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**ADDENDUM TO THE REPORT
OF THE
ECONOMIC AND SOCIAL COUNCIL**

**GENERAL ASSEMBLY
OFFICIAL RECORDS : TWENTY-FOURTH SESSION
SUPPLEMENT No. 3A (A/7603/Add.1)**

UNITED NATIONS

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UNITED NATIONS

New York, 1970

NOTE

Symbols of United Nations documents are composed of capital letters combined with figures. Mention of such a symbol indicates a reference to a United Nations document.

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^a The addendum to the report of the Economic and Social Council consists of a report on the Council's consideration, at the 1638th to 1649th meetings of its resumed forty-seventh session, held between 13 October and 18 November 1969, of items on the agenda of the resumed session arising out of or giving rise to action by the General Assembly at its twenty-fourth session.

Chapter I

REPORT OF THE PREPARATORY COMMITTEE FOR THE SECOND UNITED NATIONS DEVELOPMENT DECADE*

1. At its resumed forty-seventh session, the Economic and Social Council had before it¹ a report, "Preparation of a preliminary draft of an international development strategy",² submitted by the Preparatory Committee for the Second United Nations Development Decade. The report described the progress made since the establishment of the Preparatory Committee in preparing various components of an international development strategy for the 1970s, namely, (a) a preambular declaration, (b) the specification of objectives, (c) policy measures designed to fulfil the objectives, (d) a review and appraisal of both objectives and policies and (e) the mobilization of public opinion. The Council also had before it the report of the Preparatory Committee on its fourth session, held from 26 September to 8 October 1969.³

2. During the discussion it was noted that some progress had been made in formulating a draft of an

* Agenda item 40 of the twenty-fourth session of the General Assembly is entitled "Second United Nations Development Decade: report of the Preparatory Committee for the Second United Nations Development Decade".

¹ E/SR.1638.

² A/7699, transmitted to the Council under the symbol E/4752.

³ A/7525 Add.3, transmitted to the Council under the symbol E/4624/Add.2. The reports of the Preparatory Committee on its first, second and third sessions (A/7525 and Add.1 and 2) were transmitted to the Council under the symbol E/4624 and Add.1 and were considered by the Council at its forty-seventh session in July-August 1969.

international development strategy for the 1970s and that a number of practical results had been obtained which should help to complete the task in the coming months. It was recognized, however, that much work still remained to be done. For that, both the Preparatory Committee and the organizations of the United Nations system, whose contribution for completing the task was necessary, needed to be encouraged.

3. The launching of the Second Development Decade should be marked as an important occasion, especially since it would coincide with the twenty-fifth anniversary of the United Nations, and the Council would need to consider, at an appropriate time, how that could best be done. Similarly, as part of its co-ordinating role in economic and social matters, the Council would need to consider arrangements for appraising results during the Decade.

4. Reference was also made to the universality of the task relating to the Second Development Decade. It was stated that the task would be hampered if some States did not participate in carrying it out.

5. At the conclusion of the discussion, the Council adopted a resolution (1461 (XLVII)) by which it transmitted the reports of the Preparatory Committee to the General Assembly and drew the attention of the Assembly to the Council's comments and observations on the subject.

Chapter II

REPORT OF THE TRADE AND DEVELOPMENT BOARD*

6. At its resumed forty-seventh session the Council had before it⁴ the report of the Trade and Development Board of the United Nations Conference on Trade and Development (UNCTAD) covering the period 24 September 1968 to 23 September 1969.⁵

7. In introducing the report of the Trade and Development Board, the Secretary-General of UNCTAD stated that, without attempting to make a detailed review of the current world situation in the fields within the competence of UNCTAD, he wanted to stress that the share of the developing countries in international trade had continued to decline and that transfers of resources for development financing were far from meeting the capital flow targets. That unsatisfactory situation was partly the result of monetary and balance-of-payments difficulties in some developed countries and of political tensions in many parts of the world. The Board had therefore encountered many difficulties in its efforts to pursue the tasks that had remained outstanding at the conclusion of the second session of the Conference and also in the preparation of the contribution of UNCTAD to the Second United Nations Development Decade. Steady progress had however been achieved in many important areas and there existed the determination to work hard towards the achievement of the aims and objectives of the organization.

8. The Secretary-General of UNCTAD reviewed briefly a number of questions that had been considered by the Board and its subsidiary organs. In the field of commodities no progress had been made towards the conclusion of an international cocoa agreement but intensive consultations were continuing with a view to arriving at an agreement in 1970. Similar consultations were taking place, in co-operation with interested organizations, with regard to a number of other commodities. Some progress had been made concerning matters that had been referred by the Conference to the permanent machinery, including synthetics and substitutes, diversification and buffer stocks. On the basis of recommendations made by the Intergovernmental Group on Supplementary Financing of UNCTAD, the Board had decided to request the International Bank for Reconstruction and Development to consider working out arrangements for supplementary financing. He welcomed the statement made in the Council by the President of the World Bank⁶ to the effect that he expected to schedule the discussion of the matter by the Executive Directors of the Bank as soon as possible. The Secretary-General of UNCTAD stressed that it was essential to establish a link between the

recently adopted system of Special Drawing Rights and development financing.

9. In referring to tariff preferences, the Secretary-General of UNCTAD expressed the hope that the changes made in the OECD time-table for the discussion of the subject would not have an effect on the UNCTAD calendar as adopted by the Board. He also noted that at the ninth session of the Board it had been possible to conduct very meaningful discussions and consultations with a view to improving and increasing trade relations among countries having different economic and social systems.

10. The Secretary-General of UNCTAD noted that slow but steady progress had been made in shipping, and that appropriate co-ordination was being ensured with IMCO. Work was also continuing in the field of trade expansion and economic co-operation among developing countries in line with the concerted declaration adopted at the second session of the Conference.⁷ Although it was not possible to adopt a definite resolution with regard to the transfer of technology, the secretariat of UNCTAD had been requested to prepare a study of the elements of a programme of work in that field. Increasing attention had been paid since the inception of UNCTAD to the question of special measures in favour of the least developed among developing countries and the Board had now requested that a study be made which was intended to serve as the basis for practical action.

