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MEETING**

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NEW YORK

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

*Statement by the Under-Secretary-General
for Economic and Social Affairs*

1. Mr. DE SEYNES (Under-Secretary-General for Economic and Social Affairs) said that the current situation affecting the international monetary system threatened the global strategy on which 127 countries had pinned many of their hopes in 1970. He wondered whether the Organization was not partly responsible for that situation, owing to a lack of vigilance and to the fact that it had lost the capacity to take an over-all view which it had developed during its early years, a capacity illustrated in particular by the report on *National and International Measures for Full Employment*,¹ prepared by a Group of Experts in 1949.

2. It was the duty of the Assembly, under the Charter, to stimulate international co-operation that would permit national economies to realize their potential and ensure that measures affecting the community of peoples were the subject of collective decisions. Might not the Organization have been too ready to leave the field to others and might its institutional system not be too scattered and fragmented to deal effectively with a situation in which problems were interdependent, unless its compartmentalization was corrected by an over-all view?

3. The political, economic and social realities on which monetary mechanisms were based had changed rapidly during the 1960s; the struggle for a fair share of the fruits of economic growth was becoming sharper and more continuous and the old social stratification was no longer accepted. With rising incomes, the propensity to consume and the propensity to save were ceasing to follow the trends thought to have been established by earlier analysis. The phenomenon of international production was resulting in a redistribution of decision-making power across national frontiers that was affecting important sectors of economic life and the actual working of the monetary system. It would thus have been surprising if rules established in the Bretton Woods agreements of 1944 had been able to retain their full operational value in such a new context. Since the more or less general return to convertibility in 1958, such co-ordination as had been deemed essential had been organized by means of day-to-day arrangements, with the result that the system had remained extremely precarious. An enormous floating currency market had developed which presented dangers that had not been dealt with soon enough. In the mid-1960s the movements of gold—which

had been a stabilizing element—had caused such major dislocations that its role and function had had to be drastically revised by separating the free market from the official market. About the same time, the constraints deriving from the balance of payments in initiating adjustment processes would certainly have touched off depressive and even disastrous consequences if international arrangements had not been hastily improvised to spread the adjustments over a lengthy period.

4. Although the present crisis was concerned with precise and measurable interests, it also revealed a conceptual uncertainty, a lack of consensus concerning the diagnosis and the possible remedies. The search for solutions was obscured by old-fashioned ideas inherited from the mercantilist period, which laid the blame on the deficit countries without sufficiently emphasizing the obligations of the surplus countries, thus preventing the early development of a sense of inescapable solidarity and shared responsibility. The acts of commission and omission which were in contravention of signed agreements or declared commitments and which had led to the present situation should not be taken out of the historical and institutional context. The present quandary was aggravated by the fact that the crisis had apparently been created by an element of the Bretton Woods system—a fixed rate of exchange—that had in fact been cited as one of the components essential to its operation and the cause of unprecedented growth of international trade.

5. The mechanisms which had formerly operated to make economic adjustments at the national and international levels had become more rigid. The nature of competition in the modern industrial world was radically different from the competition which had operated to maintain a stable relationship between prices and wages in more fragmented economies. Today, in many major sectors, prices were administered by oligopolistic structures. Wages were negotiated at the national level with trade unions that had achieved a high degree of cohesiveness and concentration. Prices and wages interacted in a cumulative and non-balancing manner, generating inflationary pressures which were not amenable to the control of classical monetary and fiscal policies. A rigid system of parities could not be long maintained when there were major differences in the rates at which production costs were changing in the various countries. Fortunately, a clear trend seemed to be emerging from the present discussion in favour of a system in which normal fluctuations of exchange rates could be accommodated within a somewhat broader range and the procedures for the more fundamental modification of parities could be operated in a less dramatic context than in the past. However, it was difficult to conceive that reform of the international monetary system could in itself result in promoting a period of sustained world expansion in

¹ United Nations publication, Sales No.: 1949.II.A.3.

stability, the more so because "floating" would have to be kept within certain limits to avoid the danger of its hampering trade. After 25 years of fixed parities, the network of specialized traders in the currency market, which had operated efficiently in forward exchange transactions, providing the necessary arbitrage facilities and relieving exporters and importers of exchange risks, had disappeared, and it would take some time to replace it. The expected reform would not therefore exempt Governments from the necessity of acting themselves, sometimes using measures that had hitherto been discarded, to bring internal imbalances under control. The traditional methods of regulating demand today restrained production without having any real effect on cost inflation, with the result that the economy experienced the worst of both worlds. An incomes policy might inject a consciousness of the public interest into the procedures for fixing wages and prices and might contribute to the working of the international system. It was not too much to say, therefore, that the success of the monetary reform depended in large part on the effective application of incomes policies and other policies in some of the major industrial countries.

