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President: Mr. Juan I. COOKE (Argentina)

Present:

The representatives of the following countries: Argentina, Australia, Belgium, China, Cuba, Czechoslovakia, Ecuador, Egypt, France, India, Norway, Pakistan, Turkey, Union of Soviet Socialist Republics, United Kingdom of Great Britain and Northern Ireland, United States of America, Venezuela, Yugoslavia.

Observers from the following Member States: Brazil, Costa Rica, Dominican Republic, Indonesia, Mexico, Netherlands, Poland.

The representatives of the following specialized agencies: International Labour Organisation, Food and Agriculture Organization of the United Nations, United Nations Educational, Scientific and Cultural Organization, International Monetary Fund.

Organization and operation of the Council and its commissions and amendment of rule 82 of the rules of procedure of the Council (Council resolutions 414 (XIII), 442 (XIV), 443 (XIV), 445 I (XIV), 512 A (XVII) and 530 (XVII), and General Assembly resolution 735 (VIII)) (E/2541 E/2542, E/2598, E/2623 and Add.1, E/2625) (continued).

[Agenda item 29]

1. Mr. Anwar ALI (Pakistan) welcomed the statement made by the Secretary-General at the 796th meeting on the reorganization of the Council and the aims of that reorganization. The Council having been in existence for eight years, the time was ripe for a review of its organization and methods of work, and the Secretary-General's statement that the promotion of the economic and social development of under-developed countries would be the guiding principle in the elaboration of programmes and projects within the Secretariat was particularly welcome in that regard.

2. Unless by a co-operative effort prosperity was given as broad a basis as possible, the attainment of peace was bound to remain elusive. He welcomed the positive

statement made by the United States representative in the same sense.

3. Although useful work in the shape of technical assistance and the focusing of attention on problems of social reform and economic development had been done during the past eight years, the basic problems were as far from solution as ever, and there was not even agreement on the major steps to be taken. Meanwhile, the gulf between the prosperity of the developed and the under-developed countries had widened as a result of post-war economic reconstruction and the application of modern techniques. Except for a brief period of two years, the terms of trade had turned against the under-developed countries, threatening them with inflation and a fall in real incomes and jeopardizing their development programmes.

4. The problems facing the under-developed countries were an inadequate flow of capital and an insufficient and uncertain return for their raw materials in relation to their import requirements. The problem of the stabilization of commodity prices was not one for the under-developed countries alone, but could seriously affect the industrialized countries as well. A fall in foreign exchange receipts inevitably led to a tightening of import restrictions and the balancing of world trade at a lower level. A vicious circle could thus be created and lead to a depression affecting production and employment everywhere. Such a situation could be mastered only by international co-operation based on the realization that peace and prosperity were interdependent, and that the world could not remain permanently divided into prosperous and needy nations.

5. He welcomed the proposed unification of the Departments of Economic and Social Affairs, with four subdivisions to deal with economic and fiscal matters, social affairs, statistics and human rights respectively. In view of the importance of the Technical Assistance Administration, the proposal to maintain it as a separate unit at that stage was wise.

6. He was also in general agreement with the proposal that the Council's summer and winter sessions should be shorter, and that they should be confined to major items, although he hoped that that would not prevent a full, frank and detailed discussion of the important issues involved. His delegation would like the Fiscal Commission to be continued, and the Economic, Employment and Development Commission to be revived.

7. Opinion on the immediate establishment of the Permanent Advisory Commission on International Commodity Trade was sharply divided, although all delegations had expressed their sympathy with the broad objectives of the proposal. One solution might be to entrust the work to the Economic, Employment and

Development Commission, which seemed to be more directly concerned with the problem than the General Agreement on Tariffs and Trade (GATT), to which some delegations had proposed that the work be delegated. That course would also avoid the multiplication of specialized agencies.

8. His delegation reserved the right to make more specific proposals at the appropriate time.

9. The success of the Council's efforts would be judged essentially by the economic programmes undertaken for study and implementation. Adequate attention should be devoted to major fields, such as the flow of capital, coupled with technical assistance and the establishment of a special fund for economic development and the stabilization of commodity prices. Other subjects certainly had their importance, but any scheme of reorganization should keep those main objectives in the forefront.

10. Sir Alec RANDALL (United Kingdom) said his Government attached particular importance to the subject of the establishment of the Permanent Advisory Commission on International Commodity Trade, which had been decided by Council resolution 512 A (XVII). In spite of considerable doubts about the wisdom of the Council's decision, his Government had not sought to evade its responsibility for a very careful examination of the situation created by it.

