

ECONOMIC AND SOCIAL COUNCIL

FIFTY-NINTH SESSION

Summary records of the meetings held at Geneva from 2 to 31 July 1975

1953rd meeting

Wednesday, 2 July 1975, at 3.30 p.m.

President: Mr. I. A. AKHUND (Pakistan)

E/SR.1953

AGENDA ITEM 1

Opening of the session

1. The PRESIDENT declared open the fifty-ninth session of the Economic and Social Council and welcomed the Secretary-General.

Statement by the President of the Economic and Social Council

2. The present session was meeting in the thirtieth year of the founding of the United Nations, the thirtieth anniversary of the ending of the Second World War and a year of unique significance in that it had marked the end of the war in Indo-China. 1975 would be marked also by the holding of the seventh special session of the General Assembly, devoted to development and economic co-operation.

3. The attainment of independence by many countries formerly ruled by colonial Powers had transformed the character and concerns of the United Nations. Those countries had obtained a voice on the world stage and had awakened to their rights and potentialities. At the same time the unchecked growth of population in the developing countries and the growth of consumer demand in the developed countries had created pressures on living space, on resources and on the environment. That state of affairs had engendered a mood of disillusionment. The situation was indeed serious, for rich countries as well as for poor, but it was not without some redeeming features.

4. Considerable progress had been registered by many developing countries despite lack of resources, insufficiency of capital, deteriorating terms of trade and other economic and political problems. Those countries had built up their economic and social infrastructure, increased agricultural production, established and diversified industry, initiated social reforms and made a start towards controlling population growth and protecting the environment.

5. The transfer of resources to the oil-producing countries was being used to create new centres of economic activity and social transformation in Africa, Asia and Latin America. The people of the countries concerned could now look forward to a better life and the economic growth of those countries would have a beneficial effect on their regions. Moreover, the oil-producing countries had become major contributors to international, regional and bilateral programmes of economic development and co-operation, their contribution already amounting to a percentage substantially higher than the 1 per cent of GNP envisaged in the International Development Strategy for the Second United Nations Development Decade.¹

6. Lastly, there had been an evolution in the concept of international responsibility embodied in the Charter pledge to promote social progress and better standards of life for all in larger freedom. It was a long step from the Marshall Plan and foreign aid to the idea of an economic order expressly designed to ensure greater equity and rationality in the economic and social relationships of mankind. The Declaration on the Establishment of a New International Economic Order adopted at the sixth special session of the General Assembly,² although it was an indication of the great distance still to be covered before those goals were reached, was also a measure of the revolutionary advance that had taken place in the concepts of global social responsibility and international economic co-operation.

7. The question of whether the United Nations was seeking to establish a new economic order or to improve the existing one could, he felt, be left aside. Specific problems would have to be solved through negotiations

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

² General Assembly resolution 3201 (S-VI), of 1 May 1974.

among nations. He wished, however, to make some comments about the significance of the new economic order as he saw it.

8. The call for reshaping economic relations among nations was not necessarily a demand for redistributing existing wealth: it would serve little purpose to debate how that wealth had been accumulated in the past. Nor was the new economic order a move towards the bureaucratic control of economic activity on a world-wide scale. It was rather a call for a manifestly necessary change. It introduced on the international plane ideas now taken for granted in national policies but so far lacking in the international order. That lack was increasingly apparent in the present waste, instability and upheaval. The new international economic order was based in particular on two ideas: that of equity, justice and fair shares, and that of directing the world economy in future towards the eradication of the present widespread poverty, disease and ignorance, the promotion of development where it was needed and the elimination of the waste and misuse of the planet's resources.

9. The task for the future was so to re-order the world's economic and social structures and priorities as to ensure the satisfaction of minimum human demands for nutrition, health care, shelter, education and clothing; to increase the production, especially in developing countries, of food and other essentials; to bring about a new international division of labour in industrial production; to promote self-reliance and self-sustaining growth in developing countries; to moderate population growth; to conserve scarce resources; and to protect the earth's environment and ecological balance.

