

ECONOMIC AND SOCIAL COUNCIL

FIFTY-SEVENTH SESSION

Summary records of the meetings held at Geneva from 3 July to 2 August 1974

1900th meeting

Wednesday, 3 July 1974, at 3.15 p.m.

President: Mr. A. KARHILO (Finland)

E/SR.1900

AGENDA ITEM 1

Opening of the session

1. The PRESIDENT declared open the fifty-seventh session of the Economic and Social Council.

Tribute to the memory of Mr. Juan Perón, President of the Argentine Republic

2. The PRESIDENT paid tribute to the late President of Argentina, Juan Domingo Perón, and requested the representative of Argentina to convey to the Argentine Government and people the Council's condolences on the occasion of the death of their President.

3. Mr. BARCELÓ (Mexico) said that the Latin-American countries associated themselves with the grief of Argentina. He paid a tribute to the late President and to the principles which had guided his actions.

On the invitation of the President, members of the Council observed one minute's silence in memory of President Perón.

4. Mr. G.O. MARTÍNEZ (Argentina) thanked the President, the representative of Mexico and members of the Council for their expressions of sympathy.

Statement by the President of the Economic and Social Council

5. The PRESIDENT said that 1974 was the year of re-evaluation of the foundations of international economic

and social relations. So far, the Council had concerned itself with such questions as the International Development Strategy for the Second United Nations Development Decade,¹ collective economic security, and the role it should play in the development of international economic and social relations between nations; but to-day the need for radical changes had become so evident that co-ordinated action was called for at the world level. The sixth special session of the General Assembly had been a signpost in that direction. In its Declaration of principles and Programme of Action on the Establishment of a New International Economic Order,² the Assembly had placed the accent on two central themes, sovereignty and equity, the former based on independence and the latter on interdependence. The economic order defined at Bretton Woods had catered primarily for the interests of a few nations; it had led to some results, but was now out-dated.

6. To-day, the horizon was clouded by certain realities: the scarcity of natural resources, food shortages, concentration of wealth and technology in the hands of a few, and a considerable increase in the number of human beings needing to be fed, clothed, provided with medical services and assured of a decent standard of living. If the international community failed to take steps at the international level without delay to deal with that situation, an opportunity would be missed which would perhaps never occur again.

7. In that perspective the Council, at the current session, would have to take a decision on the implementation of the

¹ General Assembly resolution 2626 (XXV), of 24 October 1970.

² General Assembly resolutions 3201 (S-VI) and 3202 (S-VI), of 1 May 1974.

Programme of Action adopted by the General Assembly. One of its main tasks would be to allocate the various parts of that Programme to the competent United Nations bodies. In resolution 3202 (S-VI), the General Assembly had specified that the Economic and Social Council “shall define the policy framework and co-ordinate the activities of all organizations, institutions and subsidiary bodies within the United Nations system which shall be entrusted with the task of implementing the present Programme of Action”. Under that same resolution, the Council was also called upon to decide how the progress reports on the implementation of the Programme should be framed, what ground they should cover and when they should be submitted for its consideration.

8. Referring next to the progress report of the *Ad hoc* Committee on the Special Programme (E/5555) set up to provide relief to those developing countries most seriously affected by the present economic crisis, he regarded it as regrettable that apart from a few major contributions, the emergency operation launched on behalf of those countries had not met with much response. The *Ad hoc* Committee would undoubtedly do its utmost to ensure that the proposed Special Fund began operations on 1 January 1975, as the General Assembly had requested. To facilitate the *Ad hoc* Committee's task, it would be advisable for members of the Council to study that question and to submit suggestions during the session.

9. The question of the impact of multinational corporations on the development process and on international relations would also figure prominently at the current session. The activities of those corporations had the merit of bringing capital and know-how to developing countries, but they must be aligned on the plans and development priorities of the host countries. In that connexion, the report of the Group of Eminent Persons convened to study the subject (E/5500/Add.1) would provide a very useful basis for discussion.

