

27 September. The general debate would begin on Wednesday, 26 September.

29. Mr. MAKEYEV (Union of Soviet Socialist Republics) said his delegation could agree to the proposed date for the opening of the general debate subject to agreement having been reached by that time on the appointment of the officers of the Main Committees. Otherwise, his delegation would propose the postponement of the general debate, since the Committee could hardly operate efficiently with no Vice-Chairmen or Rapporteur.

30. Mr. SHERMAN (Liberia) said that the Committee could not wait indefinitely for agreement to be reached. It might become necessary for the names of the candidates from the various regional groups to be put to the vote, in order that the Committee could proceed with its work.

31. Mr. JOSEPH (Australia) said his delegation did not intend to discuss whether it would be appropriate

for the Committee to vote on its officers. It did, however, endorse the view of the representative of Liberia that it would be unfortunate if the Committee had to delay its work because agreement had not been reached on that issue.

32. Mr. MAKEYEV (Union of Soviet Socialist Republics) pointed out that the President of the General Assembly was currently holding consultations with the regional groups concerning the nomination of officers for the Main Committees; it was to be hoped that those consultations would soon lead to an acceptable solution. In the meantime, he hoped that no delegation would insist on a vote being taken on the nomination of the officers of the Committee, since such a departure from the usual practice would create an atmosphere of confrontation at the very outset of the Committee's work.

The meeting rose at 12.05 p.m.

1516th meeting

Wednesday, 26 September 1973, at 3.20 p.m.

Chairman: Mr. Zewde GABRE-SELLASSIE (Ethiopia).

A/C.2/SR.1516

Tribute to the memory of H. E. Mr. Mirceta Cvorović, Permanent Representative of Yugoslavia to the United Nations Office at Geneva

1. The CHAIRMAN said that it was his sad duty to announce the death of Ambassador Cvorović on the previous day in Geneva, where he had been the Permanent Representative of his country to the United Nations Office. His death deprived the Organization of the services of an eminent diplomat, whose friends were legion.

On the proposal of the Chairman, the members of the Committee observed a minute of silence in tribute to the memory of H. E. Mr. Mirceta Cvorović, Permanent Representative of Yugoslavia to the United Nations Office at Geneva.

2. Mr. ČABRIĆ (Yugoslavia) said that he was very touched by the condolences expressed by the Chairman on behalf of the Second Committee. Mr. Cvorović's death was both a great loss to the Yugoslav Government and the United Nations and a great personal loss. He would transmit the Committee's expressions of sympathy to the Yugoslav Government and people

Organization of the Committee's work

3. The CHAIRMAN suggested that the general debate should begin while the Committee was awaiting the completion of the consultations on the election of its officers.

4. Mr. MITIN (Union of Soviet Socialist Republics), supported by Mr. ZACHMANN (German Democratic Republic), said that it would be best not to start the Committee's work until the results of the consultations were known.

5. Mr. JOSEPH (Australia), supported by Mr. DELIVANIS (Greece) and Mr. MACKENZIE (United Kingdom), said that his delegation, unlike that of the Soviet Union, believed that the best course would be to start the general debate immediately, in view of the Committee's very heavy agenda.

6. Mr. DIALLO (Upper Volta) said that the Soviet delegation's stand reflected the opinion of a group of countries which believed they would suffer if the deliberations began before all the officers were elected. There was much merit, however, in the view of the Australian delegation. He proposed that, as a compromise, the Committee should hear the statement by the Under-Secretary-General for Economic and Social Affairs, and defer the remainder of its work.

7. Mr. VERCELES (Philippines) supported that proposal.

8. Mr. MITIN (Union of Soviet Socialist Republics) agreed that the Committee had a very heavy agenda. Because his country always sought constructive solutions, his delegation supported the proposal of the Upper Volta representative.

9. Mr. JOSEPH (Australia) thanked the representatives of Upper Volta and the Philippines for their proposal. However, he saw no real conceptual difference between hearing the statement of the Under-Secretary-General for Economic and Social Affairs and hearing that of Mr. Frazão, President of the Economic and Social Council and representative of Brazil, whose name was on the list of speakers.

10. Mr. FRAZÃO (Brazil) pointed out that his name appeared on the list of speakers as representative of Brazil and not as President of the Economic and Social Council.

11. Mr. UDOVENKO (Ukrainian Soviet Socialist Republic) said that experience had shown that the Chairman was sometimes absent. For that reason it was essential to deal with the issue of the appointment of officers before beginning the Committee's work. It would be a good idea, however, to hear the Under-Secretary-General's statement, which would facilitate the work.

