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Président: Mr. DRISS (Tunisia)

AGENDA ITEM 2

General discussion of international economic and social policy (*continued*) (E/4942, E/4984, chap. III; E/5004, E/5005, E/5007, E/5009, E/5010, E/5016, E/C.2/726)

1. Mr. SCOTT (New Zealand) said that, during the decade that had passed since his delegation had last had a seat in the Economic and Social Council, economic, commercial and financial issues had assumed increasing importance in foreign policy. The International Development Strategy for the Second United Nations Development Decade was one of the most recent manifestations of the world-wide economic adjustment that was changing the framework of international politics. While such questions as disarmament, peace-keeping and concerted international efforts to work out adequate international policies of social justice and to alleviate suffering caused by natural or man-made disasters were as important as ever, trade and economic issues were of world-wide effect. Despite the substantial expansion of world trade, there had also been signs of resurgent protectionism and the reappearance of trade philosophies which sought to solve domestic economic and social problems by exporting them to other countries. Governments unfortunately did not always adjust their domestic and foreign economic policies to the changing situation. The Council should bear in mind that its fundamental concern was the welfare, progress and happiness of human beings and not statistics, production figures or growth rates.

2. While the present world social situation was generally not bright, one encouraging trend was the realization of the interdependence of economic and social factors in the development process. His country had fully accepted the need for such a unified approach. With man's venture into space, the earth appeared for the first time as a single entity

and, despite its divisions, as the place where man must accomplish his destiny.

3. As economic interdependence between countries had grown, so had the awareness that economic decisions in one country affected the well-being of people in another. The economic sector of diplomatic activities was becoming a major intergovernmental preoccupation, and economic and development issues would increasingly become the main issues of foreign relations in the closing years of the century. Economic regionalism, inflation, trade and development problems, multinational co-operation, protectionist pressures against imports, recurrent monetary crises and their relationship to the United States balance of payments, problems of non-tariff barriers to trade and problems of agricultural production and marketing were some of the major questions that called for urgent negotiation and that could be solved if Governments had the necessary political will.

4. Because of the importance of overseas trade to its economy and the need to finance development by borrowing capital, his country was particularly susceptible to world economic trends and developments. A dominant feature was the continuation of the complex inflationary trends in the market economies of the developed world. There had been practically no abatement of spiralling costs in the major economies in response to the elimination of excess demand conditions and the emergence of relatively high unemployment. The over-all growth of the real GNP in the industrial countries of North America, Western Europe and Japan had declined in 1970. Despite the far reaching decisions of IMF to increase international liquidity, there was a chronic and possibly worsening state of international monetary disequilibrium, largely as a result of structural changes in the economies of those countries.

5. Trade in recent years among the developed industrial countries had flourished and their economies had expanded accordingly. While that trend might at first sight appear discouraging for the less developed countries, recent figures had shown that their exports to developed countries during the past decade had grown at a faster rate than their exports to other developing countries, except during 1969, and they had thus benefited to some extent from the trade expansion of the developed market economies. There had been some examples, particularly in regional trading groups, of trade between developing countries having grown more rapidly than the average rate of their over-all export growth. The increased attention being given by developing countries in the ECAFE region to the possibility of expanding trade with each other was a welcome development that should lead to increased practical co-operation and, it was hoped, to greater rationalization and complementarity of export industries of member States.

6. The remarks of the Executive Secretary of ECAFE (1777th meeting) on that Commission's increased operations and needs deserved emphasis, particularly in view of the expansion of its operations in recent years and the admission of several new South Pacific countries. New Zealand already enjoyed the closest association with those countries in the economic, social and development sectors and welcomed the opportunities for expanded co-operation through ECAFE with Fiji, Nauru, Tonga, Western Samoa, Papua and New Guinea and the British Solomon Islands Protectorate.

7. New Zealand shared many of the characteristics of developing-country economies: heavy reliance on primary products for export earnings, the need for rapid diversification of exports, and, as a primary producing country, the need to import capital to supplement its own limited resources for development, particularly industrial development. It nevertheless recognized its responsibility, with other developed countries, for encouraging exports from developing countries. His country participated in commodity agreements covering some of the important primary commodities of interest to the developing countries and, to the extent that its own industrial development permitted, it accepted that special export opportunities for developing countries should be provided in New Zealand through the generalized system of preferences.