6. The present situation offered opportunities for innovation and progress that must be grasped, regardless of the shock inflicted by unilateral action and regardless of doubts felt about the effectiveness of a war of nerves in solving problems that affected such multiple interests. He discerned two positive elements in the recent development: the introduction, in the largest of the market economies, of an incomes policy, which would certainly have repercussions beyond the borders of the United States, and the fact that for some weeks exchange rates had fluctuated more or less freely without causing the chaos that certain Cassandras had predicted. Those facts could give a firm direction to delicate and difficult negotiations and guide them towards lasting arrangements.

7. The United Nations had a general interest in the outcome of negotiations which should, by establishing a viable monetary system, ensure the world economy a new period of expansion in stability. The Organization also had a more specific interest deriving from its responsibilities towards the developing countries. For those countries, many of which never had fixed parities under the old system, the relationship between parities was not the central issue. However, 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 past few years. For that reason, whatever the modalities finally adopted, compensatory measures were needed, perhaps in the form of a supplementary allocation of special drawing rights. Action of that kind, if taken soon, would have the additional advantage of establishing the use of the new reserve unit, which was the major advance made in the past 10 years in the structure of the international monetary system.

8. Arrangements based on the deliberate creation of international liquidities were more consistent with the interests of the developing countries than arrangements which would continue to be too closely dependent on the

vagaries of gold production, especially as they should, when the time was ripe, lead to a scheme for the distribution of new reserves which would establish a more direct link with development needs. In the short term, the main thing was that a great many countries should not be indirectly victimized by the effects of a situation for which they were not responsible.

9. It was also in the interest of the socialist countries that the present uncertainties should be dispelled. They had nothing to gain from a period of reduced economic activity in the market-economy countries provoked by the inability to re-establish a viable monetary system. That was the more true in the context of the reforms that were in progress to rationalize trade relations within their group and to establish a transferable monetary unit that would not only facilitate the expansion of planned trade but would also make it possible to respond more effectively to short-term needs that were not always foreseeable. It was conceivable that a monetary unit that was transferable within the group might eventually become convertible throughout the world and thus play a more active role in the expansion of world trade. Those parallel developments might have a beneficial impact on international co-operation, particularly now that the proposed security conference seemed to be expanding to include new modalities of technological and economic co-operation.

10. One of the difficulties was that the actual field of negotiations seemed to have been deliberately left undefined and that the term was very uncertain. There was undoubtedly a close interdependence between a great number of phenomena, but, in negotiations which would in any case be difficult, the introduction of too many parameters or an attempt to synchronize too closely the treatment of the various factors involved would open the door to an escalating process of reprisals and counter-pressures.

11. It was inevitable that, in one context or another, elements directly affecting the disciplines of international trade would enter the picture and that high priority would be given to them at the current session of the Assembly. On that front, again, there seemed to have been a lack of vigilance. The success of the Kennedy Round of trade negotiations, which had been achieved by a heroic but no doubt exhausting effort, should not have interrupted the international drive towards liberalization. Much remained to be done and, at the beginning of a period that was to be marked by a combination of inflationary and recessionary tendencies, there had been reason to fear an upsurge of protectionism. In a field that was so sensitive to pressures of all kinds, it was essential that the negotiations should be continued, that the impetus gained should not be destroyed by a weakening pause. Like disarmament, the dynamics of trade liberalization implied ambitious long-term objectives and continuing negotiations. It was to be hoped that in the light of events that lesson would not be forgotten. The enlargement of the European Common Market did not seem to provide a convincing argument for postponing the necessary effort in a wider framework. On the contrary, it seemed that the two processes should be continued in parallel, in order to avoid a situation in which what had been gained at the world level would be called into question because the position of the parties had been too substantially modified by regional negotiations.

