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COMMITTEE OF TECHNICAL ADVISERS

PROPOSAL FOR SETTING UP AN AGENCY FOR WORLD ECONOMIC
DEVELOPMENT

Memorandum by the Canadian Delegation

The Canadian authorities have now had an occasion to consider the proposal for setting up an agency for world economic development which was presented to NATO by M. Pineau as well as the questions which were asked on it by various delegations at the first meeting of the Committee for Technical Advisers on July 23rd.

They would welcome clarifications from the French Delegation on the following aspects. Some of the questions listed below are closely related as you will note, to those which were asked at the Committee meeting:

1. Paragraph III(b) of the French memorandum states joint bodies as such could not without disadvantage serve as media for aid to third countries. Does this, in the French view, preclude the use of the proposed SUNFED organization as a medium for distribution of aid? In general it would be helpful to have the relationship between the Pineau Plan and SUNFED clarified.
2. The reason given in Paragraph III(b) for opposing the use of joint bodies is that the powers receiving aid must not have the impression that joint bodies are using aid as a means of political pressure. How is this pre-occupation reconciled with advocacy, in the same paragraph, of NATO countries agreeing on a common stand within agencies selected for the allocation of aid?
3. How would the International "Supercompensation" of aid referred to in Paragraph III(d) be accomplished? How would the Bank or Fund referred to in Paragraph IV(c) be financed? What scale of operations is contemplated?
4. How would purchase of surpluses and eventual losses referred to in Paragraph III(f) be financed? What guarantees would be provided against the agency disrupting world commodity prices by dumping surpluses on world markets? In what way is it contemplated that the commercial agency envisaged in Paragraph IV(d) would operate to stabilise world raw material prices? What raw materials would be covered by its operations? Have estimates been made of the amount of finance needed to achieve the results sought?

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5. Paragraph III(j) provides that countries receiving aid would be free to choose their own contractors. Would the international agency have no interest in ensuring that the work undertaken with assistance from it was accomplished on the most economic possible basis?
6. One of the methods of aid contemplated in Paragraph IV(c) is the lowering of rates of interest on loans granted by other international organizations. How would this be done? Is it contemplated that consent of the other international organizations would first be obtained?
7. Are any special steps contemplated to avoid overlapping between functions of the technical institute referred to in Paragraph IV(e) and similar functions currently performed by many international and national bodies?

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