11. Only 21 governments had so far submitted their observations on the proposed commission, in response to the invitation in the final paragraph of the resolution. In a matter of such importance it was surely wise to aim at a general consensus of considered opinion, and the small number of replies received hardly constituted a sufficient basis upon which to found further decisions regarding the precise organization of the commission. In view of the extraordinary complexity of the problems raised by the Council's resolution, governments needed time to formulate their comments. It was therefore hardly surprising that no more replies had been received. The need for mature consideration was fully recognized in some of the replies already received, such as that of the Netherlands Government (E/2623), in which it was stated that that Government felt unable as yet to give its views about its participation in the commission.

12. The reservations expressed by the Food and Agriculture Organization should also be borne in mind. That Organisation's Committee on Commodity Problems had drawn attention in resolution No. 6 (23) (E/2625) to the complicated problems of co-ordination which would be created by the establishment of the commission.

13. It was against that background that the United Kingdom Government had submitted its comments (E/2623). While recognizing that there was a strong body of opinion in the Council in favour of permanent machinery of some kind to deal with international commodity problems and to encourage a greater effort by States Members of the United Nations to lessen the instability of prices of primary products, the United Kingdom Government felt that such machinery could be established to the best advantage under the auspices of GATT, which should have an opportunity of at least

examining the problem before a final decision was taken. His Government therefore gave a specific undertaking that it would raise that question at the session of GATT to be held in November 1954.

14. His Government had also recognized that there was a strong body of opinion in the Council in favour of the establishment of some machinery to examine the question of the relationship between the prices of primary products and industrial goods. His Government shared the opinion of the experts as set out in their report "Commodity Trade and Economic Development" that it would not be useful to attempt to hold a fixed relationship between such prices. It would nevertheless be prepared, provided other countries desired it, to see a body established to look further at the problem. His Government would also be prepared to serve on such a body.

15. Those proposals did not imply the reversal or rejection of resolution 512 A (XVII). They only constituted a request to the Council to suspend implementation of that resolution pending further examination of the problem. He felt that the said proposals were more advanced than those adopted at the seventeenth session because they were more realistic. His delegation would be prepared to embody them as a whole in a resolution for consideration by the Economic Committee, to which he formally proposed that the question should be referred.

16. Mr. HAMMARSKJÖLD (Secretary-General) said that it had been most helpful and encouraging to listen to the general discussion and, although there seemed to be a large measure of agreement on the major issues, he felt that it might be useful to clarify a few points where degrees of emphasis were of importance.

17. In the course of the discussion, attention had been drawn to the dangers of an operation of the kind proposed, and at the 797th meeting the Belgian representative had drawn attention to the risk that rationalization might tend to develop into centralization, with ensuing loss of independence for the specialized agencies. Centralization, however, was misdirected rationalization. Well-directed rationalization would result in a wide delegation of powers, always provided that a sound basis of unity of spirit and aims had first been established. One of the major aims of Headquarters was to define the precise lines to be followed to ensure harmony with the aims and policies of governments, so that it could be said that in a truly liberal sense one common conviction was shared. Delegation of powers arising from such unity of spirit would, in fact, broaden the scope of individual initiative.

18. With reference to the regional economic commissions, a recent meeting in New York with the executive secretaries of the three commissions had, he felt, been successful in establishing closer personal relations and in laying a firm foundation for unified action. That was his interpretation of the expression: integration of the regional commissions with the Secretary-General. It did not mean that the regional commissions were to be put into a strait-jacket, but rather that they and the Secretary-General should together form a team inspired by the same interest and working on the basis of an analytical study of a situation. In a certain sense, he could envisage a situation in which, organizationally

speaking, the regional commissions might be even more free in their relations with Headquarters than they were at the present time. The members of the Council, however, could count on the closest co-operation between the regional commissions and Headquarters. That would be a sound synthesis, combining individual initiative and a system of unification.

19. With regard to the specialized agencies, there had been general agreement between their executive heads and himself that any system of formalized hierarchy was to be deprecated. On that level it should surely be possible to establish relations which would in practice provide the Council with all the advantages of a closely unified system without any of the disadvantages of rigid centralization. He must point out, however, that such a process, which was based on a spirit of mutual confidence directed towards common aims, could not be hurried, for it involved the growth of a permanent and inner unity. He was well aware that the problem was one of interest and concern to many delegations, not all of which were represented at the present meeting, and that the relationship between United Nations Headquarters and the specialized agencies was a controversial issue which it was, perhaps, slightly temerarious to raise.

20. Another point mentioned in the discussion had been the risk of the Organization, the activities of which were based on the principle of universality, entering into arrangements for the study of a particular problem with universities or other research institutions whose horizons, though they might be determined by the search after truth, were less broad in scope. He could assure the Council that any arrangement entered into with such a body would be decided upon with complete objectivity, and that there would be no risk whatsoever of distortion caused by national considerations, or factors of any other kind.