8. New Zealand's aid performance was influenced to a critical degree by its export-earning capabilities, and its progress towards the target of 1 per cent of GNP for financial resource transfers or the official development assistance target of 0.7 per cent of GNP, set in paragraphs 42 and 43 of the International Development Strategy, would depend on remunerative access to overseas markets for its industrial products, and particularly its pastoral products. As far as could be foreseen, most of his country's aid would be in the form of official development assistance. Although there was still some way to go before the targets were reached, some progress had been made in 1970/71, despite continued difficulty with export markets, declining terms of trade and high levels of domestic inflation.

9. One of the fundamental problems for the developing countries was the population explosion, which cancelled out economic and social progress. That would be one of the major world problems of the coming years and would provide an enormous challenge to the international community.

10. The farming sector, on which New Zealand relied heavily for its export income, was being squeezed on the one hand by weakness in overseas prices for certain major commodities and, on the other, by rising domestic and import costs. His country, like other developing countries which depended heavily on exports of agricultural products and on imports of manufactured products whose prices tended to reflect inflation in the exporting country, had seen a rapid decline in the import-purchasing power of its exports. Its terms of trade at the end of 1970 had been the most disadvantageous recorded since 1946.

11. Despite vigorous diversification into other forms of export production and the search for new markets for

traditional exports, his country's economy remained to a large extent dependent on, and complementary to, that of the United Kingdom. Grassland agriculture remained the industrial base of the economy, providing over 80 per cent of export income and the bulk of the resources required for further diversification of the economy. Under conditions of fair international trading there would be an immense world demand for his country's products, particularly in view of the widespread problem of protein deficiency, but the rules governing international trade in such products were not widely respected and there was no alternative market for those exported by his country to the United Kingdom. With the United Kingdom's application to join EEC, there had been a real possibility that, under the application of EEC preference, his country's lamb, cheese and butter would be displaced onto a virtually non-existent world market; it had therefore sought special recognition of its case and of the dire effects on its economy that would result unless special arrangements were made. The outcome of the negotiations was now clearer. New Zealand had obtained a continuing arrangement, subject to review, for most of its milk product exports but, even so, a fairly radical and costly restructuring of its industries would be required. It hoped now to be able to maintain its wider international efforts on the basis of a sound trading future and with the minimum disruption of those export industries that had formed the foundation of its growth.

12. The GATT Committees on Agriculture, Industrial Products and Trade and Development set up after the Kennedy Round had had as their objective the establishment of a basis for a further round of negotiations towards freeing world trade and their studies had taken into account both tariff and non-tariff barriers. Although the initial studies had been completed some time earlier, there had been little further progress towards finding mutually acceptable solutions to problems. His delegation was, however, encouraged by the growing awareness that trading nations would soon have to embark on a fresh round of multilateral negotiations with a view to containing the strengthening forces of protectionism, which could be further incited by the massive readjustments in trade resulting mainly from the enlargement of EEC. His delegation was pleased to note the formation of a high-level group in OECD to consider how to deal with those trade problems and it hoped that both GATT and OECD would pursue the matter urgently. Despite the frequent breach of GATT rules on international trade in temperate agricultural products, his country continued to consider the multilateral regulation of trade essential if total anarchy and world-wide recession were to be avoided. It feared that serious consequences would result from the shift from multilateralism towards a combination of bilateral and regional trading arrangements.

13. His country was encouraged by EEC's undertaking to take into account the progress made towards an effective and comprehensive world agreement on dairy products, to which EEC and important consuming and producing countries would be parties.

14. It would be his delegation's objective at the present session of the Council to see that the proposals for the

better organization and conduct of the Council's work, submitted at its fiftieth session by the delegations of Greece and New Zealand (E/L.1408/Rev.1), were adopted. As the appropriate body for assuming the important new responsibilities connected with the application of science and technology to development, the Council might create a new standing committee to deal with the subject, with the assistance of the Advisory Committee for the Application of Science and Technology to Development.

15. New Zealand's views on the machinery for review and appraisal of the International Development Strategy were set out in detail in its reply to the Secretary-General's note on the subject (see E/4986, pp. 8-12). His delegation considered that the Council should play a major role as far as the global machinery was concerned. The Council's Economic Committee should deal exclusively with that task during the review years, provision being made, if necessary, for intersessional meetings. While his country had stressed the importance of working within existing machinery, it recognized that there were arguments in favour of the establishment of a standing committee large enough to represent adequately the membership of the United Nations. It would be prepared to consider suggestions for a committee about the same size as the Preparatory Committee for the Second United Nations Development Decade, namely, one of fifty-four members.

