

ECONOMIC AND SOCIAL COUNCIL

RESUMED FIFTY-SEVENTH SESSION

Summary records of the 1922nd to 1934th plenary meetings, held at Headquarters, New York, on 14 and 19 October, 19, 26 and 29 November and 5, 10 and 16 December 1974

1922nd meeting

Monday, 14 October 1974, at 10.50 a.m.

President: Mr. Aarno KARHILO (Finland).

E/SR.1922

Statement by the President

1. The PRESIDENT said that the situation of those worst affected by the uncertainties of the international economic crisis was the same as it had been during the fifty-seventh session of the Council (3 July -2 August 1974), if not worse. The call for a political commitment by the international community to use United Nations machinery to improve that situation had never been more urgent.

2. The Council, having returned to its own chamber at United Nations Headquarters, was once again close to the Security Council chamber, and members should find symbolic significance in that fact at a time when the Economic and Social Council was considering the strengthening of its role. On behalf of the members, he expressed gratitude to the Permanent Representative of Brazil, who had been largely responsible for ensuring that the Council chamber was ready in time. It was to be hoped that the work of the resumed fifty-seventh session would be undertaken in the same energetic spirit, in view of the Council's new responsibilities.

AGENDA ITEM 1

Adoption of the agenda (E/5581, E/INF/145, E/L.1614)

3. Mr. CORDOVEZ (Secretary of the Council) drew the attention of the members of the Council to the provisional annotated agenda for the resumed fifty-seventh session (E/5581). That agenda had been approved by the Council at its fifty-seventh session at the 1919th and 1921st meetings. Since that time, the Economic Commission for Western Asia had held a special session, on 9 and 10 September, to consider the question of its headquarters. The Commission had adopted a decision on which the Council must act if the General Assembly was to take the necessary financial measures at the current session.

The Secretary-General had therefore proposed a supplementary item for inclusion in the Council's agenda at its resumed fifty-seventh session (E/L.1614).

4. Document E/INF/145 contained a schedule of meetings approved by the Bureau of the Council. It had only been possible to indicate the week during which the Council would meet to discuss certain items, and the Secretariat would announce the exact dates at a later stage. The schedule indicated that item 5 (World Population Conference) would be considered during the current week, 14 to 18 October. However, the Secretary-General of the Conference was indisposed and his return to New York had been delayed. Item 5 had therefore been rescheduled for discussion after his return, which was expected at the beginning of November. The documentation on item 5 would be circulated on about 10 November, and the item would probably be considered on 17 or 18 November. If the provisional agenda and the supplementary item were adopted, it was proposed that the Council should consider items 2, 7 and 3 and the supplementary item referred to in document E/L.1614 during the current week.

5. The PRESIDENT said that, if there were no comments, he would take it that the agenda as contained in documents E/5581 and E/L.1614 was adopted.

The agenda was adopted.

6. The PRESIDENT said that, having consulted the other officers, he would suggest that, in order to expedite its work, the Council should decide that the Special Committee on the question of the impact of transnational corporations on the development process and on international relations, which would meet from 11 to 15 November, should have the same officers as the Economic Committee, taking into account the fact that the Economic Committee had considered the item at the fifty-seventh session.

It was so decided.

AGENDA ITEM 2

Report of the Trade and Development Board
(E/5582)

7. Mr. COREA (Secretary-General of the United Nations Conference on Trade and Development) said he had hoped that the report of the Trade and Development Board on the first part of its fourteenth session (E/5582) would be circulated by 11 October. However, that had not been possible, and he wished to apologize to members of the Council. The interval between the end of the Board's session (13 September) and the opening of the resumed session of the Council had been shorter than in previous years and, as usual, time had been needed for consultations between the Rapporteur and Governments before completion of the report. However, he hoped that his introduction would fill in some of the background for members of the Council.

8. The first part of the fourteenth session of the Board had been particularly significant, since it was the first time that an organ of the United Nations Conference on Trade and Development (UNCTAD) had been able to consider the Declaration and the Programme of Action on the Establishment of a New International Economic Order which had emerged from the sixth special session of the General Assembly (resolutions 3201 (S-VI) and 3202 (S-VI)). It had also been significant because it had taken place in the tenth year of UNCTAD's existence. The tenth anniversary had been marked by a special meeting, and the Board had taken stock of the achievements of past years and considered guidelines for the future. The Board had also for the first time addressed itself to the preparations for the fourth session of UNCTAD, to be held in 1976.

