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Resumed Forty-first Session

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President: Mr. Tewfik BOUATTOURA (Algeria).**Present:**

Representatives of the following States members of the Council: Algeria, Cameroon, Canada, Chile, Czechoslovakia, Dahomey, Ecuador, France, Gabon, Greece, India, Iran, Iraq, Luxembourg, Morocco, Pakistan, Panama, Peru, Philippines, Romania, Sierra Leone, Sweden, Union of Soviet Socialist Republics, United Kingdom of Great Britain and Northern Ireland, United Republic of Tanzania, United States of America, Venezuela,

Observers for the following Member States: Australia, Austria, Belgium, Brazil, Byelorussian Soviet Socialist Republic, Chad, China, Congo (Democratic Republic of), Cuba, Ghana, Guatemala, Italy, Japan, Jordan, Kuwait, Libya, Malta, Mexico, Norway, Senegal, South Africa, Trinidad and Tobago, Turkey, Ukrainian Soviet Socialist Republic, Yugoslavia.

Observers for the following non-member States: Federal Republic of Germany, Switzerland.

Representatives of the following specialized agencies: International Labour Organisation; Food and Agriculture Organization of the United Nations; United Nations Educational, Scientific and Cultural Organization; World Health Organization; International Bank for Reconstruction and Development.

AGENDA ITEM 2

Report of the Trade and Development Board (E/4285)

1. Mr. KAUL (India) said that his observations on the excellent annual report of the Trade and Development Board,^{1/} transmitted to the Council by note of the Secretary-General (E/4285) would be confined to two important aspects: the progress so far made towards implementing the recommendations of the United Nations Conference on Trade and Development

(UNCTAD) at its first session^{2/} and the objectives which were expected to be achieved at the second.

2. The "Review of International Trade and Development, 1966,"^{3/} submitted by the Secretary-General of UNCTAD at the fourth session of the Trade and Development Board, and the discussions at that session, demonstrated that the political will to implement UNCTAD recommendations was still lacking among the Governments of developed countries; even recommendations which had been adopted unanimously at the first session of the Conference were not being acted upon. The Secretary-General of the United Nations, in the introduction to his annual report on the work of the Organization,^{4/} had drawn attention to that situation.

3. The report before the Council showed that the trade position of the developing countries had continued to deteriorate in recent years; their share in world exports of primary commodities had declined; the prices of those commodities had resumed their downward trend; and the efforts to conclude commodity agreements on cocoa and sugar had failed. The prices of the capital imports they required had, however, increased and the developed countries had continued to encourage domestic production of agricultural products, thus limiting the developing countries' access to their markets.

4. Little, if any, progress had been made towards removing barriers to the developing countries exports of manufactures and semi-manufactures. In some instances, in fact, new tariff barriers had been raised and quantitative restrictions were still being imposed, thereby limiting the foreign exchange earning capacity of the developing countries. Such advances as had been made in the Kennedy Round were likely to be of little benefit to those countries, since the "exceptions list" included a large number of their products and only one country, Australia, had granted unilateral preferences to the developing countries as a bloc.

5. The flow of financial resources from the developed countries still fell far short of the target of 1 per cent of their national income set by UNCTAD in its recommendation A.IV.2 and there had been no easing in the terms on which loans were granted. It had been estimated that the resultant burden of financial charges on the developing countries amounted to the equivalent of 50 per cent of all new resources

^{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).

^{3/} See *Official Records of the Trade and Development Board, Fourth Session, Annexes*, agenda item 3, documents TD/B/82 and Add.1-4.

^{4/} *Official Records of the General Assembly, Twenty-first Session, Supplement No. 1A.*

^{1/} *Official Records of the General Assembly, Twenty-first Session, Supplement No. 15.*

transferred to them from the developed countries. All those facts were set out in the memorandum on the implementation of the recommendations of the first Conference^{5/} which had been submitted to the fourth session of the Trade and Development Board, but not, unfortunately, discussed in detail.

6. The second session of UNCTAD, with its theme of "action and achievement", would provide an opportunity for putting the intentions of the first session into effect. There was general agreement that the second session should concentrate on a selected number of subjects of fundamental importance; the preparatory work, at the national, international and interregional levels, should proceed on that basis and provide opportunities for the participants to negotiate programmes of specific action.

7. In conclusion, he expressed his delegation's gratification that his country was to act as host for the second session. His Government was looking forward to making its contribution to the success of the Conference.

8. Mr. VIAUD (France) said that the atmosphere at the fourth session of the Trade and Development Board had, on the whole, been one of let-down; at that stage, preparations for the second session of the Conference had hardly begun and the developing countries represented on the Board had been discouraged by the failure of the members to discuss their memorandum on implementation in detail. It should be borne in mind, however, that many of the developed countries also regretted the disproportion between the Conference's efforts to achieve progress on its recommendations and the results attained. The chief reason for not engaging in a detailed discussion of UNCTAD recommendations and their implementation was the belief of many delegations that stress should be laid on certain selected subjects on which progress was more likely to be achieved; it was inevitable that the question of priorities thus raised should lead to differences of opinion. The causes of the existing situation were due just as much to factors of that kind as to the lack of political will.