16. While his delegation did not consider that enlargement of the Council would in itself make that body a more effective organ of the United Nations, it recognized as legitimate the point of view of those who favoured such enlargement and would be prepared to take it into account when assessing the progress made in the primary objectives of the procedural measures, review and appraisal, and science and technology.

17. His Government was confident that the Council could revive and become a dynamic force in the United Nations system. It welcomed the discussion of major world issues in the economic and social fields and wished to encourage the Council to act as envisaged in the Charter. The Council could not fulfil its role if major world issues within its competence were left to one side. It was for that reason that his delegation had said that the Council was bound to consider the plight of the millions of refugees in India following the disturbances in East Pakistan. Although the question was a sensitive one with highly charged political elements, members of the Council would wish to discuss the humanitarian and organizational issues within its competence so that decisions affecting the welfare and relief of the refugees might be taken. His delegation would act in that spirit. It would not be fruitful to consider the reasons for the situation or the political conditions that must exist before the refugees would return to their homes, but the Council could not overlook the fact that there was a refugee situation of unprecedented proportions. The need for further assistance remained enormous and the problems of co-ordination were complex and difficult. The situation called for immediate attention and the Council could not afford to delay until the submission of the next annual report of the United Nations High Commissioner for Refugees. The High Commissioner would no doubt be

anxious to participate in the Council's discussions on the subject. His delegation hoped that he would report to the Council as soon as possible on his activities and on his assessment of the extent of the problem, the type and quantity of relief supplies necessary to alleviate immediate and urgent problems, the extent to which international response to the Secretary-General's appeal was meeting the demands of the situation, the difficulties encountered in the co-ordination of relief efforts by the United Nations and other bodies and the steps the Council might take to ensure that those efforts were sufficient to meet present and longer-term problems and were co-ordinated to the best possible effect.

18. Mr. JOHNSON (Jamaica) said that the major activity during Jamaica's first three-year term on the Council had been the preparation of the International Development Strategy. While not a perfect work, the Strategy reflected the good will and reservations of some great Powers and the determination of the developing countries to do all they could at the national level, among themselves, and together with the developed countries, to improve mankind's lot. It behoved the peoples of the United Nations, through their Governments, to ensure that they could be justly proud of their performance and achievements during the Decade.

19. His delegation was pleased to note the importance that was being attached to the Council's future role. Some measure of speed and efficiency might be achieved if the items relating to the Council's reorganization, the management of the Second Development Decade and the transfer of operative science and technology to the developing countries, which were interrelated, were considered together.

20. It was essential to bear in mind the central role that the authors of the Charter had intended the Council to play. His delegation still regarded the Council as the prime policy-making body in the economic and social sectors. There was merit in the proposals for its enlargement, which should be pursued promptly. Its policy-making functions could not, however, be properly exercised without close co-ordination with the programmes of the specialized agencies, and much of that co-ordination could not be reflected in the United Nations unless it was firmly established at the national level. Member States should speak with the same voice in all United Nations bodies; for example, after supporting a resolution in the Council on the need for co-ordination, they should not continue to operate in the specialized agencies as though those agencies were wholly autonomous bodies with little relationship to the system as a whole.

21. The ACC could play a vital role in co-ordination; in carrying out its functions, it should take into account the need for co-ordination among all organizations in the United Nations system, elimination of any duplication of work, and the planning of future programmes at the administrative level. That did not imply that the ACC's activities should be a substitute for the inescapable role of Member States.

22. His country welcomed the work of UNCTAD and UNIDO, from which it was deriving much benefit. It did

not consider that the strength of those two bodies, which were subsidiary bodies of the General Assembly, in any respect weakened the role of the Council, whose members were well informed of the role of those organizations because of the extensive annual examination of their work by the General Assembly. That kind of examination was precisely what was required of the Council in its over-all review and appraisal in order to fulfil the role allotted to it in the Charter and to strengthen itself in a real sense. If a more careful consideration of all the work of the specialized agencies could be presented to the General Assembly each year, the work of co-ordination would really have begun.

23. The further refinement of documentation was a small, though important, part of the large number of administrative measures that would be needed to make the Council function effectively. It might be necessary to consider additional ways of giving effect to any resolution that might be adopted on the organizational aspects of the Council's work. In view of the present shortage of funds in the United Nations system, it might be advisable for the administrative head of the specialized agencies to try to co-operate more fully with the Council. His delegation hoped that Governments would never feel compelled to consider measures for forcing the co-ordinating function of the Council on the specialized agencies.

