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**SECOND COMMITTEE, 1457th
MEETING**

Friday, 6 October 1972,
at 10.30 a.m.

NEW YORK

Chairman: Mr. Bruce RANKIN (Canada).

GENERAL DEBATE (continued)

1. Mr. CARIM (Turkey) said that, while the gap between the developed and the developing countries continued to widen, the world was confronted with new economic problems the solutions to which must be sought through a variety of approaches. For instance, although environmental conditions in both developed and developing countries were rightly a cause for serious concern, the remedies must differ since the causes and relative urgency of the problems were not the same. Some deemed it timely to sound the alarm, although there was still a need for further exploitation of natural resources in the less developed countries.
2. The lack of a sound international monetary order was another major problem. The alarm created by the collapse of the monetary system following the suspension of dollar convertibility on 15 August 1971 had prompted efforts to find a solution. Although the Smithsonian Agreement of 18 December 1971 on currency realignment had brought about a certain degree of security, it had been unable to prevent speculators in gold from reaping maximum benefits. Doubt still prevailed, for views differed regarding the future role of gold. The sharp rise in its price supported both the view that it did not provide a real balancing effect and that its role should accordingly be diminished and the view that its present role should be preserved. The recent meeting of the Board of Governors of IMF had shed some light on possible developments in the near future. The establishment of the Committee of Twenty was an encouraging sign, for its membership would be representative of the various regions of the world, thereby ensuring the participation of the developing countries in working out a new global monetary system. A solution in the near future was desirable, for uncertainty regarding the monetary situation had an impact on world trade and development efforts, affecting the developed and the developing countries in different ways.
3. Agreement on matters relating to exports and imports was necessary for the development of trade. Failure to implement the norms prevailing in the United Nations system regarding exports opened the door to a kind of neo-mercantilism. It was to be hoped that in the long run, the application of those norms would show a trend towards lasting economic justice and balance. In that connexion, he noted the efforts being made within the framework of GATT.
4. The international community must demonstrate the will to cope with new and chronic economic problems through intensified and better co-ordinated efforts. The country programming approach adopted by UNDP provided the necessary framework within which the United Nations could play its essential role in that regard. The UNDP omnibus statute should be adopted as early as possible. The reorganization of UNDP should also be completed without delay. The present low level of indicative planning figures showed that the financial resources available to UNDP were far from satisfactory in terms of the role it ought to play.
5. The tradition of convening UNCTAD at four-year intervals should be continued. The enlargement of the membership of the Trade and Development Board should make it possible for the Board to devote more attention to the needs of different regions and different development levels. Some delegations considered the results of the third session of UNCTAD to be unsatisfactory. However, it was difficult to secure unanimous agreement on questions which were not yet ripe for settlement. The establishment of the IMF Committee of Twenty was one positive achievement of that session. His Government, which attached considerable importance to improving the trade prospects of the developing countries, participated actively in UNCTAD meetings and vigorously supported measures in favour of those countries. The generalized system of preferences should be implemented without discrimination, irrespective of the groups to which such countries belonged.
6. Mr. EXNER (Czechoslovakia) said that the problems involved in overcoming social and economic backwardness and creating conditions for more dynamic development were among the most important of modern times. Efforts to achieve more concrete results, particularly with respect to international trade, had not yet borne fruit, and the reasons should be sought in the broader context of economic development in the contemporary world.
7. The difficulties faced over the past year by the capitalist world such as uneven, economic development, a slow rise in production spiralling inflation, increased unemployment and protracted balance-of-payments difficulties had created new problems requiring economic and political action and had further intensified social and class contradictions.
8. The current monetary crisis was only one serious aspect of that phenomenon and not the cause of all those problems. It was hardly surprising, when there

were so many contradictory views as to how the currency situation could be improved, that a positive solution was still remote.

9. There was a danger that the developing countries might become the main victims of the current crisis. The *World Economic Survey, 1971*¹ indicated that the rate of growth of the developing countries in 1971 had not reached the proposed 6 per cent target; hardly a promising start for the Second United Nations Development Decade. Accordingly, a rapid and decisive solution to the current crisis was essential, particularly for the developing countries. However, it was unlikely to come about, given the policies of certain capitalist countries. With a view to solving currency problems and economic problems in general it was necessary, when establishing a new world economic order, to take account of the socialist system and its policy in the matter of international relations.