9. His delegation agreed that the emphasis at the second session of the Conference should be on issues on which progress was most likely to be achieved. It was to be hoped that a draft list of topics would be agreed upon by members of the Board in the near future; the proceedings of the Conference should not, however, be confined to negotiations on specific subjects. The conclusion of international commodity agreements—which were, after all, arrangements for trade in specific products—was an essential responsibility of UNCTAD and the second session would provide an ideal opportunity for such negotiations.

10. Mr. Donald MACDONALD (Canada) observed that one of the major achievements of the Trade and Development Board during the preceding year had been the development of satisfactory working relationships with the specialized agencies and other United Nations institutions; such co-operation was particularly gratifying to the Council, as the organ with special responsibility for co-ordination. Co-

operation between the United Nations Development Programme (UNDP) and GATT (General Agreement on Tariffs and Trade), on the one hand, and UNCTAD, on the other, could make a specially significant contribution to trade promotion, which was the primary objective of the Conference.

11. The expansion of world trade, however, was closely related to a great many non-price factors: marketing, distribution, product financing and after-sales financing were instances in point. In each of those cases there were substantial advantages to be derived from close co-operation between UNCTAD and the United Nations Industrial Development Organization (UNIDO) and it was gratifying that the foundations of that co-operation had been laid by the existing relationship between the Centre for Industrial Development and UNCTAD.

12. His delegation agreed with many of the points of substance made by the representative of India. He believed all Member States were, in fact, in agreement on the need to expand world trade, to eliminate anarchic systems of preferences and to prevent the establishment of spheres of economic interest. The opportunity to deal with such problems would be provided by the second session of the Conference and the preparations would be greatly helped if, as seemed possible, that session were to be held some months later than originally suggested.

13. Mr. ROOSEVELT (United States of America) observed that the Council should be particularly gratified by the Trade and Development Board's success in reducing the number of meetings and should look forward to further reductions in the number of subsidiary bodies. The previous year could, in fact, be described as a year of consolidation for the Conference, as the first year had been one of organization. He welcomed the new emphasis placed by UNDP and the Trade and Development Board on technical assistance in such questions related to trade promotion as quality control, marketing and standardization. There had, of course, been disappointments, but the outlook was promising and his delegation pledged its support for the work and aims of the Conference.

14. Arrangements for co-operation between the Conference and other organizations of the United Nations system had developed satisfactorily and his delegation would expect that the General Assembly would provide for UNCTAD to be represented on the Inter-Agency Consultative Board by its Secretary-General. He would reserve his remarks in regard to questions of substance for the Second Committee of the General Assembly.

15. Mr. PREBISCH (Secretary-General of the United Nations Conference on Trade and Development) said that he was becoming increasingly concerned about the situation of the developing countries. They were far from achieving the minimum growth rate of 5 per cent set as one of the targets of the United Nations Development Decade. It was ironic that the enormous advances of technology in the developed countries appeared to be working against the developing ones. Nevertheless, the United Nations must adopt a realistic rather than a pessimistic attitude. The stage of mutual

^{5/} Ibid., Supplement No. 15, part two, para. 42.

recriminations between developed and developing countries was over; they must henceforth tackle together the serious problems of development. It was not important whether such measures were taken by the General Assembly, the Economic and Social Council or UNCTAD; the real objective was to achieve unity of purpose.

16. He intended to make a more detailed statement on the agenda of the second session of UNCTAD in the Second Committee.

17. The PRESIDENT proposed that the Council should adopt the following draft resolution:

"The Economic and Social Council,

"Having considered the annual report of the Trade and Development Board,

"1. Transmits that report to the General Assembly.

"2. Draws the attention of the General Assembly to the comments and observations on the subject contained in the report of the Economic and Social Council on its resumed forty-first session."

It was so decided.

AGENDA ITEM 3

Implementation of a five-year survey programme for the development of natural resources (E/4186 and Add.1 and 2, E/4281 and Corr.1)

18. Mr. Donald MACDONALD (Canada) said his delegation was impressed with the realistic report of the Secretary-General (E/4281 and Corr.1) and with the helpful comments of the Advisory Committee on the Application of Science and Technology to Development (*ibid.*, para. 9). It agreed with the Advisory Committee that, before the proposed survey programme was approved by the Economic and Social Council, it should be thoroughly examined, both as regards the general methods to be used and the choice of surveys to be made. That had been the position adopted by Canada in its reply to the Secretary-General's *note verbale* (see E/4186/Add.2). One of the aims of the surveys should be to train national personnel to undertake similar surveys in the future.

19. As the Advisory Committee had pointed out, the United Nations should make sure that the surveys would be of practical value to the developing countries before allotting funds to them. The costs of the surveys would become clearer when more detailed proposals were put before the Council in 1967, but he was glad to note that the proposal for a survey of world iron-ore resources had already been reformulated so that it would now cost about one tenth less than had previously been envisaged. His delegation agreed that the survey of iron-ore resources should be centred on the revision and updating of the 1954 publication *Survey of World Iron: Occurrence, Appraisal and Use*.^{6/} Canada was willing to provide an expert for that particular survey.