24. In the report on its seventh session (E/4990), the Committee for Development Planning had put forward some useful ideas about the management of the programme for the Second Development Decade. His delegation urged that administrative expenses for the Decade should be kept to a minimum and that the Council and the General Assembly should formulate guidelines with a view to making the most effective use of the funds it was hoped would be made available for development.

25. It had been said that the Council had failed to provide the new techniques that could ensure a pace of development compatible with the aspirations of the majority of the developing countries. It must be remembered, however, that the Council could not work in isolation, and the Decade could not be properly managed unless the Council was constantly supplied with frank and concise analyses of what was happening in all sectors. He recognized that Governments had a part to play in that connexion and that the regional economic commissions had an important task in collecting, collating and analysing regional data. The Council should take note of the areas in which co-operation was not forthcoming and seek ways and means of encouraging increased co-operation.

26. A basic change of attitude at the national, inter-governmental and administrative levels would be required to make the Decade a success. The functioning of any organization required to be assessed and re-assessed at every stage in the light of the results achieved. The need to show quick and effective results must be the guiding principle in formulating a policy for the management of the Decade.

27. If science and technology and their successful application to development were to be regarded as the key to production of wealth and welfare, the Council should seek

to advise the General Assembly on the ways and means of supplying those benefits to the developing countries. The Council should identify the bottle-necks, suggest methods for avoiding them and foster the constant co-operation of the specialized agencies and of the developed countries in implementing programmes for the effective transfer of science and technology. The World Plan of Action for the Application of Science and Technology to Development was a valuable first step but there seemed to be a defect in the basis on which it was being carried out. Few developing countries had a deep knowledge of science and technology and without such knowledge the application of science and technology in developing countries could hardly be achieved. The United Nations should be in a position to advise developing countries, on request, on how best to draw up a plan for the economic application of new science and technology.

28. In preparing a global strategy for the transfer of science and technology to developing countries, the United Nations should draw upon the professional experience of technical staff members of the specialized agencies, while at the same time the experience of personnel in the United Nations Secretariat, UNDP, UNCTAD and UNIDO could be of assistance to the specialized agencies in their efforts to give full meaning to the global strategy. Developing countries would be required to assess their needs for scientists in public administration and steps should be taken to develop scientific-oriented management in the private sector. The ILO, UNESCO, UNITAR and UNIDO had carried out useful work in disseminating knowledge in the developing countries on the methods they could use for management training. In that connexion, due attention would have to be paid to the time-lag between training and effective operation in management.

29. If the Council succeeded in providing guidelines and policy measures for future operations in the United Nations system in those sectors, it would have gone far towards returning to the role for which it had been intended.

30. Mr. GOAD (Secretary-General, Inter-Governmental Maritime Consultative Organization) said that, in his view, the small technical agencies like his own were playing an important role in global development, and would continue to do so.

31. Transport played an essential part in the creation of wealth, and shipping still carried the main bulk of basic world commodities. Between 1965 and 1969, total sea-borne cargo had increased from 3,300 million tons to 4,520 million tons and with growing development that increase would undoubtedly continue. Development, which could not take place without the exchange of goods and services, would depend on efficient transport, particularly sea transport. Not only developed countries but those developing countries that had established or proposed to establish their own merchant marines were faced with a number of human and technical problems in that respect, including those of safeguarding the lives of seafarers, safeguarding the capital investment represented by world shipping, keeping abreast of rapid technological change and

protecting the environment from the avoidable consequences of shipborne pollution.

32. With regard to the last-mentioned problem, in two years' time there would be more than 400 giant ships afloat, each exceeding 200,000 dead weight tons and many of them designed to carry oil in bulk. Large-scale pollution would occur if one of them were stranded, or, even worse, if two of them collided. The accident to the *Torrey Canyon* in 1967 had cost the two Governments concerned about \$16 million in cleaning-up operations. As the developing countries progressed towards industrialization and as their demands for energy called increasingly for oil imports, they, too, would face risks of that kind.

33. IMCO's work to prevent maritime pollution and to minimize its effects had been in five directions: firstly, towards the total prohibition of deliberate discharge of oil and other noxious substances from ships; secondly, towards the prevention of the accidental discharge of pollutants by increasing the safety of navigation and safeguarding the carriage of noxious cargoes; thirdly, towards the conferring of appropriate powers by international treaty to enable States to deal more effectively with pollution; fourthly, towards the creation by international agreement of provisions for the redress of damage caused by pollution; and, fifthly, towards the elucidation of methods for dealing with pollution once it had occurred and for making that knowledge available to all. The considerable progress made in all five directions would culminate in the convening by IMCO in 1973 of an international conference on marine pollution, which would have as its object the complete prohibition of deliberate pollution and the minimizing of accidental pollution.

