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Chairman: Mr. Bohdan LEWANDOWSKI (Poland).

AGENDA ITEM 36

Question of holding an international conference on trade problems (*concluded*)

ADOPTION OF THE DRAFT REPORT OF THE COMMITTEE (A/C.2/L.687)

1. Miss SELLERS (Canada), Rapporteur, presented the draft report (A/C.2/L.687) and drew attention to certain errors in the English version, which would be corrected before the draft was presented in plenary meeting.
2. Mr. GNAMBAULT (Gabon) said that he could hardly express an opinion on the French text, as it had just been circulated.
3. Miss SELLERS (Canada), Rapporteur, assured the delegations that corrections to the draft report in the versions other than English would also be taken into account, and she asked them to bring those corrections to her attention as soon as possible.

Subject to such corrections, the draft report of the Committee (A/C.2/L.687) was adopted.

Economic and social consequences of disarmament: report of the Secretary-General transmitting the study of the group of expert consultants appointed under General Assembly resolution 1516 (XV) (A/5199; A/5203, chap. II; A/C.2/L.647 and Add.1; E/3593/Rev.1, E/3593/Add.1-5) (*continued*)

Economic programme for disarmament (A/C.2/L.646) (*continued*)

4. Mr. WATNEBRYN (Norway) praised the study of the Consultative Group of experts on the economic and social consequences of disarmament (E/3593/Rev.1) and noted with satisfaction that the Economic and Social Council had decided, by its resolution 891 (XXXIV), to transmit it to the Conference of the Eighteen-nation Committee on Disarmament for consideration. If international peace and stability were to be maintained, it was essential that the underprivileged nations should make up for lost time in the economic and social sphere. The armaments race, which was itself a threat to peace, also absorbed resources which could be used to solve the problems of the developing countries. The Consultative Group of experts had made a useful contribution by showing that the conversion from production for war to production for peace would apparently not cause an economic crisis.

5. The Second Committee must now consider what measures should be adopted in the light of the conclusions of the experts; the ideal would be a single text adopted unanimously. His delegation endorsed the recommendations contained in Council resolution 891 (XXXIV), on which the eight-Power draft resolution (A/C.2/L.647 and Add.1) was largely based. It therefore supported operative paragraph 3 of the draft resolution. The additional measures to be adopted should be determined on the basis of the further report which the Secretary-General would submit to the General Assembly. The time was hardly ripe to embark on the drafting of a general economic programme for assistance to developing countries based on resources which would be released by general and complete disarmament. No effort should be spared, however, to find a solution to the disarmament problem and, meanwhile, to continue to increase assistance by every possible means.

6. Mr. MWANJISI (Tanganyika) associated himself with the representatives of the other developing countries in pleading the cause of disarmament. As the representative of Togo had already said, the funds used for the manufacture of nuclear bombs equalled the total amount of assistance provided each year for all the developing countries. Preparations should be begun without delay for the time when those resources would be released and would be devoted to

peaceful development and the progress of mankind. For that reason Tanganyika welcomed the two draft resolutions before the Committee (A/C.2/L.646, A/C.2/L.647 and Add.1) and hoped that the eight-Power draft, after the incorporation of the two-Power amendment (A/C.2/L.680), would be acceptable to all.

7. Mr. HELELA (Finland) recalled that there had been occasions in the past when programmes had been launched without due consideration of all their implications. Fortunately, that would not be true in the case of disarmament, since the economic and social consequences had already been examined very carefully in the study of the experts. It was gratifying to note that, in the light of that document, there appeared to be no basis for the fears aroused by the prospect of large-scale reconversion. Finland had not undertaken a study of the consequences that disarmament might have for its own economy, but it was convinced that the problems would be no more insurmountable than those which had arisen after the Second World War; in fact, the statistics given in annex 2 of the study showed that Finland's military expenditure accounted for barely 1.7 per cent, on an average, of the gross national product. The effect of reconversion on a country's economy would depend partly on the time-table for disarmament and partly on the economic situation of the country itself. There was no reason to believe, however, that the release of resources at present devoted to armaments would automatically bring about a corresponding increase in assistance to developing countries. For its part, Finland was aware of the effort that had to be made; the best evidence of that was the fact that in 1963 it would spend sixteen times as much on technical assistance as it had in 1960.

8. His delegation, which attached the greatest importance to questions relating to disarmament, hoped that the sponsors of the draft resolution would be able to arrive at a text acceptable to all.

9. Mrs. GINOR (Israel) congratulated the Consultative Group of experts for having shown clearly in its study what universal peace would really mean to all countries, large and small. Their unanimous conclusion that disarmament could only benefit all mankind was equally important. That idea was not a new one; it had been eloquently expressed by the prophets. It was to be hoped that, faced by the possibility of total destruction in the nuclear era, the world would be able gradually to advance towards that sublime goal to which it had so long aspired.