12. In the complex network of policies necessary for the establishment of a favourable relationship between economic growth, monetary stability and trade liberalization, the achievement of full employment in the industrial societies occupied a strategic position. With the persistence of unemployment, at a level higher than that necessary for the proper working of the economic machine, the threat of protectionism rose again, with disturbing virulence. That was perhaps the most disturbing element in the current situation. The margin of tolerance was small, and the attitude of powerful and active groups was hardened by a rise in unemployment, even if the rate was modest compared to that in other periods or in the developing countries, especially if the unemployment was coupled with the expansion of imports of finished products from the third world—which was one of the most encouraging developments of recent years. The vigour of the protectionist movement was expressed in aggressive slogans such as “the export of jobs”, which made a mockery of the concept of a better international division of labour. The fact remained that the export of jobs from countries which normally suffered from a shortage of workers to countries which had a chronic surplus of labour could lead to a growing rational specialization, since abundant manpower was one of the few assets available to the developing countries to strengthen their role in the world economy. However, those slogans should cause no surprise in a situation of prolonged unemployment against which the forms of organization of modern society should provide protection. In recent years, the goal of full employment seemed to have lost some of its imperative character. It was locked in the dilemma of the interactions between inflation and unemployment, illustrated by the famous Phillips curve. However, if it was desired to bar the revival of economic nationalism—the disastrous consequences of which previous generations had experienced and which was bound to undermine the very foundations of a development strategy—full employment needed to be restored to its privileged place in the constellation of economic objectives, as was clearly and unequivocally affirmed in the Charter. Only if that was done would one of the most useful forms of an international division of labour cease to be regarded as a menace.

13. An active and generous policy to facilitate the necessary adjustments in the pattern of production by the application of laws and regulations for the retraining of the labour force and the relocation of displaced workers could be a powerful instrument; it was one that was not being used with sufficient vigour at the present time. In some cases, the laws existed. They had been enacted in the post-war period by a generation of legislators who had not forgotten the traumas of the 1930s. In cases where they had been applied, they had facilitated the speedy redeployment of workers from contracting industries to occupations that were expanding. Recommendation A.III.6 of the first UNCTAD Conference² on that point was perfectly clear, but it was not among those that had received decisive backing. Yet, by acting in that field with spectacular determination, by showing a real will to overcome the private oppositions which were inevitably encountered the

Governments of the advanced countries could restore the vision of a better international division of labour, which continued to be one of the most important premises of the International Development Strategy for the Second United Nations Development Decade (General Assembly resolution 2626 (XXV)).

14. The current economic situation indicated that, at the start of the Decade, the world still did not have a sufficiently binding and vigilant institutional system to provide the climate of continuity, stability and security needed for the development of the poor countries. For that reason, it was the more urgent to organize the disciplines inherent in the mechanisms for surveillance of the global strategy, and to give serious thought to how the diagnosis and alarm system would work in the future. The problems were not simply institutional. It would also be necessary to develop the art of reconciling respect for national susceptibilities with the interest that the international community had in the behaviour of each country. It now seemed clear that that interest must be more closely directed towards economic and structural developments in the industrial countries than was explicitly or even implicitly stated in the strategy.

15. Another difficulty arose from the fact that many of the 69 components included in the Organization's “model of coherence” covered social sectors and were defined in general terms because of the deficiencies of the available statistical material and analytical tools. Moreover, relations and interactions in those fields were unusually complex and baffling. Policies were commonly determined by social pressures, and it was impossible to throw useful light on the dynamic interactions by which they influenced the total development process. They were the products of growth, but they were also—to an unknown extent—its determinants. For that reason, appraisal and surveillance implied primarily an intensive effort to extend one's knowledge. At a time when doubts were sometimes being expressed about the models followed hitherto—although no alternative methodology had as yet emerged—progress towards a unified approach to the problems of planning was essential, and Governments rightly looked to the United Nations for the assistance they needed in that matter. There was no question of the United Nations suggesting a preference for a given type of development; more simply, it was wise to expect changes in orientation and a questioning of earlier attitudes with regard to the ends and means of development policy.