9. The agenda of the fourteenth session of the Board had included items concerning the ongoing work of UNCTAD machinery on subjects such as the transfer of technology, the problems of the least developed among the developing countries, land-locked developing countries and developing island economies, trade relations between countries with different economic and social systems, external debt-servicing of developing countries and aid problems including aid concepts and the measurement of aid flows. In addition, the Board had considered new initiatives, some of which had emerged from the sixth special session of the General Assembly—for example, in the field of commodities, co-operation among developing countries and the monetary and financial situation.

10. He was pleased to report that the Trade and Development Board had adopted a record number of constructive resolutions and decisions (see E/5582, annex I), all except two of them on the basis of a consensus. He felt that such action augured well for the future. The two resolutions which had been put to the vote were resolution 111 (XIV), concerning the President of the third session of the Conference, and resolution 122 (XIV), paragraph 1, concerning the implementation of the Declaration and the Programme of Action on the Establishment of a New International Economic Order. In the latter case, five delegations had voted against the paragraph and seven had abstained. The rest of the resolution was adopted without a vote. The resolution as a whole had been adopted with 12 abstentions.

11. He wished to draw the Council's attention to the key resolutions and decisions which gave UNCTAD

a mandate to pursue an intensive work programme in the future. In his introductory statement to the Board (*ibid.*, chap. I, sect. A) he had stressed the importance of the commodity issue in the light of the new international situation and the urgent need for remedial measures to deal with the problem more adequately than in the past. The Board had adopted resolution 124 (XIV) on new approaches to international commodity problems and policies, which was divided into three sections. Section A recommended to all Governments that they take concrete action on the proposals made in the intensive consultations in 1974 and requested the UNCTAD secretariat to submit a full evaluation of the results of those consultations and proposals for future action. Section B dealt with the "over-all integrated approach" to commodities, which he had suggested. Section C referred to the study on indexation of prices and called for continued work on the subject.

12. Resolution 123 (XIV) concerned the strengthening of the activities of UNCTAD, with particular reference to the development of international trade in raw materials throughout the world. He stressed that the emphasis on primary products would in no way detract from the priority given to other aspects of the trade of developing countries, i.e., trade in manufactured goods. He said that this point had been well understood by the Board.

13. Decision 117 (XIV) laid down the terms of reference of the Committee on Transfer of Technology, which was to take over the work of the *ad hoc* Intergovernmental Group on Transfer of Technology. The *ad hoc* Group had requested that UNCTAD should start work on a revision of the patent system and draft a code of conduct on the transfer of technology. UNCTAD work in that area would intensify, and the decision to establish the standing Committee would give added impetus.

14. The Board had adopted an important decision on trade expansion, economic co-operation and regional integration among developing countries (decision 121 (XIV)). The question of economic co-operation had been strongly emphasized in the Programme of Action adopted at the sixth special session of the General Assembly, and he had stressed before the Board the potentials of such co-operation in the light of the changed situation in which, for the first time, many developing countries possessed significant resources which could be utilized to strengthen the whole concept of co-operation among developing countries.

15. Resolution 119 (XIV) set up an intergovernmental group on the problems of the least developed among the developing countries, in order to further work already done by UNCTAD in that field: from that point of view the resolution marked a decisive step forward.

16. The Trade and Development Board had also adopted an agreed conclusion (112 (XIV)) on trade relations among countries having different economic and social systems, in which he was invited to convene a seminar of experts from interested countries to examine ways and means of promoting industrial specialization through various forms of multilateral co-operation. In his view, UNCTAD had a constructive role to play in that field.

17. A very interesting resolution had been adopted concerning the problem of inflation (resolution 114 (XIV)). It requested him to prepare an analytical

report with the assistance of experts, on the influence of inflationary processes on world trade, paying special attention to problems of the developing countries, and in particular the least developed among them.

18. Resolution 116 (XIV) requested the Trade Negotiations Committee of the General Agreement on Tariffs and Trade (GATT) to find solutions enabling him to attend meetings of that Committee and its subsidiary bodies, as appropriate, and to receive relevant documentation concerning the negotiations. It was to be hoped that a close working relationship could be established between UNCTAD and GATT on the multi-lateral trade negotiations.

19. The Board had received a report from the Chairman of the Working Group set up to draft a Charter of Economic Rights and Duties of States. In accordance with decision 110 (XIV), the report was being transmitted to the General Assembly and further consultations were under way in an effort to find a text that would be acceptable to all groups.

20. In response to Economic and Social Council resolution 1819 (LV), requesting the Trade and Development Board to report on the progress made in connexion with United Nations export promotion programmes, the Joint Advisory Group on the UNCTAD/GATT International Trade Centre had established a working party, whose report had yet to be presented to the Joint Advisory Group. The Board had agreed to consider the report at its fifteenth session.