10. In the context of the re-evaluation of international economic and social relations, special importance must attach to science and technology. The Council should study the question of priorities, which determined how the resources set aside for science and technology should be allocated. Threats such as the spread of desert conditions in the Sudano-Sahelian region, bad harvests which endangered the lives of millions of people, pollution, malnutrition – a source of disease – were leading to the re-appraisal of present priorities in the field of scientific and technological research. In that connexion, he expressed gratification at the success of the second session of the Committee on Science and Technology for Development, whose report was before the Council (E/5473). He hoped that the Council, in dealing with the various draft resolutions contained in that document, would show insight, imagination and a real consciousness of service to a common cause.

11. Finally, in view of the session's exceptionally heavy agenda – and in order to concentrate on essentials, it would be necessary to display a high degree of restraint, to rationalize and to make full use of the informal consultations procedure. If the Council worked in that way, it

would be able to complete its programme in time, thus confirming that it was an intergovernmental organ fully aware of its responsibilities in a field where the call was for urgent action.

Statement by the Secretary-General of the United Nations

12. The SECRETARY-GENERAL stated that the Council was meeting at a moment of exceptional importance and difficulty. Never in the history of the United Nations had real creativeness in its approaches to economic and social affairs been so urgently needed. The economic upheavals of the past three years, which had begun with prolonged instability in the world currency markets, had then moved swiftly into the area of energy supply and currently held out the prospect of a major world food deficit; that was no series of isolated events. It was a clear indication of profound and closely-related malfunctionings in a global economy whose efficiency had been taken for granted, even while its inequity had been deplored. The adequate functioning of the international economic machinery could no longer be taken for granted; in fact, lack of progress towards its repair or – even worse – its continued deterioration would lead to a serious and highly threatening crisis.

13. That was a situation that required the exercise of the utmost energy and a common and concerted political will. At its sixth special session, the General Assembly had clearly recognized those demands. By formulating proposals for a new international economic order and by coupling that long-term programme with immediate emergency action to help the most seriously affected nations, the General Assembly had drawn attention to the fact that continuous attention must be given to immediate events if there were to be any hope of influencing the long-term situation.

14. The original major preoccupation of the United Nations system with the development of the emerging nations had led it to adopt a medium-term perspective of ten to twenty years; it had not been until the recent special session that world attention had been focused on the immediate day-to-day issues which in the past had been left to more specialized bodies.

15. Nor could the long-term situation be disregarded, since some of the decisions made to-day would bear effect in twenty-five years' time, in a world twice as populated as it was to-day; strategies must be developed on the basis of a continuing effort at long-term projection.

16. Recent developments had given new dimensions and impetus to the search for collective economic security. They had also highlighted the importance of the work currently in progress on the new Charter of Economic Rights and Duties of States.³

³ Originated by resolution 45 (III) of the United Nations Conference on Trade and Development; see also General Assembly resolutions 3037 (XXVII) and 3082 (XXVIII).

17. The most visible symptom of the malfunctioning of the world economy to-day was the re-emergence of scarcities. Even if the most dire predictions were not accepted in full, there were clear indications that in several respects the international economic system, facing a new situation, was experiencing serious difficulties in dealing with it. That was clearly seen in food production, where there was a combination of factors which it would not be easy to control and in which demand was growing rapidly under the pressure of population increases and aspirations towards much higher nutritional standards, particularly among the very poor. In that area, it was imperative that collective responsibility should be assumed for action to ensure the sheer survival of millions; the effective assumption of that responsibility — the first precept of collective economic security — must take the form of a world strategy designed to achieve more effective monitoring and stronger remedial effort, to develop capacity for emergency action in case of famine and for crash programmes.

18. A degree of world-wide planning and concertation such as had never been achieved before, covering food, pesticides and fertilizers, was required if the very alarming situation outlined in the FAO projected short-falls for 1985 was to be avoided. That concerted action should combine the development of technology, finance, the provision of physical inputs, and technical and institutional assistance. That was one of the points at which the action programme of the special session should take over where the International Development Strategy had left off, with far more emphasis on programme approaches having specific targets and more precise time-tables. That could all be achieved if the political will was present. In the field of fertilizers especially, there would be additional dividends through the rapid industrialization of oil-producing countries.