10. The programme would call for a more rational use of human and material resources; the rechanneling of available capital; the development and application of appropriate technology; the modification of the existing trading relationships and monetary system; and adjustments and social reform within States. The financial cost of the programme in terms of direct resource transfers, regulation of commodity trade and adjustments in the industrial sector had been estimated at a small percentage of the future growth in the GNP of the industrialized countries. The price to be paid in terms of social maladjustment, political upheavals and economic instability if the world's present ills and inequities remained unredressed must also be weighed in calculating the cost of the programme.

11. Naturally the mere injection or application of technology would not itself transform passive societies and make static economies capable of self-sustaining growth. Uncontrolled population growth, social disparities, unscientific attitudes and mistaken priorities, exemplified *inter alia* by excessive military expenditure, also hampered economic progress and social emancipation. It was impossible to single out one or two levers by which the complex process of economic and social development might be set in motion. Nor, indeed, could everything be done at the international level. An integrated approach, however, was inescapable and, if there was one prime mover in the process, it was the political will of States to undertake the task.

12. The importance and difficulty of mobilizing that political will had to be recognized. Governments responsive to the will of their people could not ignore the fact that people tended to look to their own interests and immediate concerns first. Nevertheless it was the duty of leadership to provide the vision without which it was impossible to transcend the interests of the moment. Ways had to be found of seeking in democratic institutions and procedures within nations a source of help and inspiration.

13. The United Nations was not the parliament of man but the gathering of sovereign States equal only in the juridical enjoyment of independence. Its Members were far from being equal in their economic power, political influence and economic leverage. What appeared to some as the tyranny of the majority was seen by the smaller, weaker, poorer majority of the nations of the world as an attempt to improve their bargaining position through collective action, as in the trade union movement. In any case, the record of the United Nations showed that, if yesterday's majority was now in a minority, the situation could change again if ground was found for common action. The minority had not only the right but the duty to propose alternative policies.

14. The sixth special session of the General Assembly had adopted a Declaration on the Establishment of a New International Economic Order, on some of whose major elements there remained important differences among Member States. Nevertheless the manner in which Members had agreed to adopt the Declaration, namely by a consensus which eschewed voting, had reflected the general wish to avoid forms and modalities suggesting confrontation and division and thus to leave the door open for reconciling differences by negotiation and dialogue in the future. There seemed to be general agreement that the forthcoming seventh special session must consider a limited number of issues of particular importance on which agreement was urgently needed and appeared possible.

15. The seventh special session could take only a first step towards establishing a new order of things. The preparatory work done so far through informed channels and in the Preparatory Committee established by the Council strengthened the hope that the special session would succeed in narrowing the gap between Member States and in laying the ground for common action. He ventured to suggest that efforts at the special session should be confined to the moderate, attainable and precise aims of defining the elements and sectors on which negotiations could be initiated; agreeing on the principles which would govern the negotiations; and deciding on the forums, existing or to be set up, in which negotiations would be conducted.

16. The report of the Preparatory Committee on its second session (E/5702) indicated that the Council must now itself take in hand the preparatory work for the special session. That would be its most important task at the present session. He hoped that a start could be made as soon as possible by setting in motion a process of informal consultations in groups representative of all Members of the United Nations. The Council would benefit greatly from the contribution of Member States which were not at present members of the Council but which were interested

in taking part in the preparatory work for the special session. There were provisions in that regard in the Council's rules of procedure and he requested those interested in participating to make their interest known.

17. At the present session the Council was also required to make the mid-term review and appraisal of progress in implementing the International Development Strategy. Resolution 1911 (LVII) reflected the preference of Council members for an integrated and carefully balanced approach to that item as well as to the Programme of Action on the Establishment of a New International Economic Order³ and to the preparations for the seventh special session. In dealing with items 9 (Mid-term review and appraisal . . .) and 10 (Special session of the General Assembly devoted to development and international economic co-operation) of the agenda for the current session, the Economic Committee would undoubtedly wish to follow the same approach. To the extent that the Council's preparatory work for the special session, whether formal or informal, was successful, there could be hope for the outcome of the special session itself, which in its turn would have an important bearing on the implementation of the International Development Strategy and the Programme of Action. Council members would accordingly wish to give careful thought to how, when and where the report of the Committee on Review and Appraisal (E/5693) might best be considered.