34. Those activities fitted readily into the wider activities of the United Nations Conference on the Human Environment to be held at Stockholm in 1972. And his Organization had assisted the Secretary-General of that Conference to the fullest possible extent in his preparatory work.

35. IMCO continued to promote the high standards of safety for international shipping that were essential if human life was to be protected and if the seafaring life was to continue to attract men with the necessary skill and integrity.

36. The difficulties experienced by a number of countries in connexion with containerization were now receiving consideration and there was every prospect that the United Nations/IMCO Conference on Container Traffic which was to take place in 1972 would result in a number of international agreements, particularly on the technical aspects.

37. The past year had seen a considerable increase in his Organization's technical assistance efforts carried out in co-operation with the ILO and UNCTAD, notably in the initiation of a large UNDP/Special Fund project in Brazil for training officers and men of the Brazilian merchant navy to man the modern fleet with which that country was equipping itself. IMCO had also undertaken another Special Fund project in Bulgaria in connexion with that country's shipbuilding industry. His Organization was increasingly directing its energies to technical co-operation and was well

qualified in its own field to serve as a medium for passing on technical shipping expertise to those who needed it.

38. He was not competent to comment on the methods of work of the Council, but he could assure the Council that, within its modest means and its recognized sphere of responsibility, IMCO would play the fullest possible part in the economic and social policies of the United Nations system.

39. Mr. DAVIES (Secretary-General, World Meteorological Organization) said that, in view of the emphasis placed by the International Development Strategy on precise evaluation techniques, WMO was giving special attention to the development of evaluation techniques suitable for use in the field with which it was concerned. Although it was impossible to assess, for example, the number of air accidents prevented by an efficient meteorological service, the life and property saved by an accurate flood forecast system, or the lasting benefits resulting from the provision of accurate long-term hydrological data for the planning of hydro-electric or irrigation schemes, some progress had been made towards the quantitative assessment of such factors and further studies were being undertaken.

40. One line of approach had been to establish cost/benefit factors for the various fields of applied meteorology. In a United Kingdom study, for example, a cost/benefit ratio of at least 1:20 had been found for the State Meteorological Service as a whole, while in the individual fields of applied meteorology, the corresponding ratio ranged from 1:10 for aviation to 1:100 for agriculture. The estimated cost/benefit ratio for meteorological services in France was at least 1:20 and in Australia over 1:27. The cost/benefit ratio for the USSR's hydro-meteorological service as a whole had been estimated at 1:4 or 1:5; in that country, a single long-range prediction of unprecedented flooding of the rivers Amu Darya and Syr Darya following the winter of 1969 had made it possible to take precautionary measures which had saved many millions of roubles. In the United States construction industry, which, after agriculture, was the most weather-sensitive industry, the annual saving was over \$500 million. Those ratios were not strictly comparable, since the methods of evaluation varied from one country to another, but they showed that, from a purely economic point of view, national meteorological and hydrological services were good value for money.

41. His Organization's response to General Assembly resolution 2626 (XXV) adopting the International Development Strategy had been discussed in detail at WMO's Sixth Congress in April 1971, which had adopted a resolution reaffirming that WMO would continue to pursue the objectives set for the Second Development Decade and to fulfil the role allotted to it within its field of competence. The resolution had also called for a study of the ways in which WMO could co-operate with United Nations and other specialized agencies in the review and appraisal proposed in the International Development Strategy.

42. His Organization considered that its basic role was to help to improve national meteorological and hydrological

services, so that they could make the fullest contribution to the country's economic development. It tried to promote the co-ordinated and rational adoption of modern techniques, such as meteorological satellite systems, in a way that would enable all countries to benefit. The World Weather Watch and the Global Atmospheric Research Programme were two of WMO's main programmes, both undertaken in response to General Assembly resolutions. The World Weather Watch had been extended to include a global network of stations for monitoring atmospheric pollution. The Intergovernmental Meeting on Atmospheric Monitoring and Surveillance of the Human Environment would be held at WMO headquarters in August 1971. His Organization was also participating in the arrangements for the United Nations Conference on the Human Environment and in the work of the ACC Functional Group on the Human Environment. In response to the request in General Assembly resolution 2733 D (XXV) of 16 December 1970, that it should take all appropriate action towards mitigating the harmful effects of tropical storms, WMO had initiated its Tropical Storm project, for which the WMO/ECAFF Typhoon project formed a useful basis.