10. The efforts to extend and improve co-operation and to develop socialist economic integration among the members of the Council for Mutual Economic Assistance (CMEA) had yielded positive results more rapidly than had been expected. In 1971, the national income of the CMEA countries had risen by approximately 6.3 per cent and industrial production had expanded by 7.8 per cent. Although the CMEA countries made up less than one tenth of the world's population, they accounted for approximately one third of the world's industrial output. Increases had also been registered in agricultural production and world trade. Socialist economic integration was being brought about in conditions allowing each member country to maintain its political and economic sovereignty. It was not directed against any country or group of countries and its open character was conducive to the development of international economic relations and the consolidation of world peace. The members of CMEA recognized that continuing development would require further exchanges and co-operation—particularly in science and technology—with other socialist States and countries with other economic and political systems. His delegation attached great importance not only to intensifying economic relations within the socialist community but also to broadening economic ties with other countries and to improving the international division of labour. The socialist process of integration was becoming more attractive to other countries, as was illustrated by the admission of Cuba to CMEA at its twenty-sixth session.

11. In the interests of normalizing international relations, CMEA had on a number of occasions called for international measures to broaden trade contacts between States with different social and economic systems. It might therefore be appropriate at the current session of the General Assembly to consider the possibility of drafting principles governing the development of equitable co-operation in economics, trade, science and technology and to affirm such principles in a document. Such co-operation could provide a solid basis for improving political relations and strengthening mutual trust, peace and international security. Those

relations should be based on the principles of respect for national independence and sovereignty, non-interference in internal affairs, equality of rights, mutual advantage and the most-favoured-nation principle.

12. He cited statistics to illustrate the progress in various areas of the Czechoslovak economy. Structural changes in industrial production were planned. The gradual introduction of planned administration was laying the necessary foundation for the accomplishment of complex tasks under the national economic plan.

13. Czechoslovakia gave particular attention to the development of economic co-operation and trade with the developing countries, based on its long tradition of encouraging their development. Trade with those countries had risen by 45 per cent between 1960 and 1970, and Czechoslovakia wished to continue to develop such relations in all areas where mutually advantageous terms could be agreed upon.

14. His Government also planned to continue pressing for broader economic co-operation with industrialized capitalist countries on the basis of the principles governing international trade relations and trade policies adopted at the first session of UNCTAD and in accordance with the rules of GATT. Czechoslovakia believed that certain difficulties could be overcome if the principles of equality and mutual advantage were respected and if the discrimination to which a number of industrially developed capitalist countries were subjecting his country was eliminated.

15. His delegation welcomed the adoption by the Economic and Social Council of a resolution on agrarian reform (resolution 1707 (LIII) of 28 July 1972), which indicated the close relationship between political, economic and social factors in implementing agricultural policies and changing outmoded agricultural structures. It also was pleased that the Council had adopted resolution 1721 (LIII) calling on the Secretary-General to set up a group of experts to study the consequences which the activities of multinational corporations exerted on the economic and social development of the developing countries.

16. Mr. VALDÉS (Bolivia) said it was essential for all delegations to be willing to co-operate in pulling down the barriers of misunderstanding which were preventing the international community from living in peace and harmony. In a world which had become fully conscious of its needs and rights, the great Powers should renounce all ventures into exploitation and colonialism, and the developing countries should realize that national greatness could be achieved only through the combined efforts of their inhabitants. The developing countries were, however, aware that unfortunately their progress depended on financial and technical assistance. International understanding would be furthered if all assistance were disinterested. The best way to achieve disinterested co-operation was through the United Nations, which should therefore be strengthened economically and made more effective. His delegation shared the anxiety expressed by many

¹ United Nations publication, Sales No. E.72.II.C.2.

previous speakers with regard to the minimal results obtained by UNCTAD in the course of its existence. He hoped that the discussions taking place in the Committee of Twenty with the participation of the Secretary-General of UNCTAD, the Executive Director of IMF, the Director-General of GATT and representatives of the developed and developing countries would result in the establishment of principles on which a viable reform of the world monetary system could be based. Something would have to be done to reduce the arbitrary effects of monetary systems on world trade and on the flow of capital and investment since the developing world could no longer suffer from monetary changes over which it had no control.