11. In line with the decision of the General Assembly to give UNCTAD the status of a participating and executing agency of the UNDP, sustained efforts had been made during the past year to assist the developing countries in such important areas as trade promotion, economic integration and ports development. The UNCTAD/GATT International Trade Centre was expanding its activities, which were increasingly supported by member Governments.

12. The Secretary-General of UNCTAD said that the recently published report of the Commission on International Development⁸ was a source of great encouragement because a body of eminent persons headed by a distinguished statesman had endorsed a number of ideas and proposals that had originally been made in UNCTAD.

13. Turning to the question of the preparatory work for the Second Development Decade, the Secretary-General of UNCTAD noted that UNCTAD had encountered many difficulties owing to the complexity and scope of the organization's responsibilities in that respect. The attitudes and positions of the various groups of countries had proved to be widely different.

* Agenda item 37 of the twenty-fourth session of the General Assembly is entitled "United Nations Conference on Trade and Development: report of the Trade and Development Board".

⁴ E/SR.1641.

⁵ *Official Records of the General Assembly, Twenty-fourth Session, Supplement No. 16 (A/7616)*, transmitted to the Council by a note of the Secretary-General (E/4749).

⁶ E/SR.1639.

⁷ *Proceedings of the United Nations Conference on Trade and Development, Second Session*, vol. I, *Report and Annexes* (United Nations publication, Sales No.: E.68.II.D.14), annex I, declaration 23 (II).

⁸ *Partners in Development; Report of the Commission on International Development* (New York, Praeger, 1969).

It was essential to act with realism with a view to agreeing on precise objectives and on the means of achieving such objectives. That was the criterion in accordance with which the President of the Board and he himself were pursuing the consultations requested by the Board. He hoped that UNCTAD would be able to conclude the preparation of its contribution to the Decade at the second resumed ninth session of the Board in February 1970.

14. During the period covered by the report, UNCTAD had endeavoured to increase its co-operation and co-ordination with agencies and organs of the United Nations family on matters of mutual concern.

15. In the ensuing debate in the Council a number of representatives stressed the important role that UNCTAD played in the field of international economic co-operation. It was also stated that the complexity of the problems under consideration should not be underestimated, and that the organization had made significant progress in many areas of vital importance. Reference was also made to the need to adopt pragmatic procedures and methods of work to handle difficult situations. Political will should prevail in the consideration of questions within the purview of UNCTAD in order to achieve more and faster progress.

16. Several members welcomed the decision of the Board to request the World Bank to work out supplementary financing arrangements.

17. The representative of one developing country, speaking on behalf of the Group of Seventy-seven, noted with concern the difficulties that had arisen within the OECD concerning tariff preferences. He expressed regret that the meeting of the Trade Committee of OECD, scheduled to discuss the matter from 27 to 29 October 1969, had been postponed. The members of the Group of Seventy-seven considered that those developments might seriously threaten the timely conclusion of the negotiations on preferences within UNCTAD, for they felt that the early adoption of a general, non-discriminatory and non-reciprocal scheme of preferences would constitute a significant step in the field of trade and development. The concern of the Group became all the more serious when those developments were viewed in the context of many

other unfavourable trends in trade and aid. The Group of Seventy-seven thus wished to urge the Governments of developing countries to endeavour to overcome the difficulties being confronted within OECD so as to make it possible to conform to the time-table approved by the Trade and Development Board and thus ensure that agreement should be reached in one of the most important elements of the international development strategy that the United Nations was attempting to formulate.

18. The representative of a developed market economy country stated that the postponement of the OECD meeting had been prompted by the wish of many member Governments of OECD to await a policy statement to be made by the President of the United States of America on 31 October, which was expected to deal, among other things, with the question of preferences. He gave assurances that his Government intended to adhere to the time-table adopted by the Trade and Development Board. Similar statements were made on the question by a number of other members.

19. With reference to the statement made on behalf of the Group of Seventy-seven, another representative of a market economy country, a member of EEC, later stated that he had consulted with the representatives of other States members of the European Economic Community and was authorized to inform the Economic and Social Council that the Council of Ministers of EEC had decided, on 28 October, that the EEC would submit to UNCTAD substantive documentation with regard to tariff preferences. The representative of the Group of Seventy-seven welcomed that statement and said that it would be transmitted to the Group.

20. During the debate it was also emphasized that UNCTAD had made a major contribution to international economic co-operation by the adoption of principles governing international trade relations and trade policies conducive to development.

21. At the conclusion of the discussion, the Council, by resolution 1463 (XLVII), transmitted the annual report of the Trade and Development Board to the General Assembly and drew the Assembly's attention to the Council's comments and observations on the subject.

Chapter III

CONCERTED ACTION IN EXPORT PROMOTION

22. The Council had before it at the resumed forty-seventh session⁹ a report on United Nations export promotion efforts (E/4714) prepared by the Secretary-General pursuant to Council resolution 1362 (XLV). In accordance with paragraph 3 of that resolution, the report had been submitted to the Trade and Development Board at its ninth session. The comments and observations of the Board and the resolution adopted by the Board on the subject were contained in paragraphs 189 to 210 and in annex I, resolution 59 (IX), of the report of the Board.¹⁰

23. In the debate, members of the Council expressed appreciation of the initiative taken at the meeting of the Executive Secretaries of the regional economic commissions which, in January 1967, established the United Nations export promotion programme. Satisfaction was expressed at the fact that co-ordination of the programme would continue to be exercised through meetings of the Executive Secretaries. Several representatives indicated that the regional economic commissions had an important role to play in promoting exports from developing countries.

