

statutes for a separate UNCDF in the Second Committee and subsequently by the General Assembly. This was done despite the strong opposition of a majority of prospective contributor countries and East European countries, including the U.S.S.R., Britain, France, the U.S.A. and Canada. A separate vote on Article 4, Paragraph 2, of the Statutes, providing for the defrayment of UNCDF administrative costs through the United Nations' regular budget, was also carried by the developing countries.

Western contributor countries have opposed the creation of a UNCDF on the grounds that such a fund would result in uneconomic duplication of existing facilities offered by the World Bank Group, the regional development banks, the United Nations Development Programme, other agencies in the field and bilateral aid programmes. Canada was among the 19 countries voting against the resolution in the debate. The Canadian delegate took the position that "the establishment of a new institution of this type would not result in an increased flow of capital to the developing countries" and that "such a fund would have to be financed by the diversion of monies that were intended to be directed to other institutions and to bilateral programmes". "It is our view that, if we increase the resources of existing institutions, we shall be in the best position to make further progress," he went on. "In particular, the World Bank Group must be able to command additional resources if it is to discharge adequately the growing demands placed on it." To the argument of the developing countries that the creation of a UNCDF was desirable because there were institutional gaps in the existing capital assistance framework, the Canadian delegate in the Second Committee replied that "in our view the gap continues to be a financial one". "The so-called gaps in areas where assistance might be required result," he said, "from conscious decisions taken in the past to give higher priority to one sector over another in order to accelerate economic growth in essential areas rather than across-the-board investments in every field. Furthermore, we would question whether these spheres of activity in which gaps are said to exist lend themselves to multilateral financing and whether they would not be more appropriately financed through bilateral or private capital resources."

There was a clear indication at the twenty-first session that the major contributor countries would be unwilling to give voluntary funds to the newly-created UNCDF. There is also an indication that at least certain contributors, including, notably, the Soviet Union, having voted against the specific statute providing for the defrayment of UNCDF administrative costs through the UN regular budget, may consider that this statute does not impose a financial obligation upon them.