17. Resolution 63 (III) of 19 May 1972, in favour of the land-locked developing countries, formulated as a result of discussions at the third session of UNCTAD, was of special interest to Bolivia, which had been deprived of its access to the sea as a consequence of a war of aggression. There were practical obstacles to the implementation of that resolution, and it was incumbent on the international community to understand the inequity of the situation of the land-locked countries and to show a greater determination to co-operate in alleviating their plight. Those countries were often the victims of discriminatory measures adopted by countries whose port facilities they were obliged to use. They frequently had to endure inconveniences such as the loss of spare parts or damage to machinery exported by them, which might cripple their industrial, agricultural or mining sectors for many months. In addition, export costs for them were disproportionately higher than for countries with access to the sea. It was therefore necessary to devise a preferential economic policy which would benefit them by providing for an adequate infrastructure, special port facilities, lower freight rates, etc.

18. He reminded the Committee that an international working group had been established to draft a charter of the economic rights and duties of States (resolution 45 (III) of 18 May 1972), as proposed by the President of Mexico at the third session of UNCTAD. Such a charter should take account of the economic right of the developing land-locked States to direct access to shipping routes. The fact that those countries were asking for special treatment did not mean that Bolivia waived its claim to access to the sea which, he hoped, would be recognized as a result of peaceful negotiations.

19. Bolivia exercised full sovereignty over its natural resources. It had nationalized its petroleum and mineral resources as well as its railroads, telephone services and most of its electric power facilities. In carrying out its nationalization policy, the Government had reached satisfactory agreements with the companies which had formally exploited its resources and services. The Government was very much aware that, if under-development was to be overcome, domestic and foreign capital investments in production had to be encouraged and guarantees offered to investors. However, it was understood that all investors had to respect Bolivia's sovereignty and investment laws.

20. The various organizations of the United Nations system showed wisdom in encouraging development projects whose social impact was as great as possible. Country programming made it possible for the developing countries to formulate over-all plans aimed at establishing well co-ordinated economic and social structures while avoiding competition created by projects being carried out in countries with a common zone of influence. However, as a result of the failure of countries to co-operate in devising their projects, budget requirements for UNDP programmes had increased to the point where it was possible that UNDP would not have sufficient resources to carry out its plan of action. Countries therefore needed to demonstrate a real will to co-operate with a view to avoiding future disappointment.

21. For economic reasons, countries with small markets were unable to compete with products from the developed countries. In that connexion, his delegation failed to understand why so many developed countries were opposed to the transfer of technology. The World Plan of Action for the Application of Science and Technology to Development specified that pilot programmes should be carried out with a view to determining what type of technology was suited to countries with small consumer markets. UNIDO was endeavouring to meet that requirement, but so far it had not accomplished much and there could be no doubt that it should enlist the co-operation of UNCTAD and UNDP.

22. The purpose of development plans was not to line the pockets of the rich while the poor continued to be destitute and exploited. However, many of the developing countries had established credit systems for the development of the private sector which produced just that effect. In many cases, bankers made the granting of credits conditional upon guarantees, technical studies and amortization and interest payments which, while prohibitive for the small industrialist or farmer, were within easy reach of large industrialists who often turned the credits accorded them to their own profit, using them for ventures which had nothing to do with development. While it was difficult for small industrialists to obtain credit, it was impossible for artisans to do so. In that connexion he pointed out that for many countries handicrafts could constitute an important source of foreign currency earnings. The United Nations Capital Development Fund should be reinforced to enable it to establish an easy credit system for the development of small industries and handicrafts.

23. Believing that as many delegations as possible should take part in discussions on ways to narrow the economic and social gap between countries, he hoped that steps would be taken to increase the membership of the Economic and Social Council. Although the Council had been much criticized, it had been responsible for mitigating many of the world's economic and social ills. However, action by the General Assembly was needed to implement many of the Council's decisions, and he hoped that such action would be taken at the current session.