24. There was a consensus that the report prepared by the Secretary-General (E/4714) provided valuable information on the work undertaken by all the organizations and agencies participating in the United Nations export promotion programme, and that it was of considerable significance to the Council, which had the central co-ordinating role with regard to that programme.

25. Some members of the Council stressed the importance of export promotion efforts at the regional level and felt that there was a need to intensify co-ordination of such efforts between the central and the regional organs. It was felt that the UNCTAD/GATT International Trade Centre, acting in co-operation with the regional economic commissions and with other organizations of the United Nations system, should play a central role in the global programmes of assistance to the developing countries in their promotion

of exports. In that connexion, satisfaction was expressed concerning the creation of the regional trade promotion centre in ECAFE and the plans to establish one in ECA, and the hope was voiced that the establishment of similar bodies in other regions would follow. Some representatives pointed to the need to clarify further the role of the participating bodies, for example, that of UNIDO, in relation to the International Trade Centre, as well as to the other participants in the programme.

26. In view of the substantive nature of the report, several representatives doubted that the Council could give adequate attention to it at the resumed sessions and suggested that future reports should be brought before the Council at its summer sessions when questions of substance in the economic field were normally discussed. A number of representatives were of the opinion that, since the Council should exercise overall co-ordination in the field of export promotion in accordance with its resolution 1362 (XLV), future reports of the Secretary-General on that subject might be considered by both the Committee on Programme and Co-ordination and the Council's Co-ordination Committee. The Council requested the Secretary-General to suggest the most appropriate time for the consideration of future reports on the subject in the light of its comments concerning the matter.

27. One member recalled that the views of the Nordic countries on the report of the Secretary-General had been expressed at the ninth session of the Trade and Development Board, as reflected in its report.¹¹ Another member expressed agreement with the structure of the report on United Nations export promotion efforts (E/4714) and its method of presenting factual material. At the same time, he wished to see more information on the future export promotion programmes of the participating agencies in forthcoming reports.

28. In its resolution 1464 (XLVII), the Council took note of the report of the Secretary-General on United Nations export promotion efforts and requested him to report to it on the subject every two years.

⁹ E/SR.1642.

¹⁰ *Official Records of the General Assembly, Twenty-fourth Session, Supplement No. 16 (A/7616)*, transmitted to the Council by a note of the Secretary-General (E/4749).

¹¹ *Ibid.*, para. 205.

Chapter IV

FINANCIAL QUESTIONS

A. REPORT OF THE INTERNATIONAL MONETARY FUND

29. The Managing Director of the International Monetary Fund, introducing¹² the Fund's annual report for the fiscal year 1968/69¹³ at the resumed forty-seventh session, observed that the upsurge of economic activity that had begun in the industrial countries in mid 1967 had continued into the current year, although recently a certain decline in the overall rate of growth had been discernible. The result had been a strong stimulus to the trade in primary commodities and to world trade in general, which had risen at an unprecedented rate. Those developments would have been very welcome had they not been marred by symptoms of internal and external disequilibrium in some of the major industrial countries. Inflationary pressures appeared to have become generalized throughout the industrialized world. They had been intensified by delay in taking the needed remedial measures. As a consequence, there had been a growing stringency in the international credit market and a general upward movement of interest rates.

30. The spread of inflationary forces among countries had led to severe and often persistent balance-of-payments difficulties. The exchange markets had continued to suffer from recurrent shocks of massive speculation. Those disturbances had been contained by financial co-operation among the countries concerned and by drawings on the Fund. However, it was now recognized that much more needed to be done, on a co-operative basis, to prevent the underlying causes of disequilibrium that encouraged such speculation. Signs of improvement were in evidence as a result of the corrective measures taken in the Federal Republic of Germany, France, the United Kingdom and the United States of America, and it was to be hoped that, in future, the continued pursuit of appropriate demand management policies, and progress in achieving a better harmonization of economic aims in the industrial countries would maintain the stability of the international monetary system.

31. In view of the need for a sound growth of international trade and payments, the Board of Governors of the Fund, at its 1969 annual meeting, had approved the proposal for the activation of the special drawing rights (SDR) scheme. The drawing rights would be allocated to all participant members on the basis of their quotas in the Fund, over a first basic period of three years beginning on 1 January 1970. Allocations would be made at yearly intervals and would total about \$9,500 million. The provision of international liquidity through the allocation of special drawing rights would facilitate the adjustment process,

but it would not obviate the need to pursue adequate national policies of demand management.

32. The Fund provided conditional liquidity by giving temporary assistance to countries with balance-of-payments deficits. It was generally agreed that a certain balance should be maintained between the supply of such conditional liquidity and that of unconditional liquidity. At the recent annual meeting of the Fund, the Governors had recognized the need for a substantial increase in Fund quotas and had asked the Executive Directors to undertake the fifth quinquennial review of quotas. An increase in the size of quotas would strengthen the Fund's role in facilitating optimal adjustments of balance-of-payments disequilibria. There was widespread support for the view that in the adjustment of Fund quotas care should be taken to preserve the interests of the developing countries.

33. In the area of commodity price stabilization, the Fund had established, in 1963, a special compensatory financing facility. That facility, which had been expanded in 1966 and was separate from, and additional to, the members' access to Fund resources under its regular tranche policies, had been used frequently by primary producing members; outstanding drawings under the facility totalled \$384 million. More recently, at the request of the Governors, a study had been made of the problem of stabilizing the prices of primary products. On the basis of that study, the Executive Directors had decided to establish a new facility to assist member countries having balance-of-payments needs in connexion with the financing of buffer stocks under commodity agreements that met appropriate criteria. Purchase from the Fund for the purpose of buffer stock financing could be made up to amounts equivalent to 50 per cent of quota, so long as the total of those purchases, together with any purchases under the facility for compensatory financing of export fluctuations outstanding at any given time, did not exceed a common upper limit of 75 per cent of quota.

