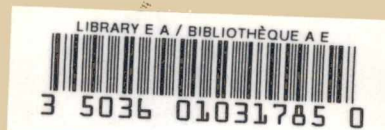


CANADIAN STATEMENT IN THE
SECOND COMMITTEE ON ITEM 39:
UNITED NATIONS CAPITAL DEVELOPMENT FUND



Mr. Chairman,

For almost fourteen years now the United Nations has had before it various proposals for the establishment of capital development funds. A majority at last year's United Nations Conference on Trade and Development issued yet another call for the establishment of a capital development fund and for the transformation of the Special Fund into a capital development fund. The fact that no fund with that precise title has yet been established has for some been a source of dissatisfaction. Canada does not share that dissatisfaction. It seems to us that while our attention has been focused upon that oft-repeated call for a "United Nations Capital Development Fund", there have, in fact, been capital development funds functioning within the United Nations family and there are encouraging reports on their continued growth and evolution.

When I recently reviewed the various documents dealing with the proposals that have been made over the past fourteen years to establish a United Nations Capital Development Fund, I was struck by the fact that there has been no disagreement over our common goal; that is, we all want to see an increasing flow of capital to the developing countries. What has been at issue is the best means of doing this. Some countries have contended that a new institution is required or, alternatively, that the Special Fund should be transformed to include capital assistance in addition to its present pre-investment operations. Others have argued - and Canada has been one of them - that existing institutions offer the best hope of further progress in the capital development field.

As members of this Committee may know, Canada did not support the resolution of the fifteenth session of the General Assembly which declared that a capital development fund should be established, nor did we support the resolution at the sixteenth session which set up a Committee to draft the statutes of such a fund. Since then, and more recently at the United Nations Conference on Trade and Development, we have continued to state our belief that it is unwise to dissipate further the resources of money and personnel available for capital development programmes. In short, Mr. Chairman, the position of my Government has not changed since the recommendations for the establishment of a United Nations Capital Development Fund and for the gradual transformation of the Special Fund into a capital development fund were first discussed.

We in Canada believe that the central problem is not simply that of establishing yet another international institution to enter the capital field but rather to promote an increasing flow of capital for investment in the developing countries. We very much doubt that this will be done by the creation of a new United Nations Capital Development Fund.