24. Mr. ONGAGOU (People's Republic of the Congo) said that the history of the world was characterized by lamentable instances of man's exploitation of man. The institution of slavery, for example, had not only been degrading to human dignity but had considerably reduced the population of various continents. Bloody uprisings had taken place between races or groups of individuals in the name of philosophy or religion. Until very recently, countries such as China and the Soviet Union had been denigrated, whereas today they commanded respect. Such changes in outlook meant that some progress had, after all, been made in the world; however, certain backward imperialist Powers had as yet failed to adopt a more humanitarian attitude based on respect for the equality of all men. Unfortunately, colonization, domination, exploitation, vandalism and destruction still prevailed in the world. It was for that reason that the world was still plagued by wars, even though some countries were striving to lay the foundations of a lasting peace. The United Nations Charter clearly stated that the goal of the signatory countries was the maintenance of international peace and security. In the eyes of certain Powers, however, the Charter was nothing but a piece of paper to be used to ease the minds of those who loved peace and justice. In trampling the principles of the Charter underfoot, the imperialist Powers were demonstrating their brazen determination to maintain their hegemonous systems which operated to the detriment of the majority of the world's people. In such circumstances, it was not surprising that the world was divided into zones of abundance and poverty.

25. He had listened to the intervention of those speakers who had preceded him with feelings of both pleasure and bitterness: pleasure because their statements had constituted a rich source of information for his delegation, and bitterness because the statistics mentioned in them showed that the world situation was a matter for deep concern and even alarm. He wondered whether it was possible to speak of an international community when there was such a great imbalance in the distribution of wealth and of the benefits of science and technology. His Government had always denounced the gap between the rich countries and the developing countries and would continue to do so until the privileged countries had acknowledged the need for an equitable distribution of wealth among all countries, whatever their size. Although in recent years the developing countries had witnessed a slight improvement in the growth of their total income, the gap which separated them from the rich countries was still just as wide. What was worse, average *per capita* income in the developing countries was still less than one tenth of what it was in the market-economy countries. Moreover, the difference in the rate of growth of the various developing countries had increased, and in some of them annual *per capita* income had not increased by so much as a single dollar.

26. Moreover, although some improvement was shown by the export figures of the developing countries, over-all demand for their products continued to increase more slowly than demand for products from the developed countries. Furthermore, the total flow

of official assistance to the developing countries—\$6,700 million—had declined, while their indebtedness had increased to over \$65,000 million.

27. Annual military expenditures, which were used to cause destruction and create poverty, had reached the figure of \$200,000 million. In addition, the Committee had learned that the Western Powers had accumulated 80 per cent of the world's wealth, leaving only 20 per cent for all the other countries. The representative of Chile had painted a disquieting picture of the way in which the world's wealth would be distributed by the end of the century.

28. While the developing countries were increasing their exports relatively slowly, there was a growing demand for manufactures from the developed countries. Moreover, the price of raw materials from the former countries was declining, and often their access to world markets was subject to restrictions.

29. It was urgent to put a stop to the dangerous competition from synthetics and other substitutes manufactured in the developed countries to the detriment of many materials produced in the third world. Moreover, efforts to diversify the exports of the developing countries had been very slow and had been hampered by protectionist measures applied in the market-economy countries.

30. No developing country was opposed to the principle that a country's development depended first and foremost on its own efforts. His own country endorsed that principle and had lived by it since its revolution. It had managed to mobilize its people in a spectacular way and had been making progress. The people themselves were carrying out social projects involving the construction of hospitals, schools, markets and bridges. They had understood that it was only by agreeing to sacrifices that they could make a constructive contribution to national development. Projects had also been formulated at the regional level, in which the action taken by one region served to encourage similar action in another. His Government had also been very quick to understand the need for regional integration. It was a member of the Customs and Economic Union of Central Africa, which had been established shortly after the countries of Central Africa had gained their independence. The progress already made by the Union was evidence of its stability and competence. His country favoured the establishment of broader interregional co-operation among the African countries, being one of the non-aligned countries which favoured co-operation throughout the third world.

31. While the poor countries were being asked to assume responsibility for their own development, they were being prevented from utilizing the means for attaining their objectives. In the first place, they were deprived of the right to enjoy their freedom. They were either colonized or at war. Those which were colonized were contributing to the development of other continents, and those which were at war were depleted. Either way, the outlook for the development of the third world was not good.