34. Turning to the question of achieving the sustained and rapid development of the low-income countries, the Managing Director observed that in recent years foreign aid had not only failed to grow in proportion to the income of the developed countries but its quality had deteriorated because of the common practice of aid tying. The cost of external credit had increased while the supply had become increasingly scarce, either because of official restrictions or because of larger profit opportunities elsewhere. The recent high rate of activity in the developed countries had provided a stimulus to the exports of developing countries, but the beneficial effects would have been greatly enhanced if the developed countries had found it possible to provide easier access to their markets for those exports. It was therefore most important that policies in the industrial countries should be designed to keep inflation under effective control. With such policies, and given the new arrangements for an adequate growth

¹² E/SR.1643.

¹³ International Monetary Fund, *Annual Report of the Executive Directors for the Fiscal Year ended April 30, 1969* (Washington, D. C.).

of international liquidity, there should no longer be any balance-of-payments justification for a slackening of efforts to expand development aid or ensure freer trade and payment. It was encouraging to see that the developing countries were giving increasing attention to realistic financial programming to ensure that the demand on real resources should remain in approximate balance with their availability. In recent years, the attainment of development aims had sometimes been jeopardized by balance-of-payments difficulties. To some degree that could be attributed to the particular path of industrialization chosen. In many countries economic development had been fostered principally through import-substituting activities under the protective cover of restrictions. The existence of a domestic market was a strong inducement to concentrate on the production of import substitutes, as was the apparent possibility of saving foreign exchange through import reduction. However, an excessive emphasis on import substitution had in many cases led to misallocation of resources and had proved self-defeating; import needs had continued to rise while in the absence of adequate stimulus to the export sector the ability to import — a vital element in economic growth — had been undermined. There was a growing realization that the usefulness of inward-looking industrial development was limited and that sound industrialization policies must be broadly based to take full advantage of existing opportunities for profitable trade with the outside world. The importance that the Fund attached to realistic exchange rate policies should be understood in that light; an exchange rate that was maintained without undue recourse to restrictions provided the best link between the growth of the national economy and that of the world at large.

35. In the ensuing discussion,¹⁴ all the representatives who spoke congratulated the Managing Director on his presentation of the report and commended the Fund's performance during the year under review. Several representatives of developing countries welcomed the creation of the special drawing rights as a major step towards strengthening the international monetary system but deplored the absence of a link between those rights and the provision of development finance. Some of them expressed gratification at the statements made by representatives of developed countries to the effect that the creation of the SDR, by increasing international liquidity, might help the growth of development assistance. With regard to Fund quotas, one representative said that the determination of the relative quotas of developed and developing countries could not be based on any single or simple criterion but should take into account each country's need and its ability to contribute. Another representative questioned whether the Fund's net income should be distributed to member States since the main beneficiaries were the developed countries; the income might more appropriately be placed at the disposal of international organizations such as IDA.

36. At the end of the discussion, the Managing Director said that the Fund attached the greatest importance to the views expressed by members of the Council. He observed that the Fund's task was not to provide development financing direct but to help create the bases for the efficient implementation of development programmes. He welcomed the general gratification expressed at the creation of the SDR. In that

connexion he recalled that during the discussions in the Fund that had preceded the introduction of the SDR, many countries had expressed the view that the problem of international liquidity and that of development aid should be tackled separately. However, he emphasized that the activation of the SDR would make it difficult for donor countries to use their balance-of-payments difficulties as an excuse for not providing the developing countries with the assistance that the latter needed. The forthcoming review of quotas would be based on various factors, including national income, reserves, foreign trade and export fluctuations, and would therefore not be unfavourable to the developing countries. With regard to the new Fund facility for the financing of buffer stocks, he emphasized that, since the Fund's resources were of a monetary nature, they could not be tied up on a long-term basis.

37. The Council, in resolution 1465 (XLVII), took note with appreciation of the report of the Fund.

B. REPORTS OF THE WORLD BANK GROUP

38. In introducing the annual reports of the International Bank for Reconstruction and Development (IBRD) and the International Development Association (IDA), and the annual report of the International Finance Corporation (IFC)¹⁵ at the resumed forty-seventh session,¹⁶ the President of the World Bank Group observed that in the fiscal year 1968/69, the Group had increased its financing of development projects by 87 per cent and its borrowing on world capital markets by 55 per cent in comparison with the preceding fiscal year. He stressed that the Group was not simply lending for development in general but for very specific high-priority projects and programmes that fitted into an over-all strategy. As he had indicated in the statement made to the Council in 1968,¹⁷ more attention had been devoted to Africa and Latin America. Loans and credits to African countries had increased by nearly 150 per cent during the year under review, and the Group's operations in Latin America were increasing rapidly in order to attain the goal of more than doubling them by 1973.

39. Great emphasis had been laid on three sectors: population, agriculture and education. A Population Projects Department set up within IBRD was prepared to offer technical advice, as well as financing where feasible, to help developing countries solve their population problems. The number of agricultural loans made by the Group had doubled during the year and it was hoped that in the future IBRD would be able to join other members of the United Nations family, appropriate bilateral aid organizations and private groups in promoting innovative applied agricultural research. The Group's lending for education had trebled during the same period; in future, the Bank's efforts in education would shift away from physical construction and concentrate more on school administration, teacher training, curriculum design, innovative instruction techniques and long-range educational planning tied directly to the development strategy of the economy as a whole.

40. The World Bank Group planned to give increased attention to the problems of unemployment,

¹⁵ International Bank for Reconstruction and Development and International Development Association, *Annual Report, 1969* (Washington, D. C.); International Finance Corporation, *Annual Report, 1969* (Washington, D. C.). Summaries of the reports were before the Council under the symbol E/4746.

¹⁶ E/SR.1639.

¹⁷ E/SR.1571.