16. The problem of unemployment and underemployment in the developing countries clearly illustrated the difficulty confronting the Organization. In the industrial countries, since the Keynesian revolution, it had been reduced to the dimensions of a cyclical problem, although the inability to bring it rapidly under control could produce long-term adverse trends. In the developing countries, however, it was inextricably built into the very fabric of society.

17. Traditional plans were, and would continue to be, useful for making inventories of physical and human resources, calculating the crucial figures that reflected domestic savings needs and external resource requirements, and defining the scope of the public sector and the degree of fiscal effort it required. Their value was, however, less as

² See *Proceedings of the United Nations Conference on Trade and Development*, vol. I, *Final Act and Report* (United Nations publication, Sales No.: 64.II.B.11).

analytical and practical tools for implementing measures and programmes aimed at social objectives.

18. That was true of measures against the unemployment and underemployment which were rife in so many developing countries. In societies which were in many cases still characterized by patrimonial and feudal traditions, and in which various social security systems operated more or less successfully within the context of family, village or tribal groupings, it was not always natural to give the creation of employment opportunities high priority. Some Governments had included a quantified target in their plans. They were not numerous. Others had demonstrated their growing concern, without quantifying, but simply expressing their determination to halt the alarming growth in the number of unemployed. Some continued to hope that maximum growth would eliminate unemployment naturally, and do so before any dramatic breakdowns occurred. Often, the stimulus of political agitation and threats to social equilibrium were needed for attention to be really focused on the unemployment problem and for the decision to be taken to attack first the symptoms and then the root-causes.

19. In the light of analysis and the projection of trends, the hypothesis that unemployment could be eliminated naturally through a policy of growth, and with no system of special action, seemed unwise. The report on Colombia³ prepared under the auspices of the International Labour Organisation by an Inter-Agency team led by Professor Dudley Seers showed that everything combined to increase the number of job-seekers: life expectancy rates, an increasingly youthful population, the steady progress of education and the expectations it created. More generally, economic development raised what demographers called "the rate of participation", which in fact meant the drive towards integration in the urban economy. Migration to the towns was the critical factor in bringing the problem to the attention of Governments, because a minimum of division of labour existed in towns, revealing more clearly than in rural areas the distinction between the employed and those who remained indefinitely out of work (the marginal and the excluded), and because inequalities of income were more apparent in the towns and the contrasts and disparities more explicit. Chronic unemployment and visible want had become characteristics of urban life.

20. Although the general trends were clear, the dimensions of the problem were still insufficiently known. In dealing with so poignant a human tragedy, one hesitated to talk of the need for statistical effort. However, means must be found of measuring the problem if it was to be reduced to more tolerable proportions. It must also be recognized that a statistical effort might be an act of political courage when it was in the interest of powerful groups that certain situations should not be brought into the open. At least such efforts should be encouraged by programmes of technical assistance, which might be one of the most useful by-products of the development strategy.

21. Empiricism and improvisation were not enough in dealing with a problem of such complexity. The socio-

economic context was often characterized by the coexistence of a subsistence sector, or a sector with a virtually closed economy, with a market economy sector based on a degree of specialization and the development of institutions which facilitated co-operation among the factors of production. That basic characteristic appeared to offer a favourable vantage point for formulating a programme of concerted and cohesive action, a central theme which could usefully underlie a development strategy, furnish criteria for the appraisal of progress and help to forge tools for the co-ordinating authority. In too many cases, the institutional ties, or "linkage", between the two economies operated in a way that perpetuated insufficient dynamism in agrarian communities, high unemployment rates in the urban sector and the growth of marginal populations in crowded slums. In earlier times and in other places, migration to the towns had been the mainspring of progress. It had taken place as part of a process that balanced rising agricultural productivity at the point of departure and growing industrial capacity at the point of destination. But now the process had gone awry. The countryside had been deserted by the innovative spirit and was losing its most energetic workers, while the urban areas, deprived of an expanding rural market, were neither generating nor attracting the complementary factors necessary for industrialization. The natural tendency in all societies which had come or were coming under western influence was to increase productivity per worker and was not suited to those situations. It was not easy to encourage entrepreneurs to adopt a policy of maximizing employment for a given production target.

