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**GENERAL  
ASSEMBLY**

TWENTY-SIXTH SESSION

Official Records



**SECOND COMMITTEE, 1372nd  
MEETING**

Tuesday, 5 October 1971,  
at 10.50 a.m.

**NEW YORK**

Chairman: Mr. Narciso G. REYES (Philippines).

**GENERAL STATEMENTS (continued)**

and

**AGENDA ITEM 12**

**Report of the Economic and Social Council [chapters III to VII, VIII (sections A to E), IX to XIV, XXI and XXI] (continued) (A/8403)**

1. Mr. FAUSTINO (Philippines) expressed his delegation's appreciation of the introductory statement by the Under-Secretary-General for Economic and Social Affairs, which would set the tone of the Committee's debates for the current session.
2. The adoption in 1970 of the International Development Strategy for the Second United Nations Development Decade (General Assembly resolution 2626 (XXV)) had marked a watershed in international economic and social development. For the first time, the international community had been able to agree on a concerted plan of action, with specific goals and policy measures, geared towards reducing the prevailing disparities in the world economic order. However, since then, the world economic situation had gone from bad to worse. As the Secretary-General noted in his report (E/5036/Add.1), there had been a marked deterioration in the world economy in 1970; during that year the terms of trade of the developing countries had deteriorated, greatly impairing their ability to tackle the problems of national development. That task was also made more difficult by the large and growing debt-servicing burden and by the continued rise in the prices of their imports from developed countries.
3. Major factors in the present unstable international monetary situation were the suspension of the convertibility of the dollar into gold, and the decisions by the United States to impose an import surcharge of 10 per cent and reduce its foreign aid by the same percentage. Those sudden and unilateral decisions were, it was to be hoped, of a temporary nature, since otherwise all the efforts which had gone into the preparation of the Strategy would be in vain. Measures so detrimental to international economic co-operation and understanding could not remedy the prevailing unhealthy economic situation in the world.
4. The report of the Economic and Social Council (A/8403) showed that during the past year the Council had taken a major step towards the fulfilment of its functions and powers as laid down in Article 62 of the Charter. The important decisions and recommendations which the report contained were evidence of the Council's new orientation and new activism. They included the recommendation contained in Council resolution 1621 A (LI), relating to amendment of the Charter for the purpose of enlarging the membership of the Council from 27 to 54 members and in the interim period increasing the membership of its sessional committees and the Committee on Natural Resources to that figure. His delegation supported that recommendation, since the participation of more countries in the Council's deliberations would be in the interests of the total membership of the United Nations, the essential concern of which was the acceleration of economic and social development in the developing countries. Since development was essential to the maintenance of peace, it was quite proper that the United Nations system should allocate to development five times more resources than to the promotion of international security.
5. His delegation also welcomed the Council's decision (resolution 1621 C (LI)) to establish a committee for review and appraisal of the progress achieved in the implementation of the International Development Strategy, a decision fully in accord with paragraph (83) of the Strategy, which stated that the over-all appraisal would be made by the General Assembly through the Economic and Social Council. The Council would be able to assist the Assembly effectively in that task only if it possessed appropriate institutional machinery for the purpose, a point which the Under-Secretary-General for Economic and Social Affairs had quite rightly stressed in his statement at the 1369th meeting. The review and appraisal machinery was important in that its proper use would encourage the dynamic approach necessary for the effective implementation of the Strategy. Through it, the international community would be able to determine the commitment of countries to the Strategy and the manner in which their political will was brought to bear on the collective development effort.
6. His delegation also welcomed the decision to assign to the Committee for Development Planning the task of preparing comments and recommendations which would help the Council discharge its responsibility to the General Assembly in the review and appraisal process. That Committee was composed of experts serving in their personal capacity, and would therefore be in a position to provide independent assessments. Its task would be to collate the information available in the reports on review and appraisal conducted on the national, regional and global levels. United Nations bodies such as UNCTAD and UNIDO would conduct their review and appraisal within their own fields of competence, as would the specialized agencies, and the results of their work would have to be taken fully into account in the over-all appraisal.