¹⁴ E/SR.1643, 1644.

urbanization and industrialization. The Group could not eliminate unemployment in the developing world, but it intended to achieve a better, more practical understanding of its dynamics and of the measures best calculated to mitigate it in a given economic environment, and would make its advice available to all member countries that sought it. The problems of urbanization called for an integrated country-wide strategy of rural-urban development, which would integrate population planning, regional specialization and industrial growth and emphasize the economic policies that would optimize the national income and distribute it more equitably. With regard to industrialization, the developing countries needed to introduce national policies designed to make their existing industrial structure more export-oriented and to let the forces of competition sharpen its efficiency. The technologically advanced nations had a reciprocal responsibility to remove import restrictions against the manufactures that the emerging world could efficiently supply. Over the past two years, the Group had doubled its level of lending to development banks and in the fiscal year 1968/69, IFC had nearly doubled its investments, which had had the catalytic effect of bringing about investments of more than \$500 million in the private sectors of sixteen countries. An Industrial Projects Department was to be established within IBRD whose purpose would be to expand the Group's lending in the industrial sector and to make practical recommendations to developing countries as to how they could best accelerate their industrial growth.

41. The President of the World Bank Group expressed the hope that all the countries that participated in the financing of IDA would co-operate in getting the negotiations for the third replenishment of the Association's resources under way promptly, so that specific proposals for the replenishment agreed upon by all the contributing Governments could be placed before the Executive Directors of IDA by 30 June 1970.

42. In all its activities the World Bank Group co-operated as appropriate with other members of the United Nations family, and that co-operation would be expanded and strengthened in the future. In order

to make a greater contribution to the development efforts of the United Nations family, IBRD intended to expand its programme of country economic reports which constituted an informed and impartial source of precise and professional development information. From 1970 onwards a regular annual mission would be sent to each major developing country in order to report on economic and social progress and future prospects.

43. In conclusion, he drew special attention to the report of the Pearson Commission¹⁸ and urged that every member of the Economic and Social Council and every United Nations agency submit it to the fullest possible discussion and move forward to implement without delay those recommendations of the Commission with which they agreed.

44. In the ensuing debate,¹⁹ all the representatives who spoke congratulated the World Bank Group on its achievements and commended its plans for the future. Many speakers expressed concern about the increase in the interest rate charged by the Bank. In that connexion, two representatives thought that it would be desirable to set up a subsidization fund to alleviate the burden that the high interest rate imposed on developing countries. Two other representatives expressed the view that IBRD should take immediate steps to provide financing or refinancing for export credits granted by developing countries. Another said that IFC should be more active in identifying and formulating development projects in developing countries.

45. At the end of the debate, the President said he welcomed the great interest that had been expressed in the report of the Pearson Commission. He and the directors of IBRD shared the concern felt by members of the Council about the increase in the IBRD interest rate and intended to reduce that rate at the first opportunity.

46. The Council, in resolution 1462 (XLVII), took note with appreciation of the reports of the World Bank Group.

¹⁸ *Partners in Development; Report of the Commission on International Development* (New York, Praeger, 1969).

¹⁹ E/SR.1639, 1640.

Chapter V

TOURISM*

47. At its resumed forty-seventh session, the Council had before it²⁰ the report of the Secretary-General on the constitutional, organizational and financial implications of the establishment of an intergovernmental tourism organization (E/4750) that it had requested in its resolution 1449 (XLVII), in addition to the documentation which had been before it at its forty-seventh session—consisting of a review of the programmes and activities of the United Nations system of organizations for the development of tourism (E/4653 and Add.1-4) and a report on the United Nations Interregional Seminar on Tourism Development (E/4615)—and of which it had decided to defer further consideration to its resumed forty-seventh session.

48. The report of the Secretary-General (E/4750) set out three possible constitutional approaches to the establishment of an intergovernmental tourism organization, namely, the creation, by convention, of an intergovernmental tourism organization; the establishment of an intergovernmental tourism organization by resolution of a United Nations organ; and the conversion of the International Union of Official Travel Organizations (IUOTO) into an international organization, of an intergovernmental character, through the revision of its statutes. The report also discussed the organizational implications of the establishment of such an organization in respect of membership, structure and voting, and the financial implications, discussion of which was confined to a description of past practice and the various procedures so far followed in connexion with some of the subsidiary organs of the United Nations.

49. Also before the Council was a note by the Secretary-General (E/4750/Add.1) transmitting the text of a resolution adopted by the General Assembly of IUOTO at its twenty-first session held at Dublin in October-November 1969 on the adaptation of IUOTO to its current and future responsibilities. In that resolution, the General Assembly of IUOTO, *inter alia*, reaffirmed its determination to set up as promptly as possible a tourism organization of intergovernmental character; recognized that the procedure indicated by the Intergovernmental Conference on Tourism at Sofia (E/4653/Add.1) did not necessarily constitute the only means of establishing the best organization for world tourism, and agreed, provided that the Governments concerned concurred, to consider the adoption of an alternative procedure to be recommended by the United Nations. It consequently urged the Council to recommend to the General Assembly the adoption of a resolution inviting States whose national official tourist organizations were members of IUOTO to approve and adopt such new procedure and give the necessary instructions and powers to their representa-

tives to IUOTO; requested the President of IUOTO to entrust a working group with the task of working out draft revised statutes that would give the organization an intergovernmental character; declared that it was essential to establish operational links between the transformed IUOTO and the United Nations by means of a formal agreement; and requested the Secretary-General of IUOTO to hold the necessary consultations with the competent authorities of the United Nations with a view to laying the foundations of such a draft agreement.

50. The discussion in the Council concerned itself mainly with the transformation of IUOTO into an intergovernmental organization through a revision of its statutes and with the methods of co-operation and consultation between the transformed IUOTO and the organizations of the United Nations system that dealt with tourism.

51. Many representatives stressed the importance of tourism for the economic and social development of certain developing countries, and the role that tourism could play in international understanding and co-operation.

52. While recognizing the competence of IUOTO in the field of tourism, the members remained mindful of the important activities in that field of the United Nations system of organizations. The suggestion was made that the Secretary-General should, at a later stage, consider presenting to the Council a substantive programme of work in the field of tourism.