19. Action in the field of energy was far more complex. There the course of events had in some cases led to a heavy burden of uncertainty affecting large investments. In the development of new energy sources a concerted action of the technological powers would appear essential. A real problem of technological assessment had to be solved in that connexion.

20. The decisions to be made by each Government with regard to population were even more difficult, because they affected major areas of concern and required gradual, often subtle, changes in attitudes. Nevertheless, the process of preparation of the World Population Conference had brought that complex and sensitive subject out of the exclusive province of demographers and had placed it at the very heart of social and economic planning, which illustrated the way in which the United Nations system could function when a single subject was dealt with from many different vantage points. It was completely unrealistic to talk about population stabilization without regard for social change and the more equitable sharing of resources. It was to be hoped that further progress would be made in a spirit of shared understanding at the World Population Conference to be held at Bucharest in August 1974.

21. The economic management of the industrial countries was one of the most difficult and most potentially

dangerous problems facing the modern world. While Governments were endeavouring to comprehend and reverse continuing inflation, they were exposing themselves to the equal evil of a recession, which might be more pronounced and more widespread in its consequences than any of those known since 1945. It was fair to say that never had economic navigation been more hazardous and confusing, the proof being the lack of agreement among economic experts for the past two or three years and the failure of their forecasts. It was true that there were perils in the postponement of effective anti-inflationary actions, but if individual corrective measures were applied too vigorously and on a short-term basis, and if they were undertaken simultaneously or in rapid succession by several of the major industrial countries, those actions could cause a sudden contraction of international economic activity with very far-reaching and serious consequences.

22. The same effect could be brought about by wrongly-conceived policies devised to deal with the large balance-of-payments deficits which most of the industrial countries would incur for some time as a result of the abrupt increase in oil prices. Only decisive concerted action could lead them and help them to contain those deficits until the surplus capital accumulated by the oil-exporting countries was recycled into the world economy and a balance was restored.

23. The situation was further complicated by the existence and expansion of powerful non-governmental transnational agents which had come to play an increasing role in the world economic situation, the most conspicuous of which were the multinational corporations. International bodies, in particular the Economic and Social Council, had to become more aware of that phenomenon and be better informed about it. It was significant that the Council was to deal with the problem of multinational corporations at the very moment when resources development and technology were matters of such concern. It was very important that the problems raised by multinational corporations in a world of sovereign States should be thoroughly and continuously studied so that tensions could be reduced, conflicts avoided and fruitful relationships developed. In its report, the Group of Eminent Persons had highlighted the problems of the relationships between companies and countries and had suggested ways in which they could be improved. The Group's recommendations had been criticized, understandably enough, for the subject was controversial and the dimensions of many of the problems arising were still hazy. Those problems would have to be elucidated and solved; and that would involve a continuing dialogue between all the interested parties — Governments, companies, trade unions and public interest groups.

24. In following up the sixth special session of the General Assembly and in preparation for the 1975 special session on development, the existing institutional machinery would have to be overhauled and strengthened. That was an important task, and certain steps had been undertaken within the Secretariat to lay the groundwork for the requisite reforms. Any such reforms would, of course, be carried out in close consultation with all members of the United Nations system.

25. However important the sixth special session had been, the history of international economic co-operation had not begun there. What had already been done, and particularly what had been well done, should therefore be examined in order to build on it. The United Nations system had played a major role in assessing the strengths and weaknesses of the global economic and social systems, in charting the direction in which improvements lay, in creating the instrumentalities through which change could take place, and in launching the programmes which were bringing change about. Indeed, many major world reforms had been influenced, or in some cases initiated, by the United Nations system, including changes in the trade and monetary system, special measures of help to the least-developed countries, global approaches to the safeguarding of the environment and such significant proposals as the Collective Economic Security System and the Charter of Economic Rights and Duties of States.