7. The fundamental task was to translate into action the statement of objectives embodied in the Strategy. It would require even more determination and goodwill than had gone into the preparation of the document. A link between development and disarmament would greatly strengthen the Strategy. The 1970s were both a Development Decade and a Disarmament Decade, and it was outrageous that the total cost of the armaments race, estimated at more than \$200,000 million a year, equalled the combined income of all the developing countries, while aid to those countries totalled only 3 per cent of that figure. His delegation had initially introduced the draft resolution, subsequently adopted as General Assembly resolution 2685 (XXV), on the economic and social consequences of disarmament. It continued to believe in the possibility of creating a link between the two questions, since the super-Powers advocated a disarmament and their peoples had demonstrated increasing disapproval of the dangerous and sterile competition of the arms race.

8. Another important decision of the Council was reflected in its resolution 1612 (LI), recommending that the General Assembly should endorse the proposals and recommendations concerning assistance in cases of natural disaster and other emergency situations. His delegation firmly supported a unified approach to development, taking into account both economic and social factors, and such an approach must include provision for relief in emergencies. Under the terms of the resolution, the Secretary-General was called upon to appoint a disaster relief co-ordinator to mobilize and direct the relief activities of the United Nations system in response to requests. The co-ordinator would also receive contributions for particular emergency situations and co-ordinate United Nations assistance with that given by other organizations. The establishment of a United Nations agency to cope with natural disasters immediately after they had occurred was long overdue. It was equally important for the disaster relief co-ordinator to promote the study, prevention, control and prediction of natural disasters, and advise Governments on pre-disaster planning. Preventive measures against such disasters should be explored with all the resources of modern science and technology.

9. In the course of 1970, a number of countries had been victims of natural disasters; the Philippines had suffered from 20 tropical cyclones, which had caused damage to public and private facilities, agriculture and industry estimated at over \$100 million, with serious consequences for its economic future.

10. His delegation appreciated the excellent presentation and systematic format of the Council's report, which was a refreshing departure from previous years.

11. Mr. JURASZ (Poland) said that at the current session the Committee's general debate should give a clear picture of the trends in the world economy at the beginning of the Second Development Decade. Since the previous year, there had been serious inflationary tendencies and a simultaneous decrease in the growth rate of the developed capitalist countries. The difficulties encountered by the capitalist economies during the past year resulted from the contradictions inherent in the monopolistic system. The world monetary crisis confirmed once again that the difficulties of

the world capitalist economy were structural in nature. It was clear that the monetary system established at Bretton Woods no longer served the interests even of the developed capitalist countries.

12. Ineffective efforts to improve the system had been followed by an attempt on the part of the United States to dictate a unilateral solution based on its dominant economic position in the capitalist world. Many capitalist countries had protested against that attempt. The structural difficulties of the market economy system and the unilateral corrective measures which had been adopted caused concern in the international community, since their repercussions would harm the economy of the world, in particular that of the poorer nations. As a result of inflation, the prices of commodities imported by the developing countries, and in particular investment goods, had risen steadily, while the prices of the raw materials which they exported showed no comparable gain. The Under-Secretary-General for Economic and Social Affairs had rightly pointed out that the new pattern of exchange rates would show a depreciation of the dollar in terms of other currencies and, as the dollar was a reserve currency held in very large amounts, it would be necessary to avoid the consequences of a reduction of purchasing power superimposed on the effects of the inflation of the last few years.

13. The situation of the developing countries had become very difficult as a result of the surcharge imposed by the United States, since many of the goods which it affected were produced by their newly established industries; in effect, therefore, the surcharge transferred part of the cost of defending the dollar to the economies of the developing countries. To make those countries the victims of a situation for which they were not responsible was scarcely compatible with the spirit reflected in paragraph 19 of the International Development Strategy, and such an approach must give rise to concern about the future of the Second Development Decade.

14. The Secretary-General's report on the work of the Organization (A/8401 and Corr.1) had noted that, as a result of various factors, the developing countries might begin the Second Development Decade with weakening terms of trade and that, because of their large and growing debt, the investment objectives of the International Development Strategy might not be met. The economic results of the United States surcharge would make the situation even more difficult.

15. The socialist economies had entered the 1970s with a record of acceleration in the growth of national income and a general and rapid expansion of industrial output, as well as an expansion of trade both within the group of socialist countries and with other countries. Those facts showed that the members of the Council for Mutual Economic Assistance constituted a dynamic factor in the world's economy. Despite the steady growth in its economy, Poland had experienced serious economic difficulties in 1970, as a result of erroneous economic measures applied during the late 1960s. A balance had not been maintained between increased output and increased production of consumer goods, and in December 1970 Poland had accordingly adopted a new economic policy designed mainly to ensure a

steady growth of consumption and a systematic improvement in living standards and social and cultural conditions.