32. Private enterprises and large multinational corporations operating in the developing countries were depleting the resources of those countries. Rather than contributing to the development of their host countries, they were reaping all the benefits without complying with State controls. Control over large corporations should be strictly enforced, and adequate tax policies should be established by the host countries.

33. The recent crisis in the international monetary system had had repercussions on world trade and development, particularly where the developing countries were concerned. Since the latter were in the majority, they should be associated in establishing any reform of an international nature. If their participation was refused, no decisions taken would have any international value.

34. Although the generalized system of preferences had been accepted, it was still being implemented in a half-hearted and limited way, since some of the developed countries had not fulfilled their commitments. That attitude showed that some Powers were not very concerned with solving the development problems of the third world. The latter was caught in a stranglehold and the situation was rapidly growing worse. He was referring to their increasing indebtedness, which was aggravated by unduly high interest rates. The terms of assistance to developing countries should be very flexible. In that connexion he pointed out that the rates of interest charged by certain communist and socialist countries were negligible and that the repayment periods on their loans were rather extensive. Assistance from other countries meant impoverishment, since the recipients were required to make sacrifices which far exceeded their production capacity. Most of the accomplishments made possible by assistance from market-economy countries were offset by a permanent deficit. In addition, the volume of such aid had unfortunately decreased.

35. So far modern science and technology had benefited only the developed countries. It was essential that they should be made available to all, especially to the developing countries which needed them to expand their economies.

36. The fact that national efforts were essential to a country's economic development did not rule out the need for international co-operation. In that connexion, UNCTAD had a vital role to play. While it was true that UNCTAD had made possible the adoption of some decisions in favour of the third world, the poor countries, which had once placed all their hopes in it, had soon learned that they had been indulging in wishful thinking. The failure of UNCTAD to implement its own decisions and the refusal of the rich countries to accept proposals advanced by the developing countries inclined him to feel that UNCTAD was not living up to the role it had been meant to play in the United Nations family.

37. When the decisions and authority of the United Nations were flouted, there were repercussions throughout the United Nations system. Although the United

Nations was growing and its membership was more representative, its machinery was still being corroded by certain powerful forces, and rigorous measures were needed to combat them. The scientific and technological explosion had made the earth a smaller place. The concept of the international community had therefore superseded the concept of nationhood, and the United Nations should be made to operate more effectively in the interests of peace and international security. The work of the United Nations and its specialized agencies would not be in keeping with the principles of the Organization unless the world's wealth was equitably redistributed. However, as long as a large part of the world remained under colonial domination and its material and human resources were ravaged by war, the Organization would be unable to fulfil its aims and objectives. The countries of the third world had three powerful weapons with which to combat the enemies of peace and international security. First, they constituted an ever-increasing majority in the international community. Secondly, they intended to see that they were more effectively represented not only in the United Nations and its specialized agencies but in all international socio-economic and financial organizations. Thirdly, all people who loved peace and justice were in favour of ensuring harmonious economic progress throughout the world.

38. If the enemies of peace and security continued to defy the forces of history, they would be unable to prevent the outbreak of a proletarian revolution against them.

39. Mr. VAN GORKOM (Netherlands) said that in many respects the economic outlook did not seem encouraging. The monetary problems had not yet been solved and, partly as a result, the threat of protectionism was still hanging over international trade. Although the third session of UNCTAD could certainly not be called a failure, its results had not met the expectations of the developing countries. The figures on the projected gap between rich and poor were disquieting, as were the prospects of a massive shortfall in concessionary aid. The Committee for Development Planning had called attention to the problem of mass poverty and unemployment. A high-level UNESCO commission had recently revealed that attempts to narrow the gap in education between industrialized and developing countries had failed, and had proposed an almost complete reorientation of education in both developed and developing countries. FAO had predicted a shortfall in food production in developing countries in relation to the target set in the International Development Strategy. In some quarters, the Strategy itself and the value of the United Nations as a framework for worldwide co-operation were being questioned. Neither the concept of solidarity between rich and poor nor the concept of confrontation seemed to have worked, and it could indeed be asked whether they should be replaced by a new concept of co-operation.