10. As the Yugoslav representative had rightly pointed out, the problem was to determine what the Second Committee could do to hasten disarmament. She also believed that it was desirable to link disarmament with economic growth, inasmuch as that would make it possible to speed up economic development, since the additional capital goods and technical knowledge required for rapid industrialization were at present mainly in the hands of developed countries, and as economic progress would promote peace by reducing the tensions arising from the widening gap between levels of living in the various countries. Such a development might mark the beginning of an era of true international co-operation and understanding among peoples.

11. For those reasons, her delegation attached great importance to operative paragraph 5 of the eight-Power draft resolution. However, as the two draft resolutions called for co-operation in carrying out

further studies, the Second Committee's action would be more effective if it could adopt a single text unani- mously. By its awareness of the great advantages to be gained in the economic and social field and by beginning to prepare for disarmament, the world might hasten its achievement.

AGENDA ITEM 39

Permanent sovereignty over natural resources (A/4905, A/5060, A/5225, A/AC.97/5/Rev.2, A/C.2/L.654 and Corr.1, E/3511, E/L.914, E/L.915, E/L.918, E/L.919, E/SR.1177-1179, E/SR.1181) (continued)

CONSIDERATION OF THE DRAFT RESOLUTION OF THE COMMISSION ON PERMANENT SOVEREIGNTY OVER NATURAL RESOURCES (A/C.2/L.654 AND CORR.1) (continued)

12. Mr. VELAZQUEZ (Panama) said that his delegation had joined the delegations of the United Kingdom and the United States of America in sponsoring the revised amendments (A/C.2/L.686/Rev.1) in the hope of finding a wording acceptable to all. As the discussion had shown that to be a vain hope, the delegation of Panama had decided to withdraw its sponsorship of the revised amendments, leaving the remaining sponsors full freedom of action. He added that there was no longer any reason to delay putting to the vote the draft resolution (A/C.2/L.654 and Corr.1) and its amendments (A/C.2/L.670, 686/Rev.1 and Add.1, 690 and 691).

13. Mr. FINGER (United States of America) thanked the delegation of Panama for its efforts and announced that consultations were continuing with the Algerian delegation on the amendment it had suggested (A/C.2/L.691). He said that for the moment, the United States delegation did not wish to submit the first of its amendments in a revised form. The consultations that were being held would determine whether the amendment would be resubmitted in its original wording.

14. Mr. AUGUSTE (Haiti) emphasized the importance of the Commission's work in checking traditional excesses in the field under consideration. In the past, contracts had often been veritable models of unequal agreements, owing to the absence of absolutely free consent. Investments made under those conditions had been found to be a cure worse than the disease of under-development they were supposed to remedy, and they had often led to hasty and disadvantageous nationalization. The draft resolution was in keeping with many of the things that his delegation had in mind, and the amendments of the United Kingdom and the United States (A/C.2/L.686/Rev.1 and Add.1) did well in giving investors legitimate protection for their risks. The Haitian delegation would abstain from the vote on the amendments proposed by the Soviet Union (A/C.2/L.670) and Algeria (A/C.2/L.691).

15. Mr. SAHLOUL (Sudan) observed that, in spite of the sincere efforts of members of the Committee, it hardly seemed possible to produce a plan for the development of developing countries which would meet all points of view. In the circumstances, his delegation felt that all aspects of the matter required more thorough study after consultation with legal experts. As, moreover, many of the countries represented in the Committee had not taken part in the work of the Commission, the Sudanese delegation

was inclined to support the proposal made by Burma at the 850th meeting.

16. Mr. MWANJISI (Tanganyika) said that the aim of the draft resolution was to prevent former colonial Powers from trying to satisfy their needs at the expense of newly independent States. In that respect, the amendment proposed by Algeria was very much to the point. So far as the revised amendments were concerned (A/C.2/L.686/Rev.1 and Add.1), the first was justified, but the second jeopardized national sovereignty, thereby doing precisely what the draft resolution was intended to prevent. Tanganyika would vote for the draft resolution on the understanding that the provisions of treaties signed in the past between colonies and their metropolitan countries would not be regarded as applicable.

17. Mr. THAJEB (Indonesia) considered that the right of peoples and nations to permanent sovereignty over their natural resources was a component of their right to self-determination. It was therefore a right that was specially important to developing and newly independent countries. It was natural that such countries should review the control that they exercised over the exploitation of their natural resources and the rights that had been granted to foreigners. At the moment, their main problem was to ensure their sovereignty while receiving the assistance from abroad they needed in order to accelerate their economic development. The solution would not, of course, be the same in every country. So far as Indonesia was concerned, sovereignty over its natural resources was an inalienable principle laid down in its Constitution. However, as it wished to obtain the help of foreign private capital because of its inability to secure all the assistance it would like to have in the form of public loans, it had worked out a system of profit-sharing which eliminated fears for the safety of investments. That system was also used by other countries, in particular in the oil industry.