43. He paid a tribute to the fruitful co-operation extended by the four regional economic commissions to WMO in meeting the needs of member countries in the respective regions. Two recent conferences on the economic benefits of the application of meteorological knowledge organized jointly with ECA and ECLA respectively had provided useful information on how meteorological and hydrological data could best be applied in their regions. Other important regional contributions to economic development were the WMO/ECAFF Typhoon project and WMO's participation in the work of the ECLA/OTC/WMO/WHO/PASB Water Resources Group.

44. He supported the suggestion that careful consideration should be given to the machinery for dealing with science and technology during the consideration of measures to improve the organization of the work of the Council (agenda item 17). As the United States representative had pointed out, the increasing role of science and technology in economic and social development justified its fuller consideration. Moreover, the activities of many of the specialized agencies reporting to the Council were of a scientific and technological character and the Council might find the revised system useful in view of its responsibilities vis-à-vis those agencies.

45. Mr. NESTERENKO (Union of Soviet Socialist Republics) said that, if the Council's decisions were to meet present-day needs and serve the interests of progress, peace and security, they must be based on an objective, systematic appraisal of the present world situation. The world was not socially or economically uniform: the courses of development pursued and the direction and character of social progress differed widely. The events of the past year had shown that the growth of production must be linked with the solution of social problems. Increased production could not be an end in itself but must serve as the basis for constant improvements in the well-being of the mass of the people, those whose labour provided the material means for

the growth of society. That was the case in the Soviet Union and other socialist countries.

46. In the Soviet Union, the past five years had seen massive quantitative and qualitative improvements in all sectors of production. There had been substantial increases in GNP, national income, investment and industrial output. Agricultural production had increased, although, owing to various extraneous factors, agriculture remained the most difficult sector of the economy. There had also been major social improvements. Real *per capita* income had risen substantially and the increases had benefited all sections of the population, especially the lowest-paid workers and farm workers. Pensions had been improved and paid holidays extended. The production and purchase of durable consumer goods had risen sharply. Massive sustained efforts had been made to deal with the housing problem. The growth of the education and health services had continued. Further substantial improvements in all economic and social sectors were provided for under the current five-year plan. The socialist system of economic planning made it possible to dovetail continuous economic expansion with a steady rise in the material and cultural well-being of the population. The Soviet Union's economic plans were based on the principle that the fullest possible satisfaction of material and cultural needs of the people should be the primary objective of national production and that the nation's ever-increasing economic potential made it possible to gear the economy to the attainment of that objective.

47. In the Soviet Union science and technology were also harnessed to serve the interests of social progress and were accordingly given increasing financial and material support. Under the socialist system, science and technology helped to ensure more rapid economic expansion and full employment, overcome manpower shortages and meet the growing needs of all sections of society. That progress did not repress the individual or make him a mere appendage of a machine, but on the contrary created the need for greater specialized knowledge, higher qualifications and higher cultural attainments. The Soviet Union's plans provided for those needs. Scientific and technical progress in the Soviet Union was combined with a responsible, proprietary attitude to natural resources and their use, and to the protection of the environment. Consequently, that was not such an acute problem as in the West, although the Soviet Union was prepared to participate in international discussions on the subject.

48. The Soviet Union's achievements in dealing with social and economic problems represented only part of a wealth of experience accumulated by the socialist countries in their progress towards the international division of labour and economic integration in order to meet the material and spiritual needs of their populations. Without taking that experience into account it would be difficult for the Council to find proper solutions to the problems facing the present-day world, of which socialism was now an integral element.

49. Although production had increased in other parts of the world too, including the industrially advanced Western countries, the accumulation of material wealth there had

not radically improved the condition of the masses. On the contrary, those countries were faced with increasing inflation, unemployment, occupational diseases and social insecurity. The result was growing social unrest, in which workers were turning not only against individual groups of employers, but against the entire system of government and the power of the monopolies. There were large-scale strikes in the United Kingdom, violent demonstrations in the United States in favour of racial equality and against war, growing labour agitation in the Federal Republic of Germany and manifestations of class conflict in the Netherlands and the Scandinavian countries. Scientific and technical progress in those countries had to some extent increased production but had also aggravated social problems by increasing unemployment.