22. Policies to curb unemployment covered a wide range of options and each Government must choose those which applied best to a combination of given factors. But the creation of employment opportunities was so crucial that any economic action should be thoroughly scrutinized in the light of its effects on employment: customs policies, the choice of exchange rates, labour legislation, assistance procedures and decisions by foreign capital, which often sought, in contexts that were unfamiliar, to minimize the problems involved in managing a large labour force. Every planning office should have a team to review investment projects in the light of the jobs they created. It was surely not enough to leave that to the judgement of labour departments, for all too often they served as the spokesmen of the employed, whose interests did not always coincide with those of the unemployed.

23. The structure of remuneration in the society as a whole, and more particularly the differential rates which naturally occurred between urban jobs and farm work, might be decisive. In a great variety of ways Governments had more or less consciously financed the development of industries, services and the public sector at the expense of the earnings of agricultural populations. The scales must be tipped back in favour of the countryside if the spirit of innovation so sadly lacking in rural societies was to be revived.

24. Knowing the futility of fragmentary solutions, one was inevitably led to widen the field of inquiry. Unemployment and underemployment were then seen as a particular aspect of the broader phenomenon of mass poverty which afflicted so great a part of mankind. One tried also to plan the necessary actions within a really systematic framework.

³ *Towards Full Employment: a Programme for Colombia* (International Labour Organisation, Geneva, 1970).

That was what the Committee for Development Planning had done in its report on its seventh session (E/4990) when it had suggested integrated action for the eradication of mass poverty. There was perhaps no better way of giving vitality to the concept of a global development strategy and protecting it from the early obsolescence that threatened the greatest contemporary documents. The strategy would be more dynamic if it was capable at that stage of developing within its system new forms, new interpretations and new dimensions.

25. There were situations in which unemployment and underemployment were so widespread that it was impossible to wait until long-term action to create employment fulfilled its promises. A policy designed to achieve a minimum of social well-being and human dignity was sometimes necessary before the accumulation of capital seemed to make it timely. Whereas the objective of a guaranteed minimum income was just beginning to emerge in the legislation of the more advanced countries, where it was the outcome and climax of a long process, it was probably also going to appear in some countries at the other end of the income scale. A recent study by the University of Poona in India had upset many accepted theories. There were not a few cases in which rapid economic development was unaccompanied by a proportionate increase in the real income of the poorest strata of the population. Since poverty was a relative concept, the condition of the most underprivileged strata often deteriorated, even when their incomes seemed to be increasing. Poverty lines, adequate minimum levels providing for conditions which would guarantee the individual not only physical survival but also a certain degree of participation in the affairs of society, must be determined. In the context of the developing countries, that approach implied concentration on the most acute forms of poverty—those calling for immediate or urgent action—and the determination of precise standards below which the mass of the population should not fall. Where structures and institutions were still primitive, policies based on those premises implied radical changes and a high degree of redistribution of wealth, measures which might well not be within the capacity of many. They might mean a restructuring of society, demanding a degree of political cohesion that the very existence of the problem seemed to rule out. But that apparent paradox should not prevent the concern of the international community from being directed towards such situations and seeking to improve them.

26. It was concerns akin to those that had led to the identification of what were now known as the least developed among the developing countries. The text of the Strategy and the decisions already taken by the Economic and Social Council and UNCTAD had affirmed a special responsibility. There was no reason to wait until the problem of categorizing developing countries had been solved to launch programmes. The characteristics of the least developed countries were now obvious enough: poverty predominated, *per capita* incomes were still less than \$100, the economy was insufficiently diversified, industry accounted for barely 6 to 7 per cent of the total product, the rate of illiteracy was still very high and growth rates were among the slowest recorded in the 1960s, usually 2 to 3 per cent. In fact, the relevant indicators suggested that there were some 30 countries which had been left very far behind in the development race.