Mr. Fernandini (Peru), Second Vice-President, took the Chair.

20. Mr. VARELA (Panama) noted that the Secretary-General's report was only preliminary and he looked

forward to the more detailed report to be prepared with the co-operation of the regional economic commissions, the Advisory Committee on the Application of Science and Technology to Development and other members of the United Nations family. The Secretary-General had fulfilled the terms of Economic and Social Council resolution 1127 (XLI); the Council could thus take note with satisfaction of his report and await the final report at its forty-third session.

21. Sir Edward WARNER (United Kingdom) said his delegation was particularly pleased that the Secretary-General intended to make full use of the experience of the specialized agencies, the International Atomic Energy Agency and the regional economic commissions both in the preparatory discussions on the scope and organization of the whole operation and in the actual processes thereafter. Thus, the value of the surveys would be enhanced by the considerable contribution which could be made by the organizations of the United Nations family and by the fact that wasteful duplication of effort would be minimized.

22. The comments of the Advisory Committee were certainly thought-provoking and he was sure that full weight would be given to them by the groups of consultants in their forthcoming deliberations.

23. Mr. KAUL (India) said that the survey programme proposed by the Secretary-General would enable countries to exploit their natural resources and to assess the skills and experience needed for that purpose. He suggested, however, that the experts to be consulted by the Secretary-General should adopt a pragmatic approach to the problem, bearing in mind how the results of their deliberations would actually be used by the developing countries.

24. The Advisory Committee had made extremely useful comments on the programme, and the Secretary-General should note the difficulty which Governments of developing countries often experienced in submitting replies to questionnaires and also the need for training national personnel to undertake similar surveys in the future. It was gratifying that all the members of the United Nations family interested in the subject would be consulted so that there would be no overlapping. He also agreed with the point made by the United Kingdom in its reply (see E/4186/Add.2) that the development of water needs and resources was particularly important.

25. Mr. MAKEEV (Union of Soviet Socialist Republics) recalled that his delegation had made an important statement in the Second Committee on the subject of natural resources^{7/} and he hoped that the Secretary-General would take it into account in his final report on the survey programme.

26. Mr. FILALI (Morocco) asked whether all the requests made by the developing countries in their replies to the Secretary-General's questionnaire would be taken into account.

27. Mr. de SEYNES (Under-Secretary for Economic and Social Affairs) replied that those requests would be fulfilled to the extent that financial resources allowed.

^{7/} Official Records of the General Assembly, Twenty-first Session, Second Committee, 1063rd meeting.

^{6/} United Nations publication, Sales No.: 54.II.D.5.

28. The PRESIDENT proposed that the Council should take note with appreciation of the Secretary-General's report on the implementation of a five-year survey programme for the development of natural resources (E/4281 and Corr.1).

It was so decided.

AGENDA ITEM 5

International Symposium on Industrial Development (concluded)* (E/4276 and Corr.1, Add.1-2)

29. Mr. CARANICAS (Greece) recalled that the only remaining offer to act as host to the Symposium was that submitted by his Government (E/4276/Add.1). He assured the Council that the necessary facilities would be available and recalled that a number of international conferences, one with more than a thousand participants, had already been held at Athens. While there was a strong possibility that the plenary hall and the conference rooms required would be in the same building, that could not be guaranteed at the present time.

30. His Government could not offer facilities for the Symposium before December 1967; however, he recalled that the Secretariat had expressed no preference regarding the date. The Greek Government pledged itself to meet the reimbursable costs.

31. Mr. VARELA (Panama) said that Athens would be an ideal site and proposed that the Council should decide that the Symposium should be held at Athens in December 1967.

*Resumed from the 1448th meeting.

32. Mr. WALDRON-RAMSEY (United Republic of Tanzania), Mr. FIGUEROA (Chile), Mr. POLIT (Ecuador) and the President, speaking as the representative of PERU, endorsed the proposal.

33. Mr. MAKEEV (Union of Soviet Socialist Republics) said that his delegation was ready to support the choice of Athens provided that the same facilities would be granted to those participating as observers as were accorded at Geneva.

34. Mr. MacLAREN (Canada) said that his delegation fully supported the choice of Athens, on the understanding that the relevant resolutions of the General Assembly regarding meetings elsewhere than at Headquarters or Geneva were observed.

35. Mr. CARANICAS (Greece) said that he would transmit the views of the Soviet representative to the appropriate authorities in Athens for their consideration and he hoped that there would be no difficulties in regard to that point.

36. Mr. KADRY (Iraq) expressed the hope that the Symposium would be held in the early part of December, in view of the holidays observed at the end of that month.

37. The PRESIDENT said that, if he heard no objection, he would consider that the Council agreed that the Symposium should be held at Athens in December 1967.

It was so decided.

38. Mr. CARANICAS (Greece) expressed the thanks of his Government to the members of the Council for their decision.

The meeting rose at 5.35 p.m.