21. UNCTAD had a particularly heavy agenda for the next year. The Committee on Commodities would meet in February to consider further the elaboration of an integrated approach to commodity problems. Later, there would be a special session of the Trade and Development Board to consider the review and appraisal of the International Development Strategy, and preparations for the seventh special session of the General Assembly, and also a number of resolutions, including one concerning the establishment of a standing committee of the Trade and Development Board which could meet fairly regularly to examine the rapidly changing international situation.

22. Several decisions had been taken concerning preparatory steps for the fourth session of UNCTAD. The Board recommended that the session should be held in Nairobi in May/June 1976 for a period not exceeding four weeks. A special session of the Board was to be held at Geneva prior to that in order to start discussions of and negotiations on some of the major issues to be dealt with at Nairobi. That would give Governments additional time for reflection and consultation and, it was hoped, would expedite agreement at the Conference itself.

23. The general feeling was that the first part of the fourteenth session had been a success. Although no firm position had been taken or commitments made in respect of the new issues, the Board had been given a clear mandate to move ahead and produce concrete, practical solutions. It was generally agreed that the situation had changed over the 10 years of UNCTAD's existence and that UNCTAD must respond to the change. It fully intended to take up that challenge and hoped to play its role as part of the international decision-making machinery.

24. Mr. GONZALEZ DE COSSIO (Mexico) said that his delegation was, on the whole, very pleased with the work that had been achieved by the Trade

and Development Board at the first part of its fourteenth session. It would state its position on some of the matters dealt with in the report—those on which it could make constructive suggestions—and would comment in greater detail when the report was considered by the Second Committee of the General Assembly.

25. His delegation supported the proposal that the fourth session of UNCTAD should be held in Nairobi, and the dates proposed were acceptable. As his delegation had already explained at the fourteenth session of the Board, the duration of the Conference should not exceed four weeks. Both the Conference and the special preparatory session of the Board should be high-level meetings so that clear decisions might be taken on important matters. The provisional agenda of the Conference should take account of the results of the seventh special session of the General Assembly to be held in 1975.

26. His delegation was pleased to note the Board's resolution (122 (XIV)) requesting the Secretary-General of UNCTAD to periodically review UNCTAD activities to ensure that the Declaration on the Establishment of a New International Economic Order was speedily and effectively implemented within the framework of the policy clearly established by Economic and Social Council resolution 1911 (LVII). The main task of UNCTAD would be to identify the progress made and shortfalls in the achievement of the objectives, and to formulate specific recommendations on how to overcome those shortfalls.

27. Mexico had been represented in the Intergovernmental Group on Transfer of Technology and had agreed to that Group's being superseded by the Committee on Transfer of Technology, which would take over the Group's responsibilities and formulate policies concerning the transfer of technology within the broader framework of development. Although there was a risk that the Committee might overlap with the Economic and Social Council's Committee on Science and Technology for Development, his delegation was confident that it would concentrate on very specific aspects, such as the formulation of a code of conduct for the transfer of technology and a global study on the role of the existing patent system in the transfer of technology to developing countries. That study must be prepared in conjunction with the formulation of policies on transnational corporations, and he stressed that all studies on the transfer of technology and on patents must be carried out within the machinery which the Economic and Social Council would establish for the formulation of policies concerning transnational corporations; otherwise, the over-all perspective would be lost, there would be duplication of effort and no integrated results would be obtained.

28. With regard to Board resolution 124 (XIV) concerning international trade and financing in relation to general commodity problems, his delegation was satisfied with the resolution's aim of achieving concrete results in the field of prices and access to markets but was somewhat disappointed to see that UNCTAD, the Board and the relevant committees continued to concentrate on raw materials and basic commodities and paid little or no attention to the problems of intermediate goods, semi-manufactures and manufactured goods exported by the developing countries. It should be remembered that the position of those countries as importers of manufactured goods

and exporters of commodities was transitory and strategies must be elaborated in order to help them to attain higher levels of economic development. Ways of correcting the situation must be devised, without, of course, neglecting the problems of basic commodities and raw materials.

29. His delegation would make a detailed statement on the question of the indexation of prices in the Second Committee. In general, it agreed that it would be premature to take any action on the study by the Secretary-General of UNCTAD which was before the Committee (TD/B/503/Supp.1 and Add.1) and that later refinements and supplementary studies must be carried out in order to determine the viability and practicability of indexation. Nevertheless, for the reasons it had already stated, his delegation did not believe that subsequent studies on indexation should be referred only to the UNCTAD Committee on Commodities, the scope of indexation being broader, as was indicated in section I, part 1, subparagraph (d), of the Programme of Action adopted by the General Assembly in its resolution 3202 (S-VI), which stated *inter alia* that a link must be established between the prices of exports of developing countries and the prices of their imports from developed countries. Price indexation must be studied within that context with a view to eventually applying it on a product-by-product and country-by-country basis. He thanked the Secretary-General of UNCTAD for the study on the indexation of prices and said his delegation would comment further on the study in the Second Committee.