12. The CHAIRMAN said that, if there was no objection, the Committee would hear the statement by the Under-Secretary-General.

It was so decided.

Statement by the Under-Secretary-General for Economic and Social Affairs

13. Mr. DE SEYNES (Under-Secretary-General for Economic and Social Affairs) said that the Assembly was opening its discussions in a spirit of *détente* which suggested, for the moment, a new political climate rather than a specific programme. In the Second Committee, the economic and financial Committee, it was not difficult to define the meaning and substance of *détente*. The objectives were well known, they had been incorporated and co-ordinated within a general strategy subject to a process of evaluation and monitoring, a strategy reinforced and enriched by a growing concept of collective economic security and by the preparation of a charter of the rights and duties of States, essential attributes of a new international order.

14. For the moment, the most visible fruits of the *détente* in economic relations had been the rapid growth of trade between the United States and the Soviet Union. To be maintained and amplified, that growth required a consolidation and deepening of the *détente*, for, during the initial years at least, trade between the Soviet Union and the United States would be characterized by a heavy deficit in the accounts of the Soviet Union until the large-scale projects being negotiated had reached their period of maturity. The development of trade required a financial credit policy the success of which was often closely linked to the political climate. Nothing could contribute more to the cultivation of the necessary climate than progress towards disarmament, linked to new programmes for promoting development.

15. To the extent that the development of those bilateral flows stimulated the rate of growth of the two giant economies, it should lead to increased demand in both of them for the products of third countries. It was in that sphere that the United Nations should act to ensure that the *détente* quickly produced additional economic and technical co-operation, systematically applied on a world scale and within the framework of United Nations aims.

16. It had seldom been so difficult to analyse economic phenomena, since multiple time-frames had to be borne in mind more than was usually the case. The deterioration of the world food situation and widespread inflation both had permanent and temporary components. The aberrations of meteorology did not suffice to explain food shortages; in spite of the repeated warnings of FAO, Governments and the international community had been guilty of unpreparedness, incompetence and lack of elementary co-ordination.

17. Agricultural production had become established in such vulnerable areas because population growth had gradually pushed it on to poorer land; that problem was not one that could be remedied quickly. Even if the results of the events of 1973 were far from being wiped out in 1974, better harvests should at least put an end to the abnormal rise in food prices. But those prices would have led to the planting of crops beyond the requirements of current consumption, and that opportunity should be seized to implement, within the framework of collective economic security, the minimum-stock policy recommended by the Director-General of FAO.

18. Moreover, food demand was increasing at an extraordinarily rapid rate, not only because the world's population was continuing to rise, but also because the increase in personal income was accompanied by changes in consumer habits. When it was realized that between two and five times more cereals were required to produce, in the form of meat, a caloric ration equivalent to that obtained from their direct consumption, the time when the General Assembly would include in its agenda the ruinous paradoxes of consumption could be foreseen.

19. Agricultural conditions constituted one of the major causes of the wave of inflation which had been sweeping the world in recent months. Higher prices, however, were by no means confined to agricultural food products. The rise affected nearly the whole range of commodities and was the most spectacular rise to have occurred since the 1930s. It was due in part to the depreciation of the dollar and the pound, because a decline of confidence in the leading currencies was always accompanied by a wave of speculative commodity buying. Some more adventitious causes were also discernible, the most important being that, at the time, the expansion of demand in the industrial countries had been synchronized. Since mid-1972 the demand cycles had coincided exactly, leading to a staggering increase in the demand for commodities. Freeze and control techniques were largely ineffective when a price rise was to a great extent the result of specific shortages. Moreover, the surveillance, warning and forecasting systems which were required—sometimes to correct market mechanisms and sometimes to enable them to operate free of the impediments which distorted those mechanisms—had clearly not worked.

20. It was true that the boom had been, at least temporarily, to the advantage of the developing countries; the market balance had been reversed in their favour. The rise in commodity prices had been more than enough to nullify the effect of the depreciation of the two reserve currencies and to offset the increase in the cost of industrial goods purchased on the world market. However, the gains were uneven and, above all, precarious. It was not to be wondered at that the countries of the third world should be in the forefront of those desiring less uncertain prospects and more stable growth.

21. Even if the shortages should be quickly overcome, inflation, in one or other of its many guises, would still be an issue. Moreover, the flagrant lack of planning by enterprises and Governments inevitably led to doubts about the validity of the mechanisms which were supposed to ensure the adjustment production to the needs of society. Restrictions and controls had sometimes been imposed on exports by unilateral

decision—a paradoxical prelude to the opening of historic negotiations pledged to the liberalization of trade.

