mr. FASLA (Algeria) noted that it was impossible to find a solution to the current economic crisis without the full co-operation of the industrialized countries, and that, in any case, the United Nations formed the ideal framework for the promotion of international assistance and the development of international co-operation. In the view of his delegation, the activities of the Special Fund should be directed essentially towards development and, to that end, the Fund should base its activities on large-scale regional or subregional projects, particularly in the food sector.

49. He felt that General Assembly resolution 3202 (S-VI) envisaged two classes of countries eligible to receive emergency assistance: the least developed of the developing countries, which were automatically included in the list, and landlocked countries and other developing countries, whose eligibility would be periodically reviewed by the Board of Governors.

50. In conclusion, he said that the draft resolution submitted by Pakistan was satisfactory and indicated his readiness to support it.

51. Mr. QADRUD-DIN (Pakistan) pointed out that, for a broader view of the draft resolution submitted by his delegation in the course of the meeting, paragraph 1, which merely brought the report of the *Ad Hoc* Committee on the Special Programme to the attention of the General Assembly, should be read in conjunction with paragraph 2 of the report which indicated the special position of a number of delegations.

52. Mr. HOSNY (Egypt) said that his delegation could accept the suggestion by the United Kingdom delegation and, in view of the explanation given by the Chairman of the *Ad Hoc* Committee, would not press its amendment to article VI (a) of the draft resolution which appeared in the report; in any case, he understood that the wording used had been chosen in the interests of brevity and did not prejudice the definition of the most seriously affected countries which appeared in General Assembly resolution 3202 (S-VI).

53. His delegation requested that the report of the Economic and Social Council to the General Assembly at its twenty-ninth session should include the statements by delegations concerning the countries eligible to receive emergency assistance and the explanations of the Chairman of the *Ad Hoc* Committee in that regard.

54. Mr. CORREA (Chile) said that his country fully concurred with the need to establish the Special Fund and was prepared to co-operate with it. The new international economic order must strengthen agencies of that kind which centralized assistance to the developing countries and guaranteed that it was given without political motivations. He wished to point out that, when referring to the question of assistance, the Soviet delegation repeatedly intermingled economic considerations and political considerations, and in connexion with that delegation's statement that the assistance which the USSR gave to developing countries was not contingent upon political circumstances but upon economic situations, he said that Chile's three

years' experience of bilateral relations with the Soviet Union showed that the very opposite was in fact true.

55. Mr. LUCHTERHAND (German Democratic Republic) said that his country was in favour of the establishment of a new international economic order which would ensure the political and economic independence of the developing countries and would help to eliminate all forms of colonialism and neo-colonialism. The German Democratic Republic had always based its relations with the developing countries on a strict respect for the principles of sovereignty, equality of rights, non-interference in internal affairs and mutual advantage. In pursuing those relations, the German Democratic Republic proposed to use effective methods which would take into account the particular needs of the developing countries, in the light of their national plans. The implementation of the proposals which had been introduced in the United Nations, proposals that were designed to put an end to the arms race, would be very helpful in accelerating economic progress, particularly that of the least developed among the developing countries.

56. With regard to the draft resolution in the report of the *Ad Hoc* Committee, he wished to point out that article I, which referred to the Special Fund as the central monitoring body for bilateral and multilateral assistance, could not be interpreted in a manner that would allow a violation of the basic principles of the Charter of the United Nations; it was obvious that the preparation, conclusion and implementation of bilateral agreements between States were matters which fell within their own competence, and that statement also applied to the agreements concluded in the economic, scientific and technological fields; in his view, the Special Fund should be operated on the basis of that principle.

57. Moreover, the German Democratic Republic shared the view of many States that the World Bank did not meet the requirements of the new economic order, and for that reason it did not consider it appropriate that the Special Fund should be associated with that agency. In conclusion, his delegation had no objections to the adoption of the draft resolution which appeared in the report.

58. Mr. CZARKOWSKI (Poland) said that his country associated itself with the consensus on the operation of the Special Fund, as set out in paragraph 1 of the report of the *Ad Hoc* Committee, since it had always supported the aspirations of the developing countries, as reflected in the Programme of Action on the Establishment of a New International Economic Order in General Assembly resolution 3202 (S-VI). Because of the delay in distributing document E/5590, his delegation would state its comments and reservations when the item was taken up in the Second Committee of the General Assembly.

59. Mr. ACEMAH (Uganda) recalled that he had already had an opportunity, in the Second Committee, of expressing his country's concern at not having been included in the lists of countries most seriously affected.⁸ Uganda was not only a land-locked country, but also one of the countries which had to pay the highest transport costs. Since the list was a provisional one, Uganda trusted that it would be included when an enlarged list was drawn up in accordance with the criteria set forth in General Assembly resolution 3202 (S-VI). In that connexion, he endorsed the statement by the Brazilian representative. His delegation reserved the right to speak on the item when it was considered in the Second Committee.

60. The PRESIDENT recalled that the delegation of Pakistan had orally introduced a draft resolution and pointed out that no other formal proposal had been made. If there were no objections, he would take it that the Economic and Social Council was prepared to adopt the Pakistan draft resolution, without a vote.

The draft resolution submitted by Pakistan was adopted [resolution 1912 (LVII)].

61. Mrs. DERRÉ (France) said that her delegation was compelled to reiterate what it had said at the previous session with regard to the Economic and Social Council's methods of work. Instead of rectifying its short-comings, the Council continued to prefer a comfortable routine. The membership of the Council had been expanded to 54 countries in order to reflect more accurately the membership of the United Nations. However, a proposal had just been made for the adoption of a draft resolution with which only the 36 States members of the *Ad Hoc* Committee were familiar in detail, while 18 other countries had not had an opportunity of duly studying it and their representatives had had to remain silent because they had no instructions from their Governments. Her delegation did not oppose the consensus, but it would like to draw attention to the arbitrary nature of the procedures followed, which would not help to enhance the prestige of the United Nations.

62. Mr. BERLIS (Canada) said, referring to the matter under consideration, that at the General Assembly's sixth special session his delegation had supported resolution 3202 (S-VI) because of the urgency of helping the most needy countries in view of the crisis. However, it did not view the establishment of the Special Fund with particular enthusiasm although it recognized, then as now, that it might be useful for those Governments which did not normally make contributions. Canada believed that it was necessary to make the maximum use of the existing channels for contributions and, accordingly, would not contribute to the Special Fund.

The meeting rose at 5.40 p.m.

⁸ A/AC.168/5 and A/AC.168/6/Add.1.