30. In conclusion, his delegation welcomed the Board's decision to ask the Secretary-General of UNCTAD to prepare an analytical report on the influence of the inflationary processes on world trade and international economic relations. It would like the report to be submitted to the Board at its special session and not at the regular session, so that the Economic and Social Council might refer it with its comments to the General Assembly at its seventh special session to be used in the mid-term review and appraisal of the International Development Strategy.

31. His delegation would reserve its comments on the report of the Working Group on the Charter of Economic Rights and Duties of States until the Chairman of the Group had reported on the results of the informal negotiations to the Second Committee.

32. Mr. MAKEYEV (Union of Soviet Socialist Republics) said that one of the main achievements of UNCTAD during its 10 years of existence had been the adoption in 1964 of the principles governing international trade relations and trade policies conducive to development.¹ Those principles should be the basis for trade and economic relations throughout the world, for they set out clearly and concisely a new and more just approach to the fundamental problems of international trade and economic relations. UNCTAD had made a significant contribution to the development of such relations, including those between countries having different social and economic systems.

33. He noted with satisfaction that the questions of further normalization and development of economic relations between countries having different economic

and social systems had occupied an important place in the work of the fourteenth session of the Trade and Development Board. The Board should continue its efforts to ensure that the progress in that respect achieved in bilateral relations was supplemented by multilateral recommendations which would permit the fullest possible advantage to be taken of all existing possibilities for the development of extensive, long-term economic relations both between East and West and between socialist and developing countries. His delegation considered that the Board's agreed conclusion (112 (XIV)) concerning the intensification of UNCTAD activity with regard to certain important aspects of the economic relations between the socialist and other groups of States was the first positive step in that direction.

34. As stated in the report prepared by the UNCTAD Secretariat on current trends and prospects in trade and development,² the world capitalist economy had been increasingly subject to crisis in the past year. His delegation considered that the adoption by the Board, on the initiative of the socialist countries, of resolution 114 (XIV), which called for a study of the influence of the intensification of inflationary processes in the developed capitalist countries on world trade and international economic relations, would increase understanding of such phenomena and aid the drafting of appropriate recommendations.

35. His delegation believed that the agenda of the fourth session of UNCTAD should encompass all the functions of the Conference as envisaged in General Assembly resolution 1995 (XIX). It supported the Board's decision 113 (XIV) concerning the place and date of the session. The further consultations concerning the Charter of Economic Rights and Duties of States recommended by the Board in its decision 110 (XIV) were now in progress and would, he hoped, lead to reconciliation of the alternative wordings now proposed for the articles on such matters as the right of States freely to dispose of their own natural resources, the control of transnational corporations, the prohibition of discrimination in trade between countries having different economic and social systems and the institution of most-favoured-nation status. The consultations should also be the occasion for a further clarification of the positions of the various groups of countries in order to arrive at articles which would take account of the interests of all the States concerned.

36. One of the major achievements of the fourteenth session of the Trade and Development Board had been the adoption of resolution 111 (XIV), calling for the release by the Chilean Government of the President of the third session of UNCTAD. His delegation believed that the resolution had been sympathetically received by the overwhelming majority of the States Members of the United Nations and that at its twenty-ninth session the General Assembly would voice its support both for Mr. Almeyda and for other valiant sons of the Chilean people.

37. His delegation would not oppose a decision by the Council to take note of the report of the Trade and Development Board and transmit it to the General Assembly for consideration by the Second Committee.

38. Mr. ROUGÉ (France) welcomed the spirit of moderation and co-operation which had prevailed dur-

¹ *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), third part, annex A.I.3.