22. No monetary system could function properly unless the policies pursued by Governments created the right environment. And, in the absence of a central regulatory authority, that environment could be produced only by better co-ordination of day-to-day policies. The monetary policies pursued by Governments and central banks were at the moment more decisive for the creation of a stable international order than the composition of monetary reserves, the choice or denomination of the monetary standard, the gold market or even the formulation of criteria to govern changes in parity. Undue concentration on the negotiations of the IMF Committee of 20 and on the joint annual meeting of IBRD and IMF at Nairobi (24-28 September 1973) might therefore lead to neglect of the essentials. After all, floating exchange rates, although they were no more than a transitional solution for some, at least provided a valuable respite, and the fears expressed about them had largely evaporated. They had not acted as a brake on the extraordinary expansion of international trade, and bankers, businessmen and even commodity-exporting countries had managed to adapt to them.

23. Perhaps, therefore, Governments were beginning to realize more clearly that they were actually pursuing what were essentially parallel aims of balanced growth and minimum unemployment and that, as trade partners, it was more important for them to promote a vigorous world economy than to cling to rates of exchange that did not reflect any kind of basic equilibrium. There was therefore no reason to be disheartened if the long-awaited reform was once again postponed; on the other hand, there was some ground for serious concern over national policies. No national policy, regardless of its motives, could completely ignore the requirements of a properly functioning international order, and it was a matter for regret that in that regard basic rules of conduct had recently been ignored or forgotten; for, with the world economy at a turning-point, there must be a modicum of agreement on the rules to be followed and a modicum of co-ordination on a daily basis among the leading countries whose decisions affected the entire world.

24. The need to reconcile the desire of the authorities in each country to retain control over their cyclical economic policies with the need to prevent the world system from disintegrating justified intervention by the United Nations. The monetary debate must be broadened to include the standards of behaviour, compatible with an international system, to which Governments should bind themselves in the pursuit of their domestic aims. In that respect, the Organization could assist in formulating the underlying principles of a world policy. Action of that kind by the United Nations could be undertaken without violating jurisdictional frontiers or usurping responsibilities that had been laid down by international treaty.

25. The present turbulent course of events should not, on the other hand, divert the Second Committee from what ought to be its major concern—namely, the evaluation of the International Development Strategy for the Second United Nations Development Decade (General Assembly resolution 2626 (XXV)), in view of the fact that, as the Committee for Development Plan-

ning had stated, the cause of development had lost momentum.¹

26. The initial review and appraisal effort would not be favoured by ideal conditions, since, owing to lack of time, the statistical data was not accompanied by any survey on policy trends, the reasons for failures and the persistence of obstacles. Short-term statistics did not necessarily reveal a trend. It would have been helpful to learn from the developing countries themselves what practical value they attached to the recommendations which emerged from the collective wisdom of international organizations. Such information would probably be available by the time of the next phase of the evaluation in 1975. There was already, however, a strong impression that some changes of direction would occur. The concept of "self-reliance" was more than merely a countersign among the countries of the third world; today, it corresponded to a statistical reality. A look at the China model gave that concept a validity that was rooted in experience. Almost everywhere, the bodies responsible for planning and administration had improved, and with that had come a greater ability to arrive at economic decisions that were in conformity with domestic resources and that reflected domestic priorities. An increasing number of countries were today in a position where they were able to regard external financing as an aid—crucial though it certainly could be in some cases—rather than as a central determining factor in their development efforts.

27. An important characteristic of the period that had elapsed since the adoption of the Strategy had undoubtedly been a broadening of the idea of "self-reliance" to embrace groups of neighbouring countries, and more recently the entire third world. That opened the way, as it were, for a redeployment of the pawns on the world economic chess-board; for the solidarity of the third world was now a notion which had greater substance than it had had a few years previously.

28. That change would have certain consequences for the co-operation programmes carried out under the supervision of the United Nations system. It was, therefore, in that context that the question of the new orientation and composition of international programmes arose.

29. The provision in the International Development Strategy which merited the closest consideration was that concerning science and technology. Technology lay at the very heart of much of the progress in economic performance and social conditions in the third world. It was also at the root of the growing inequalities and of the doubts concerning the policies and models thus far applied. It was also at the root of the *détente*, since it was not unconnected with the newly affirmed mutuality of interests between the United States and the Soviet Union. But, contrary to the attitude which had been adopted in the 1960s, it was now realized that the problem of technology was a complex one which was driven by its own dynamics and could not easily be controlled. Despite the outstanding work of the Advisory Committee on the Application of Science and Technology to Development, there had been a lack of the clear-sightedness and drive necessary to map out a co-ordinated programme of analysis and action to ensure that technology was more systemati-

¹ See *Official Records of the Economic and Social Council, Fifty-fifth Session, Supplement No. 5*, para. 29.

cally geared to the service of development. A clearer insight was now beginning to be gained as a result of the work undertaken within and outside the Organization, including the contribution from university circles.