27. In some ways, the problem of the least developed countries was similar to that of relatively poor areas in rapidly developing countries. Those areas, which were sometimes larger than whole countries, were manifestly backward when compared to the economy as a whole. But a depressed area in a rapidly developing country was not left to its own devices or its own resources; it benefited from a supply of essentially mobile capital and technical skills and part at least of its labour force could move to areas of productive employment. That was not the case for the least developed countries, which relied on the outside world to accelerate their progress. As a rule, they had no poles of development which themselves attracted additional resources in a cumulative process. The ideal of "self-reliance" was not feasible there, even if it was elsewhere, and international solidarity must become involved in the forms so well defined by the Committee for Development Planning. Although the application of special trade policy measures obviously gave rise to difficult problems, the same did not apply to aid and technical assistance policies which should be easily adaptable, in quantity and quality, to the needs of the least developed countries. At least a modest start was necessary; it could be made by the Assembly at its current session if it was willing to support the initiative of the Economic and Social Council to strengthen the advisory services which would particularly benefit the least developed countries. But stress must also be laid on the importance of geological surveys, which should be conducted much more systematically. An exploration programme, offered by the international community with no financial counterpart, could play a decisive role, since modern technology was continually revealing hitherto unknown resources and was making possible the remunerative exploitation of those previously regarded as uneconomic. There were probably very few countries in which a systematic survey of the soil, water, mineral and energy sources and the climate itself would not open up such prospects; where that was not the case, a start could be made at least in organizing, with any necessary international assistance, the inevitable migrations to recognized poles of development.

28. The international community should constantly bear in mind the existence of such poverty and fundamental inequalities at a time when other subjects were insistently claiming its attention. For example, protection of the environment was now one of the Organization's objectives, and the best and most energetic minds were already being mobilized as part of a concerted campaign. New international instruments would doubtless be necessary, norms and regulations would be proposed, and corrective action—the cost of which was compounded by the effect of the backlog built up over a century of neglect—would be taken. The pattern of consumption, the distribution of the social capital surplus, the development of technology, the content and value of international trade were all factors which would be affected in a way which could not yet be assessed. At the present stage of knowledge, it was impossible to say whether the balance sheet of possible changes would be, on the whole, a positive or negative one in terms of an international development policy. There was reason to believe, however, that situations in which objectives were in conflict would occur; the Organization would have to identify them and find ways of reconciling apparently diverging objectives. That was a difficult and, to a certain extent, new discipline for which international

development activities had not prepared the Organization, since they assumed, at any rate in the long-term, a convergence of interests between various groups of countries, even if frictions and conflicts occurred in the short term. The task would be needlessly complicated if the concept of growth were to be called into question and, with it, technology which was one of its main motive forces. There would be a danger of ideological polarization in a situation in which the first requirement was to identify the terms of a technical and economic problem. The result might be a distortion of the system of values that had inspired the Organization in the struggle against underdevelopment. That danger was not imaginary, for new trends of thought were already finding their way into some parts of the technostructure. It was therefore necessary to reaffirm that growth continued to be a mainspring of social progress, and, in a sense, its guardian angel.

29. The most developed countries must see to it that they themselves maintained an adequate growth rate. The persistence of pockets of poverty, the existence of groups whose horizons were blocked by low income, a crying need for collective services and equipment, aspirations towards greater equality and security, all those things implied profound changes in the organization of society that could only be envisaged in a context of sustained growth. Moreover, the future of the developing countries was inextricably linked with the growth of the industrial countries. An expanding world market continued to be one of the major conditions for the success of any development strategy. No doubt new approaches might be developed that would somewhat reduce the dependence of underprivileged countries on industrial markets, encourage trade between the countries of the third world and regional integration, and stimulate new schemes for development based more directly on national effort. Nevertheless, the fundamental interaction, the secular correlation—of which there was ample evidence—between the progress of the third world and the growth of the industrial countries was still an essential factor. Nothing in the present or foreseeable organization of relations on the planet justified the belief that some new dynamic could take the place of the beneficent correlation, neither a philosophy of sharing at the global level, nor a desire for central management of the world's resources.

30. It was therefore too soon to change course. There was no scientifically valid judgement on the capacity of the biosphere or the exhaustion of natural resources that would justify a statement, at present, that growth must be halted or slowed down to stop the degradation of the planet or ensure the survival of the human species. However, man must learn to scan the future in order to be able to fashion it. He must absorb the problems and concepts that had recently appeared on the world horizon. He must learn to deal with them, not in isolation, but in taking an over-all view that illuminated their interactions and ordered them in accordance with the criteria of rigorous research, inspired by a humanitarian ideal.