18. When it had been established under General Assembly resolution 1314 (XIII), the Commission on Permanent Sovereignty over Natural Resources had been instructed to protect the interests of developing countries. It was therefore from that standpoint that the Commission's draft resolution should be studied. The draft resolution defined the principle of sovereignty in appropriate terms with due regard for the rules of international law and the need to promote economic co-operation between countries. It was therefore quite in keeping with the wishes of the General Assembly and would receive the support of the Indonesian delegation. In any case, it was to be preferred over the various amendments. The Algerian amendment, for example, was unnecessary because the principle it laid down was already implied. He concluded that it would be best to modify the draft resolution as little as possible.

19. Mr. ROUANET (Brazil) said that he was concerned over the many amendments that had been put forward and joined the representative of Panama in asking for their withdrawal so that the draft resolution could be approved as it stood. While the new version of the amendments of the United States and the United Kingdom (A/C.2/L.686/Rev.1 and Add.1) was better than the original, the draft resolution itself was still the best text. The first amendment expressed an idea that was so obvious that it added

nothing: it was unnecessary to speak of observing agreements freely entered into, since the draft resolution already specifically referred to the need for being governed by international law, which was based on the observance of such agreements. The second amendment was more questionable, since by using the word "exhausted" it might give the incorrect impression that recourse to national jurisdiction was only the first stage of a long process ending in arbitration or international adjudication. That, however, was not the case, as the normal procedure was recourse to national jurisdiction, and other methods of settlement were exceptional methods freely agreed to. Hence, the wording of the draft resolution "national jurisdiction should be resorted to", was much better.

20. He was happy to learn that negotiations were taking place between the sponsors of the amendments and the Algerian delegation, but, irrespective of the results, he doubted that the addition proposed by Algeria would improve the text or contribute to safeguarding the sovereignty of States; what was more, the whole problem of the succession of States was already under study by the International Law Commission. Finally, he did not think that it was necessary, as the Burmese delegation had proposed, to refer the question back to the Commission on Permanent Sovereignty over Natural Resources, whose mandate would be extended, because the inquiry had already been going on for some time. The problem was ripe for a solution and should be solved.

21. U MAUNG MAUNG (Burma) again explained the meaning of his proposal. The Committee would recommend that the mandate of the Commission on Permanent Sovereignty over Natural Resources should be renewed for one year and that its membership should be increased by six additional members who would be appointed by the President of the General Assembly so as to take into account the increase in the membership of the United Nations and the need for adequate geographical representation, in particular of the developing countries. The Commission would be requested to continue its consideration of the draft resolution as well as of the amendments that had been put forward, taking into account the different views expressed in the course of the seventeenth session of the General Assembly and, perhaps, by soliciting the views of Member States. The Commission would present its report to the General Assembly at its eighteenth session. That was a procedural proposal designed not to prevent a speedy solution but to enable all Governments to study the question thoroughly before coming to a decision. The proposal represented a sincere effort to find an acceptable compromise and not an attempt to prevent the adoption of a United Nations declaration on an extremely important matter. His proposal was motivated solely by the fact that neither the draft resolution nor the amendments were attracting unanimous support.

22. Mr. SMID (Czechoslovakia) observed that the question could be approached from two different standpoints. Some were seeking to strengthen the inalienable rights of States, so that they might exercise their sovereignty over their natural resources and be protected against existing practices. Others were seeking primarily to protect private investors against the risks they ran when the States in question exercised their right of sovereignty through nationali-

zation. At first glance, the draft resolution might be taken to be the result of a compromise reflecting a delicate balance between the two points of view. That, however, was far from being the case, for the proposal over-emphasized the interests of private investors and exaggerated the risks they ran. Moreover, it purported to issue directives to developing countries which wished to exercise their sovereignty. That aspect was particularly significant in relation to the formerly colonized countries for which economic independence should mean control over natural resources; such control was not incompatible with international economic interdependence.

23. The draft resolution's shortcomings were felt mainly in paragraph 4, which limited the exercise of sovereignty through nationalization. He wondered who was to judge whether or not the grounds for action were of public utility. Such an evaluation could be made only by the State exercising its sovereignty. The same paragraph also provided for the compulsory payment of compensation. Czechoslovakia was not opposed to compensation in all cases, but it objected to the idea that payments should be automatic; they should be fixed by the sovereign State. Furthermore, disputes should be dealt with in the domestic courts; if need be, that question could be covered beforehand by agreements among the States. Since the draft resolution did not yet present a complete solution, it would be wiser to adopt the Burmese proposal under which it could be revised and substantially improved.