² TD/B/496/Supp.1.

ing the first part of the fourteenth session of the Trade and Development Board. The Board could be a most useful instrument for the development of international economic relations in accordance with the decisions taken at the sixth special session of the General Assembly. He deeply regretted, however, that the Board's report had only recently become available and that, since the Second Committee would be taking up the item on the following day, there would be no time for the Economic and Social Council to make a thorough study of the report or for Governments to consider any conclusions the Council might reach. It was not enough for the Economic and Social Council merely to play a symbolic role, for it was both statutorily and in practice the central United Nations organ in the field of economic and social affairs. The success of the debate in the Second Committee would depend on the groundwork laid in the Council, which, moreover, was the only forum where observers for the many non-governmental organizations accredited to it could express their views. The report showed that the Board had rightly concentrated on the legislative structure of trade relations; only the Council could make recommendations to Governments or to the General Assembly on wider subjects such as the action to be taken in the current economic situation and the Board's relations with other United Nations organs with regard to the implementation of General Assembly resolution 3202 (S-VI). Finally, scheduling problems could arise if the Council did not fulfil its express mandate from the General Assembly to consider such important matters as the review of the International Development Strategy, the Programme of Action on the Establishment of a New International Economic Order, and preparations for the seventh special session of the Assembly and the fourth session of UNCTAD, all of which involved study of the Board's report.

39. Mr. CORDOVEZ (Secretary of the Council) said that the members of the Secretariat were the first to regret any problems arising from the late distribution of documents. A tremendous effort had been made, and considerable expense had been necessary, to have the report of the Trade and Development Board available for the resumed session, but problems would continue so long as the Council and its members considered the questions of documentation, the Council's agenda, and the calendar of meetings in isolation. He recalled that the Secretariat had suggested to the Council that it should discontinue its resumed session because it did not have time to discuss the reports of the World Bank and the International Monetary Fund and a large number of substantive items in depth. As far as the report of the Trade and Development Board was concerned, the problem was not related to documentation but to the calendar of meetings; should the Board decide to meet before the summer session of the Council the current difficulties, relating to the need to reproduce and transport the report to New York in a very short time, would disappear.

40. The PRESIDENT said that, if there was no objection, he would take it that, in accordance with established practice, the Council decided to transmit the report of the Trade and Development Board (E/5582) to the General Assembly and to draw the attention of the Assembly to the comments made on the subject at the current meeting.

The decision was adopted [decision 53 (LVII)].

AGENDA ITEM 7

Special Programme to provide emergency relief and development assistance to the most seriously affected developing countries (E/5590)

41. The PRESIDENT invited the Chairman of the *Ad Hoc* Committee on the Special Programme to introduce the report of the Committee on its second session (E/5590).

42. Mr. ALGARD (Norway), Chairman of the *Ad Hoc* Committee on the Special Programme, said that the terms of reference of the *Ad Hoc* Committee could be found in section X, paragraph 6, of the Programme of Action on the Establishment of a New International Economic Order (General Assembly resolution 3202 (S-VI)). The first part of the Committee's mandate concerning proposals for the scope, machinery and modes of operation of the Special Fund was dealt with in paragraphs 1 to 3 of the report, the conclusions of the Committee being reflected in the draft resolution on the operation of the Special Fund in paragraph 1. He hoped that the resolution would be adopted by consensus in the General Assembly.

43. The second task entrusted to the *Ad Hoc* Committee, the monitoring of the Emergency Operation, was dealt with in paragraphs 4 to 7 of the report. The Committee had been assisted in its work by the Special Representative of the Secretary-General for the United Nations Emergency Operation and by representatives of other agencies of the United Nations system. Replies of Governments to a questionnaire distributed by the Secretary-General indicated that, as at 4 October 1974, \$2.7 thousand million had been committed for emergency assistance through bilateral and multilateral channels, of which \$197 million was for the Special Account of the Secretary-General. Details were contained in annex II to the report.

44. The third and last task of the *Ad Hoc* Committee, the assessment of requirements, was dealt with in paragraphs 8 to 12. The Committee had not been in a position to make a broad assessment of requirements and had therefore limited itself to noting the preliminary assessment made by the Special Representative of the Secretary-General. The preliminary projection by the Special Representative of the over-all balance-of-payments deficit of all the countries in the provisional list drawn up for the Committee³ amounted to about \$2.3 thousand million for 1974 and the same for 1975.

45. He considered that by presenting its report, the *Ad Hoc* Committee had fulfilled the task entrusted to it.

46. Mr. PEREZ GUERRERO (Venezuela) pointed out that some changes should be made in the Spanish version of article VI (a) of the provisions for the operation of the Special Fund contained in the draft resolution proposed by the *Ad Hoc* Committee in paragraph 1 of its report, to bring it into line with the English version. No reference was made in the Spanish text to loans or to participation in investments, and the word "grants" should be translated as "*donaciones*" rather than "*subsídios*".

47. The PRESIDENT said that the Secretariat would do whatever was necessary to take account of the observations made by the representative of Venezuela.

The meeting rose at 12.20 p.m.

³ See A/AC.168/6/Add.1.