31. It was that that made the transformation of international institutions so pressing and should help to determine their lines of development. Old loyalties could still be affirmed while new challenges were accepted. But that could not be the work of some "invisible hand". There

must be institutions conceived and constructed for that purpose—highly representative, capable of synthesis and inspired by a determination to act.

Organization of the Committee's work (continued)
(A/C.2/263, A/C.2/L.1142, A/C.2/L.1143)

32. The CHAIRMAN said that the Committee had before it a note on a proposed plan of work (A/C.2/L.1142) and a list of the relevant documents for each item referred to it by the General Assembly (A/C.2/L.1143).

33. He drew the Committee's attention to the fact that, in drawing up the proposed plan of work, he had borne in mind the different views expressed at the 1368th meeting. In order to meet the wishes of a large number of representatives, he suggested that the Committee should begin its work with a general debate which, in fact, could be said to have been opened by the Under-Secretary-General for Economic and Social Affairs. Provision might be made for approximately 10 meetings for the general debate, from Friday, 1 October onwards. On concluding the general debate, the Committee could take up the agenda item on operational activities for development (item 44) and thereafter the item on the United Nations Institute for Training and Research (item 43).

34. The Committee could then consider proposals arising from the report of the Economic and Social Council, namely, proposals which derived from recommendations addressed to the General Assembly by the Council and proposals which might be submitted in the Committee by interested delegations in connexion with any issues covered in the portions of the Council's report referred to the Committee. Members of the Committee would observe that provision had been made in the plan of work for consideration of proposals arising from the report of the Council not only during the weeks of 11 to 15 October and 18 to 22 October, but during subsequent weeks as well. That had been done not simply because it might not be possible to consider all the proposals in the rather short time available between the closure of the debate on the agenda item on UNITAR and 22 October, but also because some proposals might be forthcoming only after the meetings of the resumed fifty-first session of the Council.

35. He explained that the necessary steps had been taken to ensure that as far as possible senior Secretariat officials could participate in the work of the Committee when agenda items relating to questions within their competence were being considered. He added that in drawing up the proposed plan of work he had taken account of the need to ensure that no item would be considered until delegations had had sufficient time to study the relevant documents.

36. He hoped that the Committee would adopt the proposed plan of work on the understanding that it would, as usual, be applied with all due flexibility and that the Committee could modify it at any time.

37. Mr. RUTTEN (Netherlands) said that in order to allow members to study the statement of the Under-Secretary-General for Economic and Social Affairs and the results of the annual meeting of IMF currently being held at Washington, the general debate should be continued

beyond 8 October. Moreover, it would be seen that during the week of 18 to 22 October, 18 October was to be devoted to the Pledging Conference on the United Nations Development Programme and the United Nations Capital Development Fund and 19 October to the resumed fifty-first session of the Economic and Social Council. Those two days coincided with the conference of the Group of 77 which was to be held at Lima. More time should be allowed for consideration of the agenda items and the Pledging Conference and the resumed fifty-first session should be postponed.

38. Mr. AHMED (Secretary of the Committee) pointed out that the date of the Pledging Conference on the United Nations Development Programme and the United Nations Capital Development Fund had been fixed by the Secretary-General several months earlier and that Governments had been informed. With regard to the resumed fifty-first session of the Economic and Social Council, it was essential that the Trade and Development Board should submit its report in good time to the Council which would then transmit it to the General Assembly after having considered it. The Secretary-General of UNCTAD must be able to attend the meeting at Lima. Moreover, the report of the Economic and Social Council was divided into several parts and the Second Committee should take account of the work done by other committees.

39. Mr. DE RIVERO (Peru) said that the plan of work (A/C.2/L.1142) met with the full agreement of the Group of 77.

40. Mr. MAKEEV (Union of Soviet Socialist Republics), supported by Mr. RUTTEN (Netherlands), said that it would be useful to specify the order in which proposals arising out of the report of the Economic and Social Council would be considered by the Committee.