26. The realistic and bold decisions recently taken by IMF furnished further evidence of the part played by the United Nations. In particular, the role of the United Nations Conference on Trade and Development in urging greater participation in the IMF decision-making process by developing countries and in suggesting new modalities of financial co-operation was now bearing fruit.

27. At its special session the General Assembly had adopted a commonly-agreed body of principles and an agreed blue-print for action. In the past, the International Development Strategy had provided the essential coherence. No doubt some of its provisions required to be amplified, changed or revised, but many of them were restated in the Declaration on the Establishment of a New International Economic Order, giving proof that the Strategy continued to be relevant to the current situation.

28. Among the Strategy's most important components were the provisions for feed-back, and evaluation. The next review would be invaluable as background to the resolving of the tasks which lay before the 1975 special session.

29. To ensure that performance matched the scale of the challenge required a major collective international endeavour, but time was of the essence, because of the speed with which grave and far-reaching changes were taking place. Similar rapid developments were also taking place within the United Nations system, such as the United Nations Conference on the Law of the Sea, the World Population Conference, the World Food Conference in 1974, the forthcoming Conference on Human Settlements and the fourth session of the United Nations Conference on Trade and Development.

30. That display of extraordinary energy and profound concern for the future of the planet must be harnessed through an institutional system which was capable of translating new agreements and insights into practical action. That would be the principal task of the special session in 1975, for which the Council should begin to prepare its recommendations as soon as possible.

31. The world situation called for a process of continuous negotiation through the various instrumentalities available.

But the effort must focus on those issues that required intense governmental concentration. The Economic and Social Council, by virtue of its constitutional position and its long experience, was in a unique position of responsibility and leadership in that effort to direct the energies of the United Nations system into the most productive channels. To that end the Council must be thoroughly familiar with all the parts of the system. In some cases, it must try to heighten efficiency by improved rationalization of the work; in others, where development of international policies was at stake and where the insights to be gained were likely to result from interdisciplinary examination, it must use the great strength inherent in the pluralism of the United Nations to develop a common global design. In an international economic community which was becoming more complex every day, the process of negotiation would be greatly assisted by a much more efficient organization of knowledge, analysis and assessment.

32. The present machinery was quite inadequate; it would require greatly sharpened analytical tools and much improved informational flows. For instance, the short-term changes in supply, demand and prices were such that they could in themselves thwart the objectives of the Development Strategy and the Programme of Action adopted at the special session. They had to be monitored effectively so that international action, when required, could be devised in time. Also, the effort undertaken under the emergency programme adopted at the special session to assess individual situations precisely and continuously should not be abandoned but should indeed be continued and refined in such a way as to provide a much more rational basis than that available at present for the orientation and development of international programmes and policies. Finally, it was necessary to come to grips with the long-term perspective. In particular, it was to be hoped that the World Population Conference would enable a wider public to become more aware of the urgent need to take action to avert a potential crisis involving life itself on the planet.

33. One of the requirements for meeting those needs was an information system based on the tools which modern technology had made available. The computer had totally revolutionized the science of meteorology and could do the same for economic forecasting and analysis. It was in the combination of the wise use of technical competence and the re-affirmation of political will to apply international solutions to common problems that the best — and indeed the only — hopes of the international community lay.

34. The United Nations was entering a most crucial and delicate period in its history. On the political side there were the hopeful beginnings of a period of international détente which held encouraging promise of better international relations; but the world was also entering a period of economic turbulence and tension which might easily destroy the limited political progress which had been achieved. It was imperative to work together in a spirit of shared concern and mutual understanding to build for future generations a new economic order which would consolidate peace and establish unprecedented world-wide co-operation in all fields of human concern. At its present session, the Economic and Social Council could exert a positive influence on the evolution of the world economic

and social situation. He was convinced that the Council would not fail to seize the opportunity and use it to the fullest advantage of the world community.