24. Mr. YAKER (Algeria) said that he had submitted his amendment, not with the intention of prolonging the debate, but merely because he wished to see explicitly included in the draft resolution a principle of particular importance to formerly colonized countries and to colonial territories which would soon become independent. The principle of sovereignty over natural resources was a fundamental right and a corollary of the right of peoples to self-determination, and was therefore retroactive. That meant that peoples and nations who were basically sovereign could not lose their sovereignty upon colonization. The *de facto* state of colonization in no way altered the nature of their sovereignty. It was consequently necessary to redress the situation from the legal standpoint: when the people regained possession of their rights, they must review the relations which had existed in the interim. That in no way signified the rejection of economic co-operation, nor that the Algerians were not in favour of foreign investments or the provision of guarantees. The essential consideration was that the rights acquired should be reviewed, so that the situation might be restored to normal.

25. The draft resolution was perfectly in keeping with the needs of sovereign countries, but made no allowance for those of former colonial territories. Furthermore, the review of rights acquired by force did not necessarily imply that they must be changed, but merely that they must be covered by a decision between sovereign States. Where the draft resolution referred to respect for international law, it surely could not be the intention to compel the former colonial territories to pay compensation for rights acquired illegally and in many cases without payment. His delegation wished to have that principle recognized by the Committee. It hoped that a satisfactory wording would be found so that the draft resolution could be adopted quickly.

AGENDA ITEM 35

Economic development of under-developed countries (A/5220) (continued):

(f) Decentralization of the economic and social activities of the United Nations and strengthening of the regional economic commissions (A/5196, A/C.2/L.653/Rev.1, E/3643)

CONSIDERATION OF THE JOINT DRAFT RESOLUTION (A/C.2/L.653/REV.1) (continued)*

26. Mr. DE SEYNES (Under-Secretary for Economic and Social Affairs) said he felt that some remarks were called for on the question of decentralization of the economic and social activities of the United Nations. Addressing himself first to those nations which did not belong to a regional economic commission, he assured them that the Secretariat would give its full attention to the observations some of them had made. The "compensating mechanism" which had been set up for the benefit of those countries had progressively broken down, and it had therefore become necessary to make new arrangements to guarantee that their needs would be taken into account in a more satisfactory manner. The action which could be taken in 1963 in that connexion would of necessity be on a modest scale, but when the budget estimates for the financial year 1964 were prepared, it would be possible to make more adequate allowance for the needs which had been expressed. The United Nations would also endeavour to extend to the countries which did not belong to any regional economic commission some of the advantages enjoyed, through the policy of decentralization, by countries belonging to one of those commissions.

27. He then described the progress made thus far with respect to decentralization. The view originally taken had been that the regional economic commissions should restrict their activities to certain areas and should on no account engage in activities of an operational nature, in other words, in technical assistance activities. Later, an opposite tendency had come to the fore, and it had been thought that those commissions would be better adapted than the Headquarters departments to conduct most of the economic and social activities of the United Nations. An effort was now being made to find the median line between those two dogmas. The Secretary-General had tried to define that line in the documents he had submitted, first to the Economic and Social Council, and then to the General Assembly at the current session (E/3643, A/5196).

28. The guiding principle was that the desired decentralization of the Organization's economic activities, and more particularly of its technical assistance activities, was a very complex operation which must be planned and carried out with the greatest care and with certain indispensable precautions. A few years previously, the United Nations had made an experiment in the mechanical or automatic type of decentralization in a certain region. The result of the experiment had been veritable administrative chaos, without the slightest increase in the authority of the regional economic commission in question. That experiment had made it quite clear that the instruments of decentralization must be created, and it was that necessary task which the report submitted to the Economic and Social Council had tried to describe.

*Resumed from the 847th meeting.

29. That course of action had gained very wide support in the various bodies which had to deal with the problem of decentralization. However, there were some delegations which were more impatient than others with regard to the process of decentralization, and it was to them in particular that his remarks were addressed.

30. For the Secretary-General, the essential task was to reconcile the sense of administrative and financial responsibility with the great political and economic vision of regionalism. In view of the difficulty of the task, some hesitations, and perhaps even a certain slowness, were inevitable. However, the distance travelled was already considerable. The United Nations must be concerned, above all, with effectiveness, in order to avoid any deterioration in its performance similar to that already experienced.

31. Technical assistance raised some very difficult problems in that respect since, in the absence of plain and decisive criteria, it was not easy to evaluate the success of a project. That was a point of great practical importance, for the programmes of technical assistance conducted by the United Nations accounted in all for some \$20 million. That gave an idea of the extent of the Secretary-General's administrative responsibility towards contributing and recipient countries, a responsibility which explained the need to maintain and develop the effectiveness with which the programmes were carried out.

32. From that point of view, it would be well to subject certain catchwords or over-simplified ideas to critical examination. The transferring of resources from the centre to the regions was still sometimes mentioned as a panacea, but when all the factors involved were taken into account, it must be agreed that the notion of "transfer" could not provide a short cut to complete and immediate decentralization.