50. Economic growth in the Western world was accompanied by increasing instability and inflation, monetary crises and growing exploitation of developing countries. The industrial recession in the United States had slowed down the production growth rate in Western European countries. There had been a widespread decline in investment and unprecedented price increases virtually nullifying any wage increases obtained by the workers. It was argued in some quarters that any further increases in production in Western countries could only lead to greater inflation and so aggravate economic and social problems. To combat inflation, Western Governments were cutting back on public expenditure, especially on housing and other social amenities, and freezing wages, increases in which were often claimed to be a major cause of the inflationary spiral. The representative of Greece (1775th meeting) had described inflation as an international phenomenon against which there was no remedy. There was indeed no remedy if the military expenditure of those countries was inviolate. The working masses might well ask how much longer the present level of military appropriations would continue at their expense, and how much more money would be diverted from social to military purposes. So long as those Governments continued their policy of generous military expenditure and stringent social economies the present social and economic tensions affecting much of the world would remain.

51. The monetary crisis of May 1971 was attributed by many economists primarily to the instability of the United States dollar, its decline as a reserve currency and its loss of gold parity, and to the greater attractiveness of investment opportunity in Europe. The Managing Director of IMF (1774th meeting) and other speakers had linked the recent accentuation of the monetary crisis with the chronic payments deficit of the United States. That deficit had reached the record level of \$5,000 million, with a short-term indebtedness of \$50,000 million, less than a quarter of which was covered by gold reserves. There was understandably a loss of faith in the dollar on the part of Western European countries, which in effect were indirectly participating in the United States Government's expenditure, including its military expenditure. Those countries had adopted various remedial measures which had not, however, removed the root cause of the crisis. Since the United States' payments deficit had widespread international

repercussions, there was some justification for seeking its true causes. It should be recognized that the underlying cause of the crisis was the aggressive nature of United States foreign policy and United States economic expansionism. The United States representative (1776th meeting) had appealed to members of the Council not to hinder that expansion, but the Soviet delegation was convinced that, rather than removing the current economic difficulties, such expansion could only lead to fresh problems.

52. According to Article 65 of the Charter, one of the Council's tasks was to assist the Security Council in its efforts to safeguard world peace. One way in which it could do so was by helping the Security Council to discover the reasons for economic and social crises which all too often culminated in military conflicts. In his view, the current crisis was due, not to the failure of the Bretton Woods Agreement, as one representative had suggested, but to the very nature of the capitalist system, which contained within itself the seeds of recurrent economic failure.

53. The events of May 1971 had cast doubts on the efficacy of that system. Rising inflation had affected the whole of international trade, and the devaluation of certain European currencies had jeopardized the ability of many developing countries to pay their debts. He suggested that the Council should study the effects of the crisis on the rest of the world in order to discover what steps could be taken to protect, in particular, the peoples of the developing countries.

54. He welcomed the signs that the peoples of Latin America were intensifying their struggle against foreign monopolies and were moving towards full economic independence by taking steps such as the nationalization of foreign companies and the increasing of concessionary payments. The need for a more stringent control of foreign capital in the developing countries was being increasingly recognized, but United Nations policy seemed rather to be directed at injecting more uncontrolled foreign capital into those countries. He urged members of the Council to learn from the examples of history that a better way to ensure economic and social progress was through international co-operation, to which the USSR was wholeheartedly committed.

55. The USSR had strong economic ties not only with the other socialist countries but also with developing countries; its co-operation with the latter, based on an equitable division of labour rather than on capitalist exploitation, was serving to strengthen nationalist aspirations. His country's economic relations with Western countries were also becoming closer and could be improved even further if certain pressing international political problems could be solved. His country held that it was vital that the aggressive wars now being waged in South East Asia and the Near East should be brought to an end and that agreements banning the use of nuclear and bacteriological weapons should be concluded. Although he recognized that the Council was not primarily a political forum, he felt that it would be more effective if it considered economic and social problems in relation to their political background. In that connexion he welcomed the suggestion made by the United

States representative that the most serious world problems should be placed on the Council's agenda.

56. He assured the Council that the USSR had no intention of trying to belittle the United Nations system; rather did it wish to improve its effectiveness in tackling the major problems on which the world's economic and social progress depended. He did not think that the size of the Council was of great importance; what mattered was the nature of the problems with which it was to deal. In his view there was no need for the creation of a new body to appraise the Council's work programme, since there already existed more than enough experts to fulfil that task.

57. Now that the Council was on the threshold of its third decade it was vital for it to find ways of ensuring that all countries of the world advanced to fuller development rather than fell victim to repeated economic and military crises.

58. Mr. GODBER (United Kingdom) said that his delegation welcomed the strengthening of economic ties between the Soviet Union and Western countries. It shared the USSR representative's desire for a better political understanding and felt that such an understanding could not fail to help the Council, the United Nations and the world.