41. Mr. PRAGUE (France) supported the points of view expressed by the representatives of the USSR and the Netherlands regarding the proposals arising out of the report of the Economic and Social Council. As for the week of 18 to 22 October, the proposed plan of work appeared to contradict what had been agreed at the 1368th meeting. It had been understood that there would be no meetings between 25 October and 5 November but that the Committee would endeavour to make progress with its work during the week of 18 to 22 October. The Secretary of the Committee had said that it was impossible to change the dates of the Pledging Conference and the resumed fifty-first session of the Council, but his explanations were not convincing. The Council's time-table should be made subordinate to the Second Committee's time-table and that of the Secretary-General of UNCTAD to that of the Council. The general debate could be prolonged only if the Committee made full use of the week of 18 to 22 October.

42. Mr. AHMED (Secretary of the Committee) pointed out that during the twenty-fifth session few general statements had been made and the corresponding period had been devoted to negotiations with a view to preparing the text of the International Development Strategy for the Second United Nations Development Decade. During the current session, the Committee had decided to hold a general debate dealing mainly with the report of the

Economic and Social Council. Each delegation would have full latitude to relate its observations to any given question mentioned in the Council's report. Among the proposals arising out of the report of the Economic and Social Council, a distinction should be made between the specific recommendations of the Council and the proposals made by delegations under the items mentioned in the Council's report. It was impossible at the current stage to know what proposals would be made by delegations. Moreover, any recommendations which the Council might make at its resumed session would have to be taken into account.

43. Mr. MAKEEV (Union of Soviet Socialist Republics) asked the Chairman to request the Secretariat to prepare an approximate list and time-table of the questions which would have to be considered under item 12.

44. Mr. RUTTEN (Netherlands) said that during the 1368th meeting it had been decided to postpone the date of the Pledging Conference on the UNDP in order to make headway with the work relating to the Second Development Decade. A change of date therefore still seemed to be possible.

45. The CHAIRMAN said that he had taken note of the proposal of the representative of the Netherlands and he would consider the possibility of following it up.

46. Mr. PRAGUE (France), supported by Mr. HEMANS (United Kingdom), said he hoped that at the same time consideration could be given to postponing the resumed fifty-first session of the Council to a later date.

47. Mr. DRISS (Tunisia) said that the plan of work (A/C.2/L.1142) seemed to be acceptable and that changes could always be made to it. In view of the difficulties aroused by the holding of the resumed fifty-first session of the Economic and Social Council on 19 October, the proposals regarding its postponement would be considered by the officers of the Council. He also thought it would be advisable to limit statements made during the general debate to half an hour for each delegation.

48. The CHAIRMAN agreed with the representative of Tunisia that the Council's officers would have to decide on any postponement of the resumed fifty-first session. Delegations would be invited to make the shortest possible statements during the general debate.

49. Mr. ZAGORIN (United States of America) said he hoped that the Secretary-General of UNCTAD would be able to participate in the Committee's work. His delegation could not help but support the idea of holding consultations with the President of the Economic and Social Council as well as with the Secretary-General of UNCTAD to see whether they could attend the Committee's deliberations. In view of the number of questions dealt with in the report of the Economic and Social Council, more clarification should be provided on the various items to be considered.

50. Mr. RANKIN (Canada) said that although any question dealt with in the report of the Economic and Social Council could be discussed by the Committee, a decision had been taken some years earlier not to list them

individually on the Committee's agenda since that would simply encourage unnecessary reopening of debates which had already taken place in the Council.

51. Mr. KHALIL (Egypt) said that it would seem to be advisable to allow for the general debate to be prolonged and, if necessary, to postpone consideration of item 44 to a later date.

52. The CHAIRMAN said that in the absence of objections he would consider the plan of work (A/C.2/L.1142) adopted.

It was so decided.

53. Mr. MAKEEV (Union of Soviet Socialist Republics) said that his delegation had approved the plan of work on the understanding that the proposals made by the delega-

tions of the Netherlands and France as well as his own were taken into account.

54. Mr. AHMED (Secretary of the Committee) said that as far as item 12 was concerned, the Economic and Social Council had only recommended one draft resolution to the General Assembly for adoption.

55. The CHAIRMAN drew attention to the importance of rule 108 of the Committee's rules of procedure and annex IV to the rules of procedure which should serve as the basis for the conduct of the work. The punctuality of all members, the early submission of draft resolutions and the use of unofficial consultations should facilitate consideration of the items on the Committee's agenda.

The meeting rose at 12.50 p.m.