33. When the Committee dealt with administrative problems, it was essential that it should bear the problem of resources in mind. The regular technical assistance budget was one of the most useful instruments available for an effective decentralization policy, and, in his opinion, it would have been very desirable for the Committee to have informed the Fifth Committee of its opinion regarding the amount of resources that should be appropriated for those activities under the regular United Nations budget.

34. He referred next to the problem of informing members of the Committee about certain particularly complex questions. What, for instance, was the best way to organize discussion about decentralization? That problem had been considered in the texts that had been submitted to the Committee for its attention. He added that he was at the disposal of any representatives who would like more specific information on the subject.

35. When considering decentralization in the United Nations, it was wise to reflect on the very nature of the regional organs within the Organization. It could not be over-emphasized that those organs were an integral part of the United Nations, and thus it appeared anomalous to contrast the Secretary-General with the executive secretaries of the regional economic commissions, who had never thought of regarding themselves as independent entities. That status protected the regional economic commissions against certain trends towards autarky or discrimination. In the sphere of technical assistance, it ensured

for them the wealth of contributions which could be offered for the benefit of a particular region. If the danger of "provincializing" technical assistance activities was to be avoided, it was essential not to weaken the central machinery which existed for the specific purpose of continuously mobilizing the resources to be found throughout the world.

36. Mr. TELL (Jordan) thanked the Under-Secretary for Economic and Social Affairs, on behalf of his delegation and those of Saudi Arabia, Iraq, Lebanon and Syria, for reaffirming that he would take steps to ensure that countries which were not members of a regional economic commission would have the same advantages as countries which were members of such a commission. He proposed that the text of that important statement should be issued in extenso.

It was so decided. ^{1/}

37. Mr. MALHOTRA (Nepal) thanked the Under-Secretary for Economic and Social Affairs for his statement, which was in keeping with the views of the sponsors of the draft resolution (A/C.2/L.653/Rev.1) and would facilitate their task.

38. He wished to define once again the aim pursued by the sponsors of the draft resolution, who had been joined by the delegations of Burma and the United Arab Republic. There was no call to reopen the question of the decentralization of the economic and social activities of the United Nations and the strengthening of the regional economic commissions, for the idea had already been accepted by the Economic and Social Council and the General Assembly. As Mr. de Seynes had said, it was necessary to forge the instruments with which to apply that policy. On the basis of Economic and Social Council resolution 793 (XXX), the General Assembly, in its resolution 1518 (XV), had reaffirmed the concept of decentralization and, in resolution 1709 (XVI), had given the policy of decentralization more specific form. Moreover, the Secretary-General had indicated the progress made since the adoption of that resolution, and the effects of the policy were beginning to emerge with regard to staff requirements and working relations between Headquarters and the regional economic commissions. The draft resolution had been framed as a logical sequel to the General Assembly resolutions. The sponsors had consequently tried to make it as brief as possible and to avoid repeating what the Secretary-General, the Economic and Social Council and the General Assembly had said. Whether the draft resolution was adopted in its present form or after amendment, it should be regarded, not as an isolated resolution, but rather as a continuation of the work already done and the progress already made in delegating to the regional economic commissions substantive and operational responsibilities, including the provision of resources, while maintaining, or even strengthening, if necessary, the central substantive functions that properly belonged to Headquarters.

39. In the opinion of the sponsors of the draft, the General Assembly had adopted a policy under which decentralization was not an end in itself but a means of carrying on the economic and social activities of the United Nations as effectively and economically as possible. That was precisely what operative paragraph 1 of the draft resolution sought to reaffirm.

^{1/} The complete text of the statement made by the Under-Secretary for Economic and Social Affairs was circulated as document A/C.2/L.693.

That text, then, did not represent a new departure, and consequently the sponsors had introduced into the revised version only those amendments which did not affect its general purpose. Since presenting the original text (A/C.2/L.653 and Add.1 and 2) they had carefully studied all the amendments in an endeavour to take account of the various points of view; they hoped that the spirit of compromise they had shown would be properly appreciated.

40. The sponsors had retained in the revised text only the first part of the second preambular paragraph of the initial text. Their intention had been to stress the progress mentioned by the Secretary-General in his report (A/5196). Some delegations had not approved that idea and others had asked for the inclusion of further paragraphs quoting the Secretary-General's earlier reports. The sponsors had decided against that in order to avoid any controversy; hence the present form of the second preambular paragraph.

41. The sponsors' anxiety to adhere to an accepted policy precluded their adoption of the amendment of Afghanistan and Jordan (A/C.2/L.689), and he asked the sponsors of that amendment to withdraw it so that the draft resolution might be adopted unanimously. The same consideration had prompted the sponsors of the draft resolution to leave operative paragraph 1 unchanged.