40. In those circumstances, it was quite understandable that serious doubts had been expressed over the prospects of attaining the objectives and targets of the Strategy. While his Government understood those

doubts, it believed that there was no reason to dismiss the Strategy or to lose faith in the Second Development Decade.

41. In the view of his delegation, new elements and facts had emerged which seemed to open up new perspectives. The recent meeting of the Board of Governors of IMF indicated that a new spirit of understanding and accommodation had appeared. The Committee of Twenty had been set up and had started its deliberations. The fundamental interest of developing countries in the reform of the monetary system and their participation had thus been recognized fully in practical terms.

42. Against the background of a hoped-for economic recovery in the United States and Europe, 1973 would witness the opening of a new round of international trade negotiations within GATT. The need for the full participation of the developing countries in those negotiations had been recognized at the third session of UNCTAD and reconfirmed, upon the initiative of Chile, by the Council at its fifty-third session.

43. One major new development had been the enlargement of EEC to nine members. The Ministers for Development Co-operation of the member countries had met for the first time with the European Commission for the purpose of setting the stage for a common forward-looking policy in development co-operation. A high-level committee of government officials had been instructed to submit a report containing positive proposals for such a policy to the Council of Ministers before May 1973.

44. Another development of great importance was the unparalleled economic expansion of Japan and its rapidly increasing role in world affairs, as also the presence in the United Nations of the People's Republic of China. Japan and China had recently decided to normalize their relations, thus opening up opportunities for a new era of co-operation and development in Asia.

45. The Action Plan adopted at Stockholm by the United Nations Conference on the Human Environment (see A/CONF.48/14 and Corr.1, chap. II) clearly recognized that environmental concern and the development of the developing countries were closely interrelated. It was a misconception to take the view that the problems of development were more important than those of environment. The environmental problems of the developing countries were largely of a different kind from those experienced by the richer countries but, as the Committee for Development Planning had pointed out, the two sides of the issue were far from being competitive and needed to be considered as complementary. Environmental problems as a whole would have to be integrated into the International Development Strategy. However, knowledge of the relationship between the environment and development was far from complete and it was with the idea of assisting in filling that gap that his Government had offered assistance to finance a broad comprehensive study of the problem to be undertaken by the Centre for International Development Planning, Projections

and Policies in co-operation with the Development Centre of OECD.

46. Finally, the third session of UNCTAD had adopted policy measures in favour of the least developed countries and for the promotion of progress in regional and subregional co-operation between developing countries. All those new events were indicative of a tightening of the network of interdependencies in international relations.

47. In the past, thought and action had been dominated largely by the interrelated concepts: solidarity between rich and poor countries and confrontation between the two. Both solidarity and confrontation presumed a conflict of interests between rich and poor, and in that perspective, development assistance was represented as a sacrifice by the industrialized countries. The questions then arose as to whether such a conflict of interests really existed and whether development co-operation implied concessions on the part of the developed countries. In the view of his delegation, on a long-term basis and from a macro-economic viewpoint the position was quite different. Increased production, export and trade in developing countries, raising their levels of living and balancing their payments position, were not only in the interests of those countries but equally in the interests of industrialized nations. The concept of the parallel interests of both rich and poor countries had begun to be recognized, should be integrated into the Strategy and should form a starting-point for a reformulation of some of its tenets. His Government intended to use that concept as its guideline for its review and appraisal policy.

48. The Strategy was a dynamic instrument which provided for periodic review and appraisal. The first experimental review and appraisal, which was under way and would end at the twenty-eighth session of the General Assembly, and the mid-term review and appraisal of 1975 would present an opportunity to re-examine, and if necessary, to reformulate some of the concepts and objectives of the Strategy and to adjust it in the light of the new facts and dimensions of development which had recently emerged. It was therefore of the utmost importance that both Governments and international organizations should prepare themselves thoroughly for the review and appraisal exercise which would take place in the different organs of the United Nations, and more particularly in the Economic and Social Council in 1974.

49. In view of the forthcoming review and appraisal, the mobilization of public opinion in all countries in support of the objectives and policies of the Second Development Decade was more important than ever. For that reason, his Government was prepared, subject to parliamentary approval, to include in its contribution for 1973 to the United Nations Trust Fund for Development Planning and Projections an amount of \$400,000 to be made available for information activities related to the Strategy carried out by the Centre for Economic and Social Information.