59. The events of recent months had concentrated attention on the problem of disaster relief and on the role which the United Nations should play in providing that relief. While it was important to establish permanent machinery for dealing with natural disasters, the first priority for the international community at the present time should be to provide assistance to East Pakistan and West Bengal. He would welcome suggestions from the United Nations High Commissioner for Refugees on the best way in which that could be done. He hoped that the Council would agree to do all it could to support the efforts of the United Nations in that area and to help to strengthen and expand the relief programme. Although a political solution would eventually have to be found, the immediate need was for aid on purely humanitarian grounds.

60. His delegation thought that the Secretary-General's comprehensive report on assistance in cases of natural disaster (E/4994) was a most useful document. Although in the past both Governments and the United Nations had given swift and generous aid to specific disasters, such aid had inevitably been largely extemporized. He therefore fully endorsed the Secretary-General's recommendation that a permanent office for disaster assistance should be established within the United Nations Secretariat. His delegation considered that the best place for such an office, which should be semi-autonomous, would be the Geneva Office of the United Nations, for many specialized agencies and voluntary organizations were based in Geneva, as was the United Nations High Commissioner for Refugees. It should be headed by an independent international personality who would come within the United Nations system, would have the title of United Nations Disaster Relief Co-ordinator and would be nominated by the Secretary-General after consultation with Governments. His main function would be to acquire, collate and disseminate all

possible information about requirements and available resources, so that he would be able to advise Governments and to co-ordinate activities when disasters struck. In order that he might concentrate on his important functions, he should not be burdened with other tasks such as long-term rehabilitation.

61. The United Kingdom delegation did not think that the establishment of such an office would be unduly expensive. It agreed with the Secretary-General that the advantages of any special fund would be outweighed by the disadvantages. The most besetting problem of disaster relief was not that of finance but of co-ordination, planning and direction.

62. The establishment of an office for disaster assistance would be a first step towards making provision for the more politically controversial problem of man-made disasters. If the first initiative was successful, consideration should be given to extending it into that second and wider sphere. He therefore urged the Council to give special attention to that item and to make firm recommendations to the General Assembly for effective new arrangements for co-ordination.

63. Another important item on the Council's agenda was the review and appraisal of the International Development Strategy for the Second United Nations Development Decade. A system had to be devised which would provide essential information on the progress achieved in such areas as nutrition, literacy and employment while not losing sight of the ultimate objective of the exercise, namely development. Accounts of how developing countries were helping by their own efforts to raise living standards could be useful in stimulating greater interest and greater involvement by the public in countries which had contributed development aid.

64. It was clear that the Council had an important role to play in preparing for the General Assembly's over-all review and appraisal of progress. The question to be decided was whether it needed expanded machinery to conduct not only that role but also its many other functions. Although his delegation appreciated the desire on the part of many non-members of the Council to participate in that body's work, it had decided that it would not be wise to recommend any enlargement of the Council itself. Any amendment of the United Nations Charter would have wide implications and he thought that the desire for greater participation could be met by other means. A better course would be to create a new standing committee of the Council for review and appraisal, which could if necessary have a membership larger than that of the Council. Similar arrangements could be made for science and technology. In addition, more observers could take part in the Council's activities.

65. Although the developing countries had emphasized that the main responsibility for their development lay with themselves, there was much that the developed countries could do to help, both through economic and commercial policies and by providing increased financial resources. The United Kingdom Government had pledged itself to endeavour to meet by 1975 the target of 1 per cent of GNP for financial resource transfers set in the Strategy and had

announced plans for a substantial increase in official aid. Steps were also being taken to stimulate the flow of private investment to developing countries and he hoped that the Governments of those countries would create the favourable climate necessary to attract such investment. If private investment was to play its full part, confidence was essential, and the creation of that confidence was the direct responsibility of the developing country itself.

66. He believed that the United Kingdom's entry into EEC, which was now likely, could lead to a great stimulus to development in other parts of the world. An enlarged EEC would provide the world's biggest market for the developing countries and would be their biggest potential source of development assistance.

67. His delegation attached great importance to the forthcoming United Nations Conference on the Human Environment. Good progress had been made at the meeting of the Intergovernmental Working Group on Marine Pollution held in London from 14 to 18 June 1971 in preparation for that Conference. By concentrating on issues which demanded urgent action at the international level it should be possible for Government at the Conference to devise an environmental work programme which would benefit all mankind.

The meeting rose at 1.15 p.m.