42. The two paragraphs proposed in the eight-Power amendments (A/C.2/L.685/Rev.1) in place of operative paragraph 1 seemed to be based on operative paragraph 4 of General Assembly resolution 1709 (XVI). They quoted that paragraph incompletely and introduced elements which the sponsors considered vague, controversial and, in one case at least, extraneous. Thus the first phrase of the proposed paragraph 1 did not appear in any Economic and Social Council or General Assembly resolution, or even in any report by the Secretary-General; it therefore reaffirmed something that had never been affirmed. Moreover, the sponsors did not know what the words "balanced policy" meant. They might be understood to refer to a balance between the economic and social activities of the Organization; such an objective might perhaps be acceptable to the sponsors of the draft resolution, but that was not the problem. As had already been pointed out, decentralization was only a means of making the Department of Economic and Social Affairs at Headquarters and the regional economic commissions smoother and more efficient in operation. That was a matter of general agreement, and the sponsors had not wished to provoke fresh controversy in the Committee by accepting paragraph 1 of the amendment, which introduced elements not to be found in operative paragraph 4 of resolution 1709 (XVI).

43. The proposed paragraph 2 in document A/C.2/L.685/Rev.1 introduced an idea which had nothing to do with the subject under discussion. It referred to different regional divisions within specialized agencies, which were outside the scope of decentralization of the economic and social activities of the United Nations. The specialized agencies confined their technical assistance activities to their own field of specialization and had their own regional organizations, whereas the regional economic commissions were executive organs of the United Nations responsible for technical assistance in the fields of economic and social development, public administra-

tion, etc. The sponsors of the draft resolution criticized the second part of the proposed paragraph 2 on technical grounds. It would be for the Secretariat to supply the Committee with more specific data on that subject. As to the first part of that paragraph, the sponsors of the draft resolution felt that the wording of paragraph 4 of their revised text should satisfy the sponsors of the amendment. They had asked the latter whether they would not agree simply to replace their text with the last part of paragraph 4 of resolution 1709 (XVI), the meaning of which was exactly the same, but the sponsors of the amendment had felt that their own wording was better because it was phrased in positive terms, and the sponsors of the draft resolution had nothing to add on that subject. He added that he was glad to hear the Under-Secretary for Economic and Social Affairs give assurances to countries which were not members of any regional economic commission.

44. Operative paragraph 3 of the draft resolution had been altered to take into account the five-Power amendments (A/C.2/L.682), which contained ideas already expressed by several delegations, including his own. The policy of decentralization had been implemented by the Secretary-General for at least two years as a matter of deliberate policy, and the time had come to examine the implications of that policy from the standpoint of staff requirements and of the need to define the relations between Headquarters and the regional economic commissions. That was also in the spirit of operative paragraph 6 of resolution 1709 (XVI). It would seem that the time had come for the Advisory Committee on Administrative and Budgetary Questions to take up the problem. It was known that the Advisory Committee itself had deemed it necessary to study in detail the question referred to in paragraph 3 of the draft resolution, and it would examine it in any case in relation to the budget for 1964. The draft resolution merely asked the Committee to go into the subject in somewhat more detail in order to find out what steps might be necessary in carrying out the process of decentralization on a systematic basis.

45. The Under-Secretary for Economic and Social Affairs had raised several questions whose proper solution was exclusively the purpose of paragraph 3 of the draft resolution. He had, in particular, raised doubts about the transfer of personnel resources from Headquarters to the regional economic commissions. The General Assembly and the Second Committee could not go into those details. The Committee would need to know more of the facts before it could make informal proposals regarding decentralization measures. The correction of those facts and their analysis was the purpose of operative paragraph 3. The Under-Secretary had shown that decentralization, as currently interpreted, might lead, depending on how it was implemented, either to efficiency or to administrative chaos. It must not be allowed to create additional problems, but on the contrary should make for simplification. First of all, however, it was important to study the working relations between Headquarters and the regional economic commissions.

46. Paragraph 5 of the revised draft resolution was an adaptation of the amendment of the United Arab Republic (A/C.2/L.681). The text of the amendment had mostly been retained, but slight changes had been made, and had been approved by the sponsor, to take

into account the fact that the Secretary-General had already been convening meetings of executive secretaries of the regional economic commissions to discuss matters of common interest. The sponsors of the draft resolution did not think that that paragraph should give rise to any objections; it recommended that the Secretary-General should continue to convene meetings of the executive secretaries of the regional economic commissions, but that did not mean that the executive secretaries and the Secretary-General would meet on an equal footing. The Secretary-General might well not be present at those meetings and might send a representative of his choice. If the drafting seemed faulty at any point, the sponsors would be glad to improve it.

47. Mr. BOLT (New Zealand) said that the sponsors of the amendments contained in document A/C.2/L.685/Rev.1 had noted the change in the second pre-ambular paragraph of the draft resolution as an interesting means of avoiding contentious material. Some of them thought therefore that there was no longer the same need to retain the additional paragraphs which they had proposed to add to the preamble and which had originally appeared in document A/C.2/L.685; but others believed that those paragraphs should be considered on their own merits and were accordingly resubmitting them under the symbol A/C.2/L.689.