16. As a result, the economy in 1971 was showing clear signs of accelerated growth, due in part to the valuable assistance provided by Poland's fellow-members in the Council for Mutual Economic Assistance, primarily the Soviet Union. In that context, the programme adopted by the twenty-fifth session of the Council for Mutual Economic Assistance, aimed at strengthening the economic integration of the socialist countries was particularly important. Poland's long-term programme of social and economic development would be implemented in close co-operation with the other socialist countries, and economic links of all types would be reinforced, to the benefit of each individual country and of the socialist community as a whole.

17. Poland was also actively strengthening its co-operation with the developing countries, particularly in such areas as trade, technical assistance and the training of personnel. Its relations with developing countries were based on mutually advantageous trade. The level of commercial exchange between Poland and most of the developing countries was still lower than desirable, especially considering that in 1970 Poland's foreign trade had reached a level of more than \$6,000 million. An increase in commercial co-operation between Poland and developing countries would depend less on declarations than on the will of the Governments concerned to co-operate, backed by action on their part and by serious commercial efforts on the part of exporters and importers on both sides. A report by the UNCTAD/GATT International Trade Centre<sup>1</sup> had rightly noted that Poland afforded excellent opportunities for developing countries to increase their exports.

18. Poland was also ready to strengthen its economic co-operation with developed capitalist countries. Although during the 1960s its trade with most European countries, Japan and the United States had increased, the level was still rather low in relation to the size of the economies involved. Poland hoped that its partners in the General Agreement on Tariffs and Trade (GATT) would fulfil their part of the mutual obligations resulting from Poland's Protocol of Accession to the General Agreement. If they did so, there could be further dynamic growth in trade relations, based on non-discrimination and mutual advantage. As a result of past experience, new forms of co-operation were emerging, including joint ventures in production and marketing and permanent co-operation between Polish and foreign companies. Further broadening of economic co-operation between socialist and developed capitalist countries would contribute to mutual understanding and serve to ease international tension.

19. A subject of great concern to the international community, and one which would be a major question for

the third session of UNCTAD, to be held in Santiago, Chile, in 1972, was the transfer of technology. Two aspects were involved: access to the sources of technology and the cost of acquiring technological processes and equipment. Poland had recently suffered from politically-motivated decisions on the part of some developed capitalist countries, obstructing the transfer of know-how and modern equipment to Poland and other socialist countries. Indeed, such decisions were occasionally still taken. Nevertheless, the policy of strategic controls had proved extremely ineffective, and had harmed primarily the interests of exporters in the developed capitalist countries. It had not slowed down the economic progress of developing countries, but it had certainly not encouraged the transfer of technology on a world-wide scale. Poland could contribute more in the technological field for the benefit of the developing countries if the artificial obstacles erected by highly developed countries were eliminated. Technological progress must be universal; it could not be subjected to erroneous political criteria. Poland would support initiatives aimed at creating conditions for access to technology without political or ideological barriers.

20. The question of the cost of acquiring modern technological processes and equipment, which could constitute an effective obstacle to industrialization, was extremely complex, since the cost of research and development tended to increase rapidly, and few countries could afford on their own to develop broad lines of technology. International co-operation was thus essential, and would particularly benefit the developing countries which were now entering a stage in which they required modern technology in order to implement their development programmes.

21. The most important question before the Committee at its present session, and for the coming decade, was the review and appraisal of the objectives and policies of the International Development Strategy. Paragraph (83) of the Strategy referred to the co-ordinating role of the Economic and Social Council. If the Council was to fulfil that role, its co-ordination of the activities of the whole United Nations system would have to be strengthened. To that end, his delegation endorsed the measures to rationalize and improve existing procedures contained in Council resolution 1622 (LI), but could not support those proposals which aimed at structural changes necessitating revision of the Charter.

#### *Organization of the Committee's work (continued)*

22. The CHAIRMAN said that in the absence of any objection, the list of speakers for the general debate would be closed at 1 p.m. on Wednesday, 6 October.

*It was so decided.*

*The meeting rose at 11.35 a.m.*

<sup>1</sup> "Poland, a market for developing countries", *Forum of International Commerce*, June 1969.