18. Many items on the Council's agenda were related to the whole process of parliamentary diplomacy and multi-lateral co-operation inherent in the holding of the special session. Under item 4 (Regional co-operation), for instance, the Council would review the work carried out by its five regional commissions in connexion with the implementation of the Strategy and the Programme of Action.

19. Similarly, the Council would review the activities relating to international environmental co-operation and industrial development co-operation and the work undertaken by the various organizations, including the results of the Second General Conference of UNIDO. Under item 15 (Operational activities for development) the Council would examine, in the perspective of the special session, the place of such activities in the broad context of international co-operation. The Governing Council of UNDP had been giving priority attention to that matter and its report (E/5646 and E/5703) were before the Council for discussion.

20. The Council had before it for review the first report of the Commission on Transnational Corporations (E/5655 and Corr.1), the first report on the United Nations University (A/10031) and the report of the World Conference of the International Women's Year (E/5725).

21. Under the United Nations Charter the Council was intended to be the central point of international social and economic policy-making and action. In reality it was far from functioning as such. The entire economic and social system of the United Nations suffered from many well-known failings, including lengthy and rhetorical debates, insufficiently considered or ill-thought-out decisions, uncoordinated actions, duplication of effort and proliferation of

subordinate bodies. All that needed to be put right. At the request of the General Assembly (resolution 3343 (XXIV)), and in preparation for the seventh special session, a group of 25 independent experts had carried out a study of the problems and had made a number of proposals for the reform and remodelling of the whole network of the United Nations systems, structures, institutions and procedures. He assumed that at the proper stage and in an appropriate manner the Council would wish to consider how best that expert study (E/AC.62/9) might be further examined and transmitted to the General Assembly.

22. The Council must be careful, however, not to let questions of form and procedure overshadow those of function and purpose. The essential failure on the international plane remained the failure to mobilize the political will of States in pursuit of common ends. A new order of things was inevitably coming about because of the interdependence of the world's problems and the increasing diffusion of economic power among nations, the growing pluralism of societies and nations, a new perception of human interest which transcended national boundaries, and contemporary pragmatism. There was but one earth, and all must work together to make it a fit place to live in for everyone. The enlightened self-interest that inspired States to adopt laws and policies to remove inequities within their borders and promote the economic, social and cultural welfare of all their people must now guide them in re-ordering their relations with each other. A renewed sense of joint endeavour was needed so that the world might make peaceful, orderly and universally beneficial progress. The Economic and Social Council must be used to attain a political consensus, but the task would not be accomplished in a day. A beginning had been made and at the present session the Council had an opportunity of making an important contribution to the process. He had every hope that that opportunity would be put to good use.

Statement by the Secretary-General of the United Nations

23. The SECRETARY-GENERAL paid a tribute to the President of the Council.

24. The fifty-ninth session of the Economic and Social Council was of particular importance in that it was taking place at a time when international economic relations were in transformation. Since 1971 major upheavals in economic relations had subjected the international economic structure the unprecedented pressures, but sufficient time had now passed to permit those events to be viewed in a more reasoned perspective.

25. It was now an accepted fact that the development and well-being of all nations were inextricably linked and that political stability could not be achieved in the midst of glaring economic and social inequities. The need for multilateral action to resolve the problems facing the international community was urgent and presented a unique opportunity to create the conditions for a more equitable distribution of benefits throughout the world. That was the challenge facing the Council. It would be the principal topic of the forthcoming seventh special session of the General Assembly, whose task would be to assess the obstacles and constraints standing in the way of a new

³ General Assembly resolution 3202 (S-VI), of 1 May 1974.

international economic order, a system of world economic relations based on the equality and common interests of all countries. The problems were real, and they became more difficult and intractable every year that they were ignored. In view of those realities and of the general awareness that global problems could only be resolved by global responses, the role of the United Nations as an effective instrument of world economic co-operation became indispensable.