48. The most important provision of the operative part of the draft resolution was paragraph 1, which reaffirmed an existing policy. He did not think that the delegations' views were very far apart, and he was therefore somewhat disappointed that the sponsors of the draft resolution had not taken into account the amendments of which he was a co-sponsor (A/C.2/L.685/Rev.1). The sponsors of the amendments did not insist on the adoption of the exact text they had proposed; what mattered to them was the inclusion of a reference to the maintenance of the central functions of the Secretary-General. Paragraph 4 of General Assembly resolution 1709 (XVI), to which the sponsors of the draft resolution had constantly referred, embodied two ideas, namely, the strengthening of the regional economic commissions and the maintenance of the central substantive functions. That question had been clarified by the Under-Secretary for Economic and Social Affairs, who had shown that the responsibility of Headquarters was important in a decentralization policy and should be mentioned in any new resolution.

49. It had been said that the text before the Committee was a sequel to earlier resolutions and did not represent a new departure. That would indeed be the case if the two important elements just mentioned were reaffirmed; that was why the sponsors of the amendments contained in document A/C.2/L.685/Rev.1 had maintained their proposal. They considered it important that the two aspects of the decentralization policy should be mentioned at least once in the draft resolution; yet the text referred five times to the strengthening of the regional economic commissions, but never once mentioned the maintenance of the central substantive functions of Headquarters, with which Assembly resolution 1709 (XVI) was concerned. The sponsors of the amendments would be prepared to consider withdrawing the proposed paragraph 2 if the sponsors of the draft resolution could see their way clear to referring to the position of countries belonging to different regional divisions

within different specialized agencies. The countries which were in that position had some doubts concerning the application of the decentralization policy, and some attempt should be made to dispel those doubts. If the sponsors of the draft resolution succeeded in doing so, it would be unnecessary to mention the matter in the text, but for the time being those doubts remained, and it was important that the draft resolution should say something on the subject.

50. Mr. FARHADI (Afghanistan) thanked the Under-Secretary for Economic and Social Affairs for his very useful statement. The Under-Secretary had been right in saying that there was nothing automatic about the decentralization process. It must be balanced and based on the experience gained. What mattered was that countries receiving assistance should receive it in a more effective form.

51. Some delegations, oblivious of geography, desired all-out decentralization. The economic regions were often imperfectly understood, and some countries, such as Afghanistan, had very little in common, from the point of view of geography and of economic and social conditions, with the economic region to which they belonged.

52. He greatly regretted that the Nepalese representative did not consider the problem of decentralization to be of any concern to the specialized agencies. In reality, the specialized agencies were right in the centre of the problem, for the most important factor in the decentralization of economic and social activities was assistance, and especially that provided within the framework of the Expanded Programme of Technical Assistance, in which the specialized agencies participated. In Afghanistan, for instance, activities relating to nutrition and agriculture were not the responsibility of the regional division coinciding with that of the regional economic commission to which the country belonged. In other regions, there was no regional economic commission, in some cases for political reasons.

53. Moreover, a country which, like Afghanistan, was faced with financial difficulties was represented by a permanent representative in New York but not at a regional headquarters. The Under-Secretary had been right to mention the possibility of administrative chaos and of deterioration in what he called "performance". It was mainly in that respect that the revised text of the draft resolution presented by the Nepalese representative seemed very inadequate.

54. Again, he did not agree with the Nepalese representative's assertion that there was no point in mentioning the reports of the Secretary-General. If that were so, he failed to see why the original draft resolution (A/C.2/L.653 and Add.1 and 2) had been based on a quotation—incidentally, an incorrect one—of the Secretary-General's words. Besides that, the aim was not to draft laconic and incomplete texts. The texts produced by the Committee should be capable of use as works of reference. That being so, if the important points were not stressed, those texts would be open to misuse, even with good intentions, in other circumstances. The essential consideration was to prevent chaos, to state the criteria and to find the median line to which the Under-Secretary had referred.

55. Above all, the twofold nature of decentralization should be made clear. It could be applied either to regional activities or to country projects. It was

natural that the regional economic commissions should deal with regional projects, such as the project to develop the Lower Mekong Basin, the project concerning the construction of an Asian highway and the projects to establish institutes in Latin America, Africa and Asia. The recent report which the Secretary-General had submitted to the Economic and Social Council (E/3643)—and which was not even mentioned in the revised draft resolution—had reaffirmed the important fact that it was precisely in connexion with regional projects that most remained to be done, and that that was where decentralization was needed. It would also be possible to apply decentralization to country projects, through the regional organizations. It could not be maintained that technical assistance was one particular item and that decentralization was something broader. Technical assistance was precisely what mattered. There was an interesting report of the Technical Assistance Committee on that subject (E/3680); paragraph 81 of that report mentioned a very important question, which was taken up and stated more clearly in paragraph 8 of the Secretary-General's report to the Council. The latter document stated the principle that, where country projects were concerned, countries receiving aid should have free choice of the programmes and projects on which country programmes were based. Every country receiving such assistance should therefore be in contact with the central Headquarters, i.e., with the Bureau of Technical Assistance Operations. To maintain the contrary would be tantamount to saying that the Secretary-General had been wrong to state that principle in his report.