50. Parallel with the view and appraisal of the basic concepts and objectives of the Strategy, a review

should be undertaken of the institutional structure of the United Nations in the light of the Charter provisions, which assigned to the Economic and Social Council a central, policy-making and co-ordinating role, and also on the basis of subsequent General Assembly resolutions establishing new organs such as UNCTAD and UNIDO, and perhaps also on the basis of the agreements concluded between the Council and the specialized agencies. In the course of its 27 years, the United Nations had assumed many new tasks, undreamed of at San Francisco. Many new organs, funds and agencies had been set up and, as a result, the structure of the United Nations and the co-ordination between its different components had become increasingly complicated and beset by vested interests. While important institutional progress towards world-wide co-operation had been made, it could not be denied that there had been loss of cohesion, co-ordination and impact, particularly in the case of the Council. The efforts made so far to revitalize and restructure the Council had, except for the enlargement of its membership, yielded little result. It seemed that so far efforts in that direction had dealt largely with the symptoms of the disease rather than with its basic causes. It was not an easy matter to formulate precise measures to strengthen the Council. The starting-point for any review of the Council's authority and administrative work should be the implementation of the Strategy and the co-ordination of all United Nations activities related thereto.

51. First of all, the Council should be in a position to address itself to major world-wide economic issues of an urgent nature and its agenda should reflect that primary preoccupation. Secondly, thought should be given to the recent proposal by the representative of Italy that the Council should meet in permanent session to deal with problems as they arose and spread its traditional activities over a longer and more convenient period of time, which would enable it to concentrate on an annual debate on policy matters at the ministerial level. Thirdly, it might be necessary, as proposed by Kenya in a working paper submitted to the Working Group on rationalization, to review the agreements with the specialized agencies. The relationship between the Council and the agencies was defined in Chapters IX and X of the Charter. Circumstances had, however, changed and the United Nations system had assumed greatly increased world-wide responsibilities. The possibility should therefore not be excluded of adapting the relevant articles of the Charter to those new circumstances and developments in order to bring the system back into line with the original intentions of San Francisco. Fourthly, there was an urgent need to improve the function of the Council

and, for that matter, of the General Assembly relating not only to the co-ordination of the ever-increasing and wider-ranging activities but also to the programming of those activities within the over-all framework of the United Nations budget. That need had become even more pressing in view of the pending proposals to improve the budgeting process. With regard to the proposal to abolish the Committee for Programme and Co-ordination, his delegation, together with others, took the view that, on the contrary, the co-ordinating and programming machinery of the Council should be strengthened and that thought should be given to the possibility of creating an advisory committee on programme and co-ordination matters which would serve both the Council and the General Assembly and which would work closely with the Advisory Committee on Administrative and Budgetary Questions.

52. All those matters were directly related to the implementation of the Strategy and should be studied concurrently with the review and appraisal of its objectives.

53. The usefulness of the general debate in the Second Committee had been questioned. It might even be asked whether it was really necessary to discuss matters of human well-being, economic and social development and co-operation in the United Nations. The answer was clearly "yes". There was simply no other forum, no other organization where those problems could be discussed effectively and, step by step, brought to a solution. There was no other organization for the formulation and implementation of policies for the regulation of the world-wide forces of economic and social progress and for channelling the increasing volume of resources for co-operation and development.

54. Mr. CUBILLOS (Chile), exercising his right of reply, noted that the Bolivian representative had said that Bolivia's land-locked situation was the consequence of a war of aggression. It was a matter of historical fact, however, that the Bolivian Government had violated the provisions of a treaty and had declined to accept arbitration. The representative of Bolivia had also implied that his country's economic progress had been adversely affected because consignments of spare parts had not reached Bolivia. It was true that Chile was a transit country for Bolivia, but in recent years the Chilean authorities had not received any complaints about transit arrangements with Bolivia.

55. Mr. VALDÉS (Bolivia), exercising his right of reply, reiterated that his country believed itself to have been a victim of aggression.

The meeting rose at 12.25 p.m.