30. Contrary to what might have been believed originally, technology was not a commodity like others, which was freely acquired on open and organized markets. What had fallen within the public domain constituted a mass so enormous that access to it was often difficult. As for new technology, it was often hard to identify, being in many cases engulfed in the enterprise where it had originated. Those characteristics were mostly found in the field of industrial technology, developed in the framework of multinational corporations, which were its main creators, but they were also being seen more and more in the fields of agriculture and health, which were now being increasingly "technified". The need now was to ascertain in what circumstances the masters of contemporary technology were willing to transfer it independently of capital, under arrangements that would give the recipients control over decisions regarding production and distribution. That was not always easy, because situations differed greatly and generalizations of any kind were dangerous. However, there was every reason to believe that the contractual and legal procedures governing the transfer of technology would become even more diversified, so as to adapt to differing socio-cultural circumstances, and that an effort by the United Nations to provide clarification and information could accelerate progress in the right direction.

31. In that connexion, the role of financial institutions, both public and private, operating on the international market needed to be developed.

32. A different problem, but one that was quite as complex as the problem of transfer, was the selection of optimum technologies for any given social, economic and cultural circumstances. Scientific policy had, in most areas, been defined, but there were very few centres where a policy of technology was systematically elaborated on the basis of systematic study of its impact and worth. The more advanced countries were themselves capable of committing costly errors, and it was hardly surprising if the countries of the third world were even less well-equipped to cope with those problems. The absence in the third-world countries of a national capacity for appraisal and decision-making in those difficult areas was a major handicap which caused them to be seriously deficient in terms of international action. Decisions on the choice of technologies were among the most difficult which planners had to take; they required competent and experienced personnel who were guided solely by the interests of the country they served and who, for that reason, must be firmly settled in the country. Moreover, concerted action by the developing countries in that field might considerably enhance the effectiveness of individual efforts and make it possible to pass through the difficult stages more rapidly. Mutual aid might also take the form of more widespread action at the third-world level in the context of the recent decisions of the Conference of Heads of State or Government of Non-Aligned Countries, held at Algiers (5-9 September 1973).

33. But no action undertaken in that way could free the United Nations system of the responsibility which it had recognized since 1963 without really assuming it.

Based on its growing sensitivity to the needs of the third world, the United Nations system had produced the *World Plan of Action for the Application of Science and Technology to Development*,² which defined the spheres where the third world had a crying need for technology and products adapted to its conditions which a global effort must help to develop.

34. The directions in which the United Nations system must move were clear: it was essential to organize access to techniques which had fallen within the public domain, to improve the transmission of patented technology, to study the conditions for the transfer of technology "entrenched" in multinational corporations and to promote other methods where they were possible. It was also essential to assist the rapid development of national capacities for appraisal and selection by studying and developing viable methodologies and by disseminating them. Lastly, it was essential to undertake a systematic effort at the regional and global levels as part of the World Plan of Action to seek out and develop techniques, processes and products adapted to the conditions of the third world.

35. There was cause to reflect on the aptitude of the institutional system and procedures of the United Nations to undertake a task which was in many respects different from those for which it had been conceived. For instance, UNDP, which might have been the chosen instrument of the World Plan of Action, lacked the necessary means of action. The almost inevitable conclusion which emerged from those considerations was that, where technological co-operation was concerned, the United Nations system lacked both the organ for promotion and co-operation and the specialized funds which it had seemed feasible to establish in other fields.

36. It appeared that at present only part of the technology made possible by the state of scientific knowledge was transformed into utilizable technology. It was clear that today the resources and talents which could be devoted to that transformation were not distributed according to an order of priority established by some international consensus. On the contrary, one saw autonomous plans for initiating and deciding upon projects, prompted sometimes by science and technology's own momentum and sometimes by the appetite for national prestige. They resulted in tremendously costly projects which had at no time been really subjected to a democratic international process of discussion conducted in the light of a scale of values based on human needs.

37. It must therefore be asked whether the concept of "technology assessment" applied on a world scale was not a matter to which the responsibility of the international system was being gradually committed.