26. The world community had been buffeted by serious economic events. Successive disruptions of world currency markets had been followed by a sudden sharp shift in the world money flow from oil-consuming to oil-exporting nations, a change in the control of liquid capital and economic power unprecedented in its swiftness and scale. One consequence of that drastic change in international economic relationships had been the eruption of a series of balance-of-payments disturbance of epidemic proportions. Their effects had been most severe upon the non-oil-producing developing nations which possessed only the scantiest reserves and which at the same time had been confronted by a sharp reduction in grain stocks. The food shortages had not only resulted in death and severe hardship among large population groups, particularly in South Asia and the African Sahel, but had also greatly aggravated the balance-of-payments difficulties of the large number of developing countries which had suddenly had to import both their energy and their food at higher prices.

27. The consequent serious economic dislocation had threatened to paralyse the will of the international community to tackle world problems in common and through co-operative effort. The feared breakdown in international co-operation, however, had not occurred. Consultations had taken place, emergency action had been taken and the worst consequences had been avoided. But what had been achieved should not blind the world community to the fact that the solutions devised were only temporary stop-gap measures and that many disquieting conditions persisted and required international action.

28. There were disturbing reports that many government programmes were not only being arrested but were in fact deteriorating for lack of funds. In many countries health services were being reduced and schools closed. That situation, which affected in particular the most vulnerable sections of the population, and notably children, must cause particular concern.

29. Much remained to be done to alleviate the immediate food problems. There were still areas where conditions of famine persisted, and malnutrition remained rampant in many parts of the world. Furthermore, the possibility of a sudden recurrence of simultaneous crop shortfalls such as had occurred in 1972 could not be ruled out until further remedial action had been taken. In that connexion, two measures were urgently called for: the implementation of the International Undertaking on World Food Security (see E/5587, chap. V, resolution XVII) and a concerted international effort to help developing countries to raise their food production. The World Food Conference had agreed upon a framework for action (E/5587, chap. IV-VI). It could only be hoped that no more time would be lost in translating it into concrete measures.

30. The balance-of-payments problems of the most seriously affected developing countries were a continuing source of concern. There had been some relief for them recently in the form of lower food prices on international markets, but that had been overshadowed by concomitant and often larger declines in the prices of the commodities they exported. Moreover, the cost of most of their other imports, notably fertilizers, machinery and equipment, had not come down, and in some cases had even risen. There had been some welcome assistance to those countries from numerous sources, such as the petroleum-exporting countries and UNEO. Useful as those measures had been, the basic condition of crippling foreign exchange shortages with baneful effects on development programmes persisted.

31. There was, unfortunately, little evidence that aid flows would be sufficient to remedy matters. While still growing in nominal terms, assistance flows had never gained the momentum hoped for in the previous decade. On an average, less than half the figure of 0.7 per cent of GNP of the developed industrial countries for official development assistance had been reached in 1974. That trend must be reversed. He joined the President of the Board of Governors of the newly established United Nations Special Fund in appealing to all countries, especially the developed countries and the petroleum-exporting countries, to make appropriate contributions to the Fund as quickly as possible. Moreover, greater efforts were needed to make debt rescheduling easier and more accessible to greater number of countries.

32. The serious economic situation in the developed market-economy countries was another source of concern. While there were signs that the bottom of the recession might have been reached, a number of problems — including unemployment and lack of investment — remained. In a world which had become so interdependent, a major prolonged economic down-turn could not be contained within single countries or groups of countries; it inevitably affected the export possibilities of the developing countries, throttling development plans and undermining international co-operation efforts.

