

established International Finance Corporation<sup>1</sup> will assist the international flow of private capital to finance private enterprises in under-developed countries.

Apart from the assistance to under-developed countries by United Nations technical assistance programmes and United Nations lending institutions, very large amounts of capital and technical aid are being provided to less developed countries through bilateral programmes such as the United States economic aid programme operated by the International Co-operation Administration (ICA), and Canada's programme of economic assistance to South and South East Asia within the Colombo Plan.

Over the past few years there has been a good deal of study and discussion of proposals for establishing a United Nations capital aid fund to distribute assistance for the economic development of under-developed countries. Discussion has been mainly in terms of the establishment of the proposed Special United Nations Fund for Economic Development (SUNFED) which was subject to a detailed study by a committee of nine experts appointed in 1952, and by another group of experts, headed by Mr. Scheyven of Belgium appointed in 1954. The less economically developed countries have strongly favoured the establishment of SUNFED, and many of the economically developed countries have accepted it in principle. The United States, United Kingdom and certain other developed countries, however, have expressed opposition to the establishment of SUNFED in debates on the subject in the General Assembly and ECOSOC.

Canadian views on the subject of SUNFED were described in a reply to a questionnaire which was circulated to member countries in response to a resolution at the tenth session of the General Assembly. The Canadian reply, which was sent to the Secretary-General in May 1956 (and tabled in Parliament in January 1957) stated the general Canadian position in the following terms:

"The Canadian Government has in the past supported a special fund in principle but has opposed its immediate establishment. The Canadian Government's final decision regarding a fund of the type now under consideration would depend in large measure on whether it was satisfied that the organizational and administrative arrangements were such as to lead to efficient operation and that the fund would command sufficient support to enable it to operate effectively."

SUNFED was again discussed at the twenty-first and twenty-second sessions of ECOSOC and at the eleventh session of the General Assembly. In addition, an *ad hoc* committee (on which Canada is represented) met in May 1956 and prepared an interim report summarizing and analyzing replies of governments to the Secretary-General's questionnaire. (This *ad hoc* committee met again in March 1957 to prepare a final report.) It may be questioned, however, whether all this activity brought SUNFED very much closer to being established.

At the eleventh session of the General Assembly much of the discussion was concerned with whether or not steps should be taken to draw up draft statutes for SUNFED. In view of the evident lack of interest in the SUNFED proposals on the part of a number of governments, notably the

<sup>1</sup>See "International Finance Corporation" below, p. 93.