AGENDA ITEM 2

Adoption of the agenda (E/5520)

35. Mr. CORDOVEZ (Secretary to the Council) drew the attention of the Council to document E/5520 containing the provisional agenda of the fifty-seventh session. It consisted of the agenda items included in the annual programme of work approved at the organizational session for 1974, to which the Council, at its fifty-sixth session, had added items 4, 5, 12, 13, 20, 21 (a) and 22. With regard to item 19 (b), concerning the appointment of members of the Advisory Committee on the Application of Science and Technology to Development, the Secretary-General had not completed his consultations in respect of the nominations he was required to make, and suggested that the Council might defer that sub-item to 1975.

36. The PRESIDENT invited the Council to adopt the provisional agenda subject to the change indicated by the Secretary.

The provisional agenda (E/5520), as amended, was adopted.

Organization of work (E/L.1602)

37. The PRESIDENT invited the Council to consider his note on the organization of the work of the session (E/L.1602), which gave effect to the decision taken by the Council at its fifty-sixth session with regard to the matter. He drew particular attention to paragraphs 2 and 3.

38. Mr. SCALI (United States of America) said that he wished to make a few suggestions with a view to facilitating and speeding up the work of the Council, which in 1974, although it had an even heavier agenda than a year previously, had less time to consider all the agenda items.

39. Firstly, he proposed that the Council should take up directly in plenary session, and together, item 10 (Consideration of the economic and social situation in the Sudano-Sahelian region stricken by drought and measures to be taken for the benefit of that region), item 11 (Economic assistance to Zambia), item 12 (Assistance to the drought-stricken areas of Ethiopia), and item 22 (Assistance to southern Sudanese returnees and displaced persons). Those items had common features and general statements on each of them could thereby be avoided.

40. Secondly, the sub-divisions of item 15 (Operational activities for development) could well form the subject of a single general statement in the Policy and Programme

Co-ordination Committee. Most of the subjects concerned had been discussed in intergovernmental bodies and seven of them had been considered at the session of the Governing Council of UNDP recently held in Manila. Little, therefore, remained to be done except to prepare draft resolutions. The same applied to item 16 (International environment co-operation).

41. Finally, item 13 (Permanent sovereignty over natural resources) had been discussed in detail in the past months and quite recently by the UNCTAD Working Group on the Charter of Economic Rights and Duties of States; it would also be on the agenda of the next session of the Trade and Development Board and on that of the twenty-ninth session of the General Assembly.

42. The PRESIDENT invited delegations to express their views on the proposals made by the United States delegation. He pointed out that items 15, 16 and 13 had first to be considered by the Committees to which they had been allocated.

43. Mr. NESTERENKO (Union of Soviet Socialist Republics) said that he approved the suggestions of the United States delegation with regard to taking items 10, 11, 12 and 22 together and that he had no objection to items 15 and 16 forming the subject of a single general statement if the majority of the Council were of the same opinion. With regard to the third suggestion made by the United States, concerning agenda item 13, his delegation realized that the question had already been discussed, and would be discussed further, in other bodies, but felt that the Council had placed it on the agenda because it wished to emphasize the importance and complexity of the subject, and that the item deserved the Council's attention.

44. Mr. MWANGAGUHUNGA (Uganda) and Mr. BOUDJAKDJI (Algeria) accepted the first two suggestions made by the United States delegation. With regard to item 13, they considered that it should be discussed in the Economic Committee and stressed its importance.

45. Mr. SCALI (United States of America) said that, in view of the comments which had been made, he was prepared to participate in the consideration of item 13 as originally proposed.

46. The PRESIDENT suggested that the Council might approve document E/L.1602, concerning the organization of work, subject to the changes proposed by the United States, namely, that items 10, 11, 12 and 22 should be taken up together directly in plenary session and that items 15 and 16 would be the subject of a single discussion in the Policy and Programme Co-ordination Committee.

The organization of work (E/L.1602) was approved, subject to those changes.

The meeting rose at 4.35 p.m.