38. As Mr. Carrillo-Flores, Secretary-General of the World Population Conference, had stated at the Symposium on Population, Natural Resources and Environment which was being held at Stockholm, the prospect of the year 2000 forced one to recognize the crucial character of the interactions which would, to an increasing extent, govern the evolution of the planet. Those interactions required of the international community a solidarity which was still difficult to express. The assumption of responsibility for the future was an invitation to rid itself of habits of thought and action

² United Nations publication, Sales No. E.71.II.A.18.

which were already to a large extent out of date. The notion of a world which would be very different should inspire mankind with new strength to tackle the burning issues of the present, and to endow the ideal of co-

operation with the meaning and instruments of a true community.

The meeting rose at 4.45 p.m.

1517th meeting

Friday, 28 September 1973, at 11.20 a.m.

Chairman: Mr. Zewde GABRE-SELLASSIE (Ethiopia).

A/C.2/SR.1517

Election of the Vice-Chairmen and the Rapporteur

1. Mr. HOSNY (Egypt) nominated Mr. Jan Arvesen (Norway) for the office of Vice-Chairman.

Mr. Arvesen (Norway) was elected Vice-Chairman by acclamation.

2. Mr. TARDOS (Hungary) nominated Mr. Luis González Arias (Paraguay) for the office of Vice-Chairman.

Mr. González Arias (Paraguay) was elected Vice-Chairman by acclamation.

3. Mr. SIDDIQ (Afghanistan) nominated Mr. Chusei Yamada (Japan) for the office of Rapporteur.

Mr. Yamada (Japan) was elected Rapporteur by acclamation.

4. Mr. RANKIN (Canada), as Chairman of the Committee at the twenty-seventh session, congratulated the officers of the Committee on their election.

GENERAL DEBATE

5. Mr. FRAZÃO (Brazil) said that the heavy inheritance of a past whose structure had rested on economic colonialism, commercial exploitation and deterioration of the terms of trade had led the United Nations to proclaim two successive international Development Decades whose ultimate goal was the establishment of international peace and security through economic and social development and international co-operation. The results of the first Decade had been very disappointing. The second had drawn on the experience, the failures and the omissions of the first; the International Development Strategy which had been adopted (General Assembly resolution 2626 (XXV)) had recognized that development was the foremost objective, and its results should now be appraised.

6. It could hardly be denied that from a global perspective the world economy had shown some significant gains in 1971 and 1972. The spectre of a recession in the developed countries seemed to have been checked temporarily and their affluence had heated the process of industrial production to a point where raw materials, provided mainly by the developing countries, had gained in nominal prices. However, the developing countries had concurrently added imported inflation to their own. The Under-Secretary-General for Economic and Social Affairs had stated, at the preceding meeting, that the rise in commodity prices was more than enough to nullify the effect of depreciation of the

two reserve currencies and to offset the increase in the cost of industrial goods purchased in the world market. Yet he (the Under-Secretary-General) was the first to admit that that balance was precarious.

7. There were two concurrent trends in world economic relations: a trend towards more closed market arrangements and a trend towards a transnational approach to the process of production. As a result, international power now seemed to be gravitating not only towards recognized political centres but also towards technological and economic conglomerates. It was clear that the world was going through a period of transition and, naturally, the new realities were arousing perplexities in many countries, which could resolve them only after a careful study of the technological options and consumption requirements that would best fulfil national aims.

8. A most disheartening characteristic of the beginning of the Second United Nations Development Decade was the disparity between the performance of the industrialized world and that of developing countries. There had been no change in the relative position of the least developed among the developing countries, and the average rate of growth of the gross national product (GNP) of developing countries as a whole had been lower in 1971 and 1972 than at the end of the First Decade. The cause of development certainly deserved a stronger commitment on the part of the international community. The responsibilities of developing countries themselves could not be over-emphasized. However, responsibility for the low rate of development observed globally fell mainly on the industrialized world. As the Under-Secretary-General had pointed out, "self-reliance" should be accompanied by a still greater effort of solidarity on the part of the international community; otherwise, the very coherence of the Strategy would be destroyed. The idea of collective economic security should, therefore, exert a major influence on the broad design of international economic co-operation in the current Decade.

9. It seemed that the very notion of development was at present undergoing a profound change. The idea of the unified approach to economic and social development has been followed by environmental concern as a factor in over-all development planning and by concern with a more equitable distribution of income within countries. That same concern should apply to the distribution of income among nations because, in the end, the latter might condition the former. It was clear, therefore, that development could not be conceived as a static ideal.