33. The eventual resolution of all those difficulties rested first and foremost on the political will of Governments and would require the determination of member countries to consult, to debate and to work out courses of action in an atmosphere of mutual respect, shared concern and mutual confidence. There had been some encouraging evidence in recent months that that essential fact was being grasped. He was thinking, in particular, of the negotiations that had led to the ACP-EEC Convention of Lomé,⁴ the discussions at the meeting of Commonwealth countries and the declaration of the Ministers of the OECD countries on relations with developing countries.⁵ There had been some movement towards more equitable solutions to the problems of primary commodities. Finally, consultations among developing countries, including the Lima meeting to be held

⁴ Convention between the European Economic Community and 46 African, Caribbean and Pacific States, signed at Lomé on 28 February 1975.

⁵ For the text, see OECD Press Release PRESS/A(75)21, of 29 May 1975.

in August 1975, would also be crucial to the attainment of those objectives.

34. At the forthcoming special session of the General Assembly no effort must be spared to build on those achievements with practical action, for if it was to reaffirm the aims and usefulness of the United Nations, the seventh special session must show specific results. The formal and informal discussions during the current session of the Council should contribute significantly to that end: there was no better way for member States to express their determination to strengthen the role of the Council.

35. The capability of the United Nations to fulfil its special role in promoting international economic and social co-operation and in harmonizing the actions of States had been called into question. Although no one doubted that the United Nations was an essential feature of the world political and economic scene, it had to be admitted that its achievements in mapping out and implementing policies and programmes of multilateral co-operation had been limited. While the main remedy for that state of affairs rested in the determination of Governments, there was clearly a need to revitalize the United Nations system after 30 years' existence so that it could make a more significant contribution.

36. The Group of Experts which had recently presented its report entitled "A new United Nations structure for global economic co-operation" (E/AC.62/9) deserved great credit for having undertaken the first comprehensive review of the United Nations institutional framework since the adoption of the Charter. It was essential that the various intergovernmental bodies concerned and, in particular, the special session of the General Assembly, taking into account the expert advice available, should initiate the reforms which were necessary at both the intergovernmental and the secretariat levels to make the United Nations system fully capable of dealing with problems of international co-operation in a comprehensive manner.

37. Finally, reference must be made to one other important issue which the Council would have before it at the

current session when it considered the report of the World Conference of the International Women's Year (E/5725), held at Mexico City, which he had recently attended. A look round the Council's Conference Room demonstrated the distance to be traversed before an equitable participation of women in international and in economic relations was achieved. Such an achievement would signal not only the end to an indefensible discrimination, but also the fuller utilization of a reservoir of human ability which was indispensable for the economic and social development of the international community.

38. He was confident that all present would endeavour to make the fifty-ninth session a success and thereby facilitate the task of the seventh special session of the General Assembly. He extended to all his best wishes for a fruitful outcome.

39. The PRESIDENT thanked the Secretary-General for his address.

AGENDA ITEM 2

Adoption of the agenda and organization of work (E/5685; E/L.1668 and Corr.1)

40. The PRESIDENT invited the Council to adopt the provisional agenda in document E/5685, as approved by the Council at its fifty-eighth session.

The provisional agenda was adopted.

41. The PRESIDENT drew attention to the note by the Bureau (E/L.1668 and Corr.1), which dealt with the allocation of agenda items and included a proposed time-table of work. If he heard no objection, he would take it that the Council approved the organization of work outlined therein.

It was so decided.

The meeting rose at 4.30 p.m.

1954th meeting

Thursday, 3 July 1975, at 11 a.m.

President: Mr. I. A. AKHUND (Pakistan)

E/SR.1954

Implementation of rule 73 of the rules of procedure of the Economic and Social Council

1. The PRESIDENT announced that he had received from a national liberation movement recognized by the General Assembly a letter requesting that he should, pursuant to General Assembly resolution 3237 (XXIX) of 22 November 1974, allow that movement to participate without the right of vote in the deliberations of the Economic and Social Council on all matters of particular concern to it.

2. It appeared to him that the request was in order under rule 73 of the rules of procedure relating to the participation of national liberation movements. If there were no objections, the request would therefore be granted.

It was so decided.

3. M. FERGUSON (United States of America) pointed out that the decision had not been put to the vote and said that his delegation had express reservations in regard to invitations of that kind.