56. It must not be forgotten that the Committee was now preparing a text which would have a historic meaning, which would be interpreted and which would serve as a guide-line. It was with that in mind that his delegation would like that aspect of decentralization to be spelled out clearly in terms of regional arrangements and country projects and had submitted, with the delegation of Jordan, the amendment contained in document A/C.2/L.689. To claim that nothing must be quoted from the Secretary-General's report in the draft resolution would be tantamount to saying that the experience gained was valueless. His delegation and that of Jordan had repeated the exact wording of the report, without any change. The two delegations considered that the passages in question were very important, and they would in no circumstances be prepared to withdraw their amendment. On the contrary, they hoped that the Nepalese delegation would take it into consideration and have it embodied in the text of the draft resolution.

57. Mr. AKADIRI (Nigeria) stated that, in the opinion of the sponsors of the five-Power amendments (A/C.2/L.682), the revised draft resolution was an improvement on the original text but needed considerable further improvement. He was glad to find that the new paragraph 3 proposed by the five-Powers had been embodied in the revised draft resolution, but he regretted that the other amendments had not been accepted, especially since there was really nothing controversial about them. Again, he did not see why the second preambular paragraph had been considerably reduced in the revised draft resolution, at the expense of clarity, and he hoped the sponsors would be willing to take into account the suggestions made in the first and second amendments of the five Powers. As to the fourth amendment, there was

common ground between its sponsors and the sponsors of the original draft resolution, for both parties accepted the underlying principles of decentralization. He did not see why it would be superfluous to specify, as was done in the amendment in question, the steps considered desirable for implementing the policy of decentralization, and he hoped the sponsors of the revised draft resolution would be able to embody in their text most, if not the whole, of the fourth amendment of the five Powers.

58. Miss HARELI (Israel) pointed out that decentralization had started as soon as the first regional economic commission had been established. The actual word "decentralization" had been used for the first time in paragraph 318 of the consolidated report on the appraisals of the programmes of the United Nations and the specialized agencies.^{2/} Since then, the General Assembly and the Economic and Social Council had adopted numerous resolutions calling for the strengthening of the regional economic commissions and the intensification of their activities. The Secretariat had applied that policy with due regard to budgetary resources, as documents E/3643 and A/5196 showed. The projects listed at the end of document E/3643 were in fact activities which should preferably be carried out on a regional basis, and it would be desirable to intensify and improve them in the interests of the countries concerned. Her delegation considered that decentralization should conform to several principles. First, all the work should be so organized as to enable the countries concerned to obtain the greatest possible benefit from both the regional economic commissions and Headquarters. It was therefore necessary to strengthen the secretariats of the commissions and the Secretariat at Headquarters as well, not the regions at the expense of Headquarters. Secondly, all resources in manpower and money should be used in such a way as to give the maximum benefit to all countries, whether they were used at Headquarters or in the regions. Thirdly, every change must be in the direction of simplifying procedure and making it more efficient; in particular, no additional stage must be interposed between the countries requesting technical assistance and the organs engaged in supplying it.

59. The draft resolution before the Committee had been prepared after extensive consultation and was therefore largely acceptable. The text of paragraph 5, which had originally appeared in the amendment of the United Arab Republic (A/C.2/L.681), had been improved by the insertion of the words "continue to". It was a long-established practice to hold the meetings in question during the summer sessions of the Economic and Social Council, and they gave the personnel of the various secretariats an opportunity for useful discussions.

60. Her delegation highly appreciated the work of the regional economic commissions and was in favour of strengthening them. Israel was well aware that countries which did not belong to regional economic commissions were deprived of an important instrument of economic and social progress. That was why Israel had voted in favour of General Assembly resolution 1709 (XVI), especially operative paragraph 4. However, no measure could completely take the place of a regional economic commission. For those regions which had no commission—and the

^{2/} United Nations publication, Sales No.: 60.IV.14.

Middle East was the only important region in that position—there could only be one solution: the establishment of a regional economic commission; and her delegation had insistently urged that that step should be taken without delay. Consequently it could not accept the amendment originally put forward in document A/C.2/L.661, and then adopted by the sponsors of the draft resolution, unless it was made

perfectly clear that the steps referred to would help to accelerate the establishment of a regional economic commission.

61. Her delegation had listened most attentively to the statement of the Under-Secretary for Economic and Social Affairs and would study it with interest.

The meeting rose at 6.35 p.m.