53. With regard to the role that the transformed IUOTO could play within the United Nations Development Programme, it was pointed out that UNDP alone had the responsibility for deciding whether IUOTO should function as an executing and participating agency.

54. It was also observed that not all countries had an official national tourist organization and that certain members were represented in IUOTO by non-governmental organizations. It was important to ensure that such countries should not be excluded from membership in the transformed organization.

55. In a statement before the Council, the Under-Secretary-General for Economic and Social Affairs noted that the setting up of an intergovernmental tourism organization, though an important step, was only part of the programme for promoting tourism in the world. Very ambitious programmes would need to be set up for building the necessary infrastructure and superstructure in the developing countries, which would require vast sums of public as well as private capital and the effects of which would not become apparent for the next ten years. Tourism was an important source of foreign exchange, and because of its labour-intensive character, a valuable source of employment. To achieve the greatest return, all projects should be

* Agenda item 97 of the twenty-fourth session of the General Assembly is entitled "Development of tourism".

²⁰ E/SR.1649.

conceived within a framework of general programming. He expressed the hope that at a future session, the Council would consider in detail the two studies on tourism which the Council had had before it, namely, the report of the Secretary-General on the activities and programmes of the United Nations system of organizations for the development of tourism (E/4653) and the report of the United Nations Interregional Seminar on Tourism Development (E/4615).

56. At the close of its debate, the Council adopted a resolution (1471 (XLVII)) in which it recommended to the General Assembly the adoption of a draft resolution by which the General Assembly would: express its belief that a formula that would allow agreement to be reached among Governments more readily for the establishment of an international tourism organization of an intergovernmental character would be the conversion of IUOTO into an international organization of intergovernmental character through a revision of its statutes and the establishment of operational links between the transformed IUOTO and the United Nations by means of a formal agreement; take note of the recommendation of the IUOTO General Assembly resolution XXI/5 of November 1969; recommend States members of IUOTO to amend the statutes of that organization to give it an intergovernmental character; invite those States, in accordance with their respective internal procedures, to

approve and adopt that procedure; and decide, once the statutes of IUOTO were changed (a) to conclude an agreement between the United Nations and the transformed IUOTO establishing close co-operation between the two organizations, defining the modalities of such co-operation and recognizing the central role of IUOTO in the field of world tourism in co-operation with the existing machinery within the United Nations; (b) that the transformed IUOTO should function as an executing agency of UNDP in order to assist in the technical assistance and pre-investment projects in the field of tourism, and that consideration should be given to enabling it to function as a participating and executing agency of UNDP; (c) that necessary procedures should be elaborated to enable IUOTO to submit to the Economic and Social Council recommendations and proposals relating to international agreements in the field of tourism; and request the Secretary-General, in co-operation with the Administrator of UNDP and the Secretary-General of IUOTO, to prepare a report containing concrete proposals on measures to be taken for the full implementation of the above-mentioned provisions and present it to the Council at its forty-ninth session.

57. The Council was informed that the cost of preparing the report called for in the draft resolution would be approximately \$3,500.

Chapter VI

THE SEA: COMPREHENSIVE OUTLINE OF A LONG-TERM AND EXPANDED PROGRAMME OF OCEANOGRAPHIC RESEARCH*

58. When the Council had considered the question of the sea at its forty-seventh session, it had had before it²¹ a note by the Secretary-General (E/4672) informing it that the comprehensive outline of the scope of a long-term programme of oceanographic research called for in General Assembly resolution 2414 (XXIII) would be before the Intergovernmental Oceanographic Commission (IOC) of UNESCO at its sixth session in September 1969 and that he felt it appropriate to await the conclusions to be reached by IOC before presenting the comprehensive report to the Council.

59. The outline having been approved by IOC, the Secretary-General transmitted the report of IOC to the General Assembly at its twenty-fourth session (A/7750) and to the Economic and Social Council at its resumed forty-seventh session (E/4759). The report dealt, in its first part, with the scientific content of the expanded programme of oceanographic research on a project-by-project basis and identified a number of projects of particular importance in the fields of ocean-atmosphere interaction, variability, living resources, pollution, geology and geophysics. In its second

part, the report dealt with such practical problems of implementation as training, education, information, instrumentation and supporting facilities.

60. During the discussion in the Council,²² several representatives emphasized the importance of the role to be played by IOC by virtue of its competence in dealing with marine science in general and with the implementation of the long-term and expanded programme of oceanographic research in particular. Though the outline was devoted to the scientific aspects of research to be conducted in the marine environment, such research was a prerequisite of any economic benefits to be derived from the exploration and exploitation of the resources of the ocean. Emphasis was also laid on the questions of pollution, training and education, and assistance to developing countries.

61. Regret was expressed that the comprehensive outline did not specify priorities for the various projects included or contain details of the cost and financing of the expanded programme.

62. The Council adopted a resolution (1470 (XLVII)) in which it took note with appreciation of the comprehensive outline of the scope of the long-term and expanded programme of oceanographic research and transmitted it to the General Assembly for its consideration, drawing the attention of the Assembly to the comments and observations made by the members of the Council on the subject.

* Agenda item 32 of the twenty-fourth session of the General Assembly is entitled "Question of the reservation exclusively for peaceful purposes of the sea-bed and the ocean floor, and the subsoil thereof, underlying the high seas beyond the limits of present national jurisdiction, and the use of their resources in the interests of mankind: report of the Committee on the Peaceful Uses of the Sea-Bed and the Ocean Floor beyond the Limits of National Jurisdiction".

²¹ E/AC.6/SR.370-372; E/SR.1630.

²² E/SR.1648.