21. Further, there was the question of the Organization's responsibility in taking over certain tasks from other bodies. The Belgian representative had referred at the 797th meeting to arrangements for both research and administrative studies in the domain of penal law. He (the Secretary-General) could say that nothing had been done which ran counter to the Organization's obligations. Promises made at one juncture, however, must be subject to circumstances. The organ concerned would undoubtedly have adapted itself to new developments, and it was the duty of the United Nations to preserve the dynamic nature of its work, since that was essential to progress.

22. He hoped that he had dispelled any possible misunderstandings about specific dangers.

23. There had also been references to the main purposes of the economic and social work of the United Nations, and at the 797th meeting the Soviet Union representative had furnished a list of priorities with which, on the whole, he (the Secretary-General) would agree. That, indeed, was the motive for giving the under-developed countries programme priority. He would stress, however, that such an orientation was not exclusive. There could be no question of diverting interest from other problems. What he had in mind was that when questions such as community development or population problems were raised, in whatever part of the world, it should be borne in mind that it

was more especially in the under-developed countries, where governments were frequently unable to achieve success, that international action was possible.

24. At the Council's 796th meeting he had used the phrase "common denominator", which seemed to him to be particularly applicable in that context also. In all the social and economic activities guided by the Council a common denominator should be sought, but it must be concrete, and not merely a vague abstraction such as the social and economic well-being of peoples. That concrete aspect should be the specific problem represented by the under-developed countries, which ought to be the guiding principle of the Organization's activities in every sphere, including that of developed countries, for—and he would revert to the order of priorities proposed by the Soviet Union—it would be found that neither the question of world trade, nor that of the standard of living, nor the problem of unemployment, could be adequately studied unless they were related to specific situations in the under-developed countries. That process was an essential element of a harmonious world economy. The question had been asked whether he would initiate for the benefit of the Council an annual statement setting out problems to be tackled and progress achieved. If such a document were to be of any value, its preparation would obviously be a very difficult task, which, however, he would welcome, regarding it as a challenge, and, should the Council decide that it should be undertaken, it might well help to concentrate the work of both the Council and the Secretariat on certain main points upon which decisions needed to be taken.

25. Finally, there was the difficult question of the relation between economic and social policies and general political issues. At the 796th meeting he had said that the real basis for long-term development in the direction of peace and security was the establishment of sound economic and social conditions. There was, however, an interplay between economic and social aspects on the one hand, and political considerations on the other. In the short run, politics entirely dominated the scene, making it difficult to arrive at satisfactory conclusions in economic and social matters. A vicious circle had in fact been set up. Political problems took priority in time; if no solution to them could be found, economic and social questions were left unresolved, which, in turn, created further political tensions. He would therefore say, in reply to the Egyptian representative, that he fully recognized the importance, both in time and in significance, of the interplay between economic and social factors and political issues. But he felt that too often the publicity approach gave undue prominence to political problems, thereby overshadowing economic and social questions of great importance. At that moment, the Council should have the foresight to take the necessary steps to avert future political tensions.

26. The PRESIDENT was sure he was voicing the feeling of the Council in thanking the Secretary-General for his statement, which displayed a firm intellectual grasp of the situation, wisdom born of wide experience and a strong sense of the high responsibilities of his office.

27. The question the Council had to decide was to which committees the three points covered by the item under discussion should be referred. He hoped that the Egyptian representative would not press his proposal that a committee be set up to consider the first point—the organization and operation of the Council and its commissions. He would suggest instead that the first point be referred to the Co-ordination Committee and the second to the Council Committee on Non-Governmental Organizations; as to the third, the Council had heard the United Kingdom opinion that that was the province of the Economic Committee.

28. Mr. MORALES (Argentina) pointed out that, under resolution 512 A (XVII), the problems relating to the establishment of the Permanent Advisory Commission on International Commodity Trade were due for consideration by the Council. Though those problems undoubtedly had their economic aspects, the main question was one of organization, which fell quite naturally within the competence of the Co-ordination Committee. The Argentine delegation accordingly proposed that the latter committee be asked to consider that question also.

29. After an exchange of views, in which Mr. CORKERY (Australia), Sir Alec RANDALL (United Kingdom), Mr. AZMI (Egypt), Mr. HSIA (China), Mr. FENAUX (Belgium) and Mr. SEN (India) took part, on the question whether the Economic or the Co-ordination Committee was the proper organ to consider the third point of the item under discussion, the PRESIDENT suggested that the first and the third points be referred to the Co-ordination Committee and the second to the Council Committee on Non-Governmental Organizations.

It was so agreed.

Non-governmental organizations (resumed from the 795th meeting and concluded): Report of the Council Committee on Non-Governmental Organizations (E/2628)

[Agenda item 28]

30. Upon the invitation of the PRESIDENT, Mr. FENAUX (Belgium), Acting Chairman of the Council Committee on Non-Governmental Organizations, submitted his Committee's report to the Council (E/2628).

The report was adopted unanimously.

The meeting rose at 4.15 p.m.