Chapter VII

CO-ORDINATION QUESTIONS

A. REPORT OF THE RESUMED JOINT MEETINGS OF THE COMMITTEE FOR PROGRAMME AND CO-ORDINATION AND THE ADMINISTRATIVE COMMITTEE ON CO-ORDINATION

63. The report of the Chairman of the Committee for Programme and Co-ordination (CPC) and the Chairman of the Administrative Committee on Co-ordination (ACC) on the resumed Joint Meetings of the two Committees (E/4755 and Add.1) was before the Council at its resumed forty-seventh session.²³ The Council was informed that at the Joint Meetings the two Committees had discussed the question of the restructuring of the machinery for co-ordinating the activities of the United Nations system in the light of the thirty-fifth report of ACC (E/4668) and of the comments made thereon by CPC,²⁴ and the periodicity of future Joint Meetings. The Secretary-General, speaking on behalf of ACC, had provided the Joint Meeting with a brief conspectus of the proposals of ACC and the context in which they had been drawn up, and the executive heads of the agencies had provided further clarification. The discussions had shown that in general there was a large measure of agreement between the two Committees with regard to the approaches to the tasks before the United Nations. In his summing up, the Chairman of CPC had expressed the belief that the concern felt by members of CPC over chapter I of the report of ACC had been largely met by the statements of the Secretary-General and the executive heads of the agencies.

64. The two Committees had agreed that the practice of holding annual Joint Meetings should be continued.

65. The Council adopted a resolution (1466 (XLVII)) in which it took note of the report.

B. ASSISTANCE IN CASES OF NATURAL DISASTERS

66. At its resumed forty-seventh session, the Council considered²⁵ two requests for aid in connexion with natural disasters, namely, to Tunisia in connexion with the floods that had taken place in that country during October 1969 and to Yugoslavia in connexion with the earthquake at Banja Luka. Many representatives extended their sympathy to the peoples and Governments of the stricken countries and, recalling General Assembly resolutions 2034 (XX) and 2435 (XXIII), invited assistance to those Governments.

67. The Assistant Secretary-General for Inter-Agency Affairs informed the Council that, unfortunately, the funds at the Secretary-General's disposal under General Assembly resolution 2435 (XX) had already been exhausted for the current year, and that for the following year inquiries had already been received for

assistance in planning to meet possible natural disasters. The Secretary-General no longer had at his disposal sufficient funds to enable him to contribute towards relief in Tunisia and Yugoslavia. He was trying at that time to find additional funds to increase the Working Capital Fund, which was currently fixed at \$100,000 a year.

68. The Council adopted two resolutions (1468 (XLVII) and 1469 (XLVII)) in which it expressed its deep sympathy to the peoples and Governments of the two countries; invited further assistance to them from Member States and non-governmental organizations; and requested the Secretary-General, the heads of the specialized agencies, the Executive Directors of the World Food Programme and the United Nations Children's Fund, and the Administrator of the United Nations Development Programme, in the light of the funds available, to bear in mind the needs of the Governments of Tunisia and Yugoslavia for the reconstruction of their devastated areas when deciding on the services to be provided to Member States.

C. GENERAL REVIEW OF THE PROGRAMMES AND ACTIVITIES IN THE ECONOMIC, SOCIAL, TECHNICAL CO-OPERATION AND RELATED FIELDS OF THE UNITED NATIONS, THE SPECIALIZED AGENCIES, THE INTERNATIONAL ATOMIC ENERGY AGENCY, THE UNITED NATIONS CHILDREN'S FUND AND ALL OTHER INSTITUTIONS AND AGENCIES RELATED TO THE UNITED NATIONS SYSTEM*

69. At its resumed forty-seventh session the Council had before it²⁶ the final report of the Enlarged Committee for Programme and Co-ordination (E/4748), which had been set up under General Assembly resolution 2188 (XXI) in order to undertake a general review of the operational and research activities of the United Nations system in the economic, social and technical co-operation fields and, on the basis of that review, to make recommendations for improvements. The Council also had before it an account of the operational and research activities of the United Nations system in the field of economic and social development (E/4744, vols. I and II).

70. In its report, the Enlarged Committee had made a number of recommendations for improving the administration of existing activities, among which were (a) one for the establishment of a reconstituted Committee for Programme and Co-ordination to assist the Council in discharging its co-ordination functions, which would be composed of twenty-one States and which would be responsible to the Council and through it to the General Assembly (E/4748, paras. 20-36); (b) a recommendation that the Secretary-General should be asked to prepare a report describing the

²³ E/SR.1645.

²⁴ E/4716, paras. 5-25.

²⁵ E/SR.1645.

* Agenda item 47 of the twenty-fourth session of the General Assembly.

²⁶ E/SR.1644, 1645.

existing and planned computer facilities in the United Nations system, including such questions as their adequacy and the methods adopted for their rational use and the problems involved in co-ordinating their operations (E/4748, paras. 37-42), and (c) a recommendation that the Secretary-General should be requested to include in the report called for under resolution 1454 (XLVII) an examination of the existing Secretariat machinery for providing scientific and technical advice in the United Nations system, and to prepare recommendations for a reorganization of that machinery in a way that would enable it to contribute most effectively to the selection of priorities and to the planning and programming of United Nations activities (E/4748, paras. 43-65).

71. The Enlarged Committee had also made recommendations on the meetings of the United Nations top echelon in the economic and social fields, on strengthening arrangements for the co-ordination of agencies' work programmes, on co-ordination at the national level, and on a framework of headings for classification of substantive programmes and activities (E/4748, paras. 66-88).

72. The Committee had identified twenty-nine general problem areas, a list of which was annexed to the report, but had not had time to consider all of them. Proposals on two questions, the impact of national priorities on the planning, execution and evaluation of international programmes, and common premises for the United Nations field offices, which had been considered by the Committee but not adopted, were annexed to the report. Other questions covered in the report included regional co-ordination, and co-ordination of international activities relating to the marine environment.

73. In pursuance of General Assembly resolution 2188 (XXI), the Committee had arranged for the preparation of a "clear and comprehensive picture of

the existing operational and research activities of the United Nations family of organizations in the field of economic and social development". It had decided to transmit that report (E/4744, vols. I and II) to the General Assembly through the Economic and Social Council without endorsing it, the report being circulated under the responsibility of the Secretary-General. The Committee had also arranged for the preparation of a handbook of criteria and procedures for requesting technical assistance.²⁷

74. During the debate, members of the Council generally expressed support for the recommendations of the Enlarged Committee. It was noted that, because of the increase in the volume and complexity of United Nations activities in the economic, social and human rights fields, co-ordination had become increasingly important for selecting priorities, avoiding duplication and ensuring the most efficient use of available resources. It was hoped that if the Committee for Programme and Co-ordination were reconstituted, it would continue the fruitful dialogue with representatives of the Secretary-General on programme questions and with representatives of agencies on co-ordination matters that had been successfully developed by the Enlarged Committee.

75. At the conclusion of the debate, the Council adopted a resolution (1467 (XLVII)) in which it took note of the final report of the Enlarged Committee and transmitted it to the General Assembly. It noted in particular the Committee's recommendations relating to the reconstitution of the Committee for Programme and Co-ordination, and agreed to revert to that question after the report had been examined by the General Assembly.

²⁷ *Assistance for Economic and Social Development available from the United Nations System; a Handbook of Criteria and Procedures* (United Nations publication, Sales No.: E.69.I.23).

Chapter VIII

CONSTITUTIONAL AND ORGANIZATIONAL QUESTIONS

A. PROCEDURE FOR THE CONSIDERATION OF THE ANNUAL REPORT OF THE HIGH COMMISSIONER FOR REFUGEES AND OF THE REPORT OF THE UNITED NATIONS CHILDREN'S FUND

76. In the decision taken at its 1637th meeting²⁸ in connexion with measures to improve the organization of its work,²⁹ the Council, among other things, requested the Secretary-General to study the possibility that the report of the High Commissioner for Refugees should in future be submitted direct to the General Assembly rather than through the Council to the General Assembly, and that the report of the Executive Board of the United Nations Children's Fund should be submitted only to the Council and not to the General Assembly.

77. In a report (E/4751) to the Council at the resumed forty-seventh session,³⁰ which was prepared in consultation with the United Nations High Commissioner for Refugees and the Executive Director of UNICEF, the Secretary-General noted that experience had shown the value of canalizing certain recommendations of the Executive Committee of the High Commissioner's programme through the Council to the General Assembly, and called attention also to the many questions of co-ordination that arose in connexion with the activities of the High Commissioner's Office with those of other organizations of the United Nations system, and to the participation of the High Commissioner in the work of the Administrative Committee on Co-ordination and of the Inter-Agency Consultative Board.

78. The Council adopted the suggestion of the Secretary-General and decided that in future the annual report of the High Commissioner would be retained on the agenda of the summer session on the understanding that the report would be transmitted to the General Assembly without debate unless the Council were to decide otherwise, at the specific request of one or more of its members or of the High Commissioner, at the time of the adoption of the agenda. In the course of the discussion, some representatives suggested that the procedure adopted might, if necessary, be reconsidered after a trial period.

79. As regards the report of the Executive Board of UNICEF, the Secretary-General pointed out that it had by tradition been considered annually by the Council as a separate item on the agenda of its summer session and that the General Assembly had also annually reviewed the work of UNICEF, not as a separate item but in a separate discussion as part of its consideration of the report of the Council. Since UNICEF depended entirely upon voluntary contribu-

tions, which came from virtually all the States Members of the United Nations, and did not hold annual pledging conferences, he suggested that there might be some value in continuing an arrangement whereby the entire membership of the United Nations could systematically review the work of the Fund at reasonably frequent intervals. In line with the suggestion of the Secretary-General, the Council decided to recommend to the General Assembly that the review of the work of UNICEF in the form of a separate discussion in the Third Committee should take place once every two years rather than annually as at present. It was understood that, since the Council's annual report to the General Assembly would continue to contain an account of the Council's discussion of the report of UNICEF, any Member of the General Assembly would still be free to refer to it in the course of the discussion of the Council's report.

B. CALENDAR OF CONFERENCES AND MEETINGS FOR 1970 AND 1971

80. At the resumed forty-seventh session,³¹ the Council considered a number of questions relating to the calendar of conferences and meetings for 1970 and 1971 which it had, at the forty-seventh session, adopted in principle, subject to reconsideration if necessary at a later date.³²

81. At the request of the Preparatory Committee for the Second United Nations Development Decade,³³ the Council considered the date and place of the fifth session of the Committee and decided that it should take place at Headquarters from 24 February to 13 March 1970. In the course of the discussion, two representatives expressed the view that the question should have been decided, not in the Council but by the Preparatory Committee itself.

82. Recognizing that the session of the Commission on the Status of Women would overlap with the meetings of the Third Committee during the General Assembly in 1970 and in order to prevent that from happening, the Council reviewed its former decision that the Commission on the Status of Women should meet at Geneva in the autumn and decided that the session should take place instead at Geneva from 23 March to 10 April 1970.

83. The Council further decided that its forty-ninth session should take place at Geneva from 6 to 31 July 1970, the session being preceded by meetings of the Committee for Programme and Co-ordination on 1 July and by Joint Meetings of the Committee for Programme and Co-ordination and the Administrative Committee on Co-ordination on 2 and 3 July.

²⁸ E/SR.1637.

²⁹ See *Official Records of the General Assembly, Twenty-fourth Session, Supplement No. 3* (A/7603 and Corr.1), chap. XIV, section B.

³⁰ E/SR.1640.

³¹ E/SR.1646.

³² See *Official Records of the Economic and Social Council, Forty-seventh Session* (E/4735), p. 20.

³³ A/7525/Add.3, transmitted to the Council under the symbol E/4624/Add.2, para. 15.

84. Finally, the Council approved the calendar of conferences and meetings for 1970 and 1971, as amended, on the understanding that the Secretary-General would endeavour to arrange, through the Committee on Conferences, for the twenty-sixth session of the Commission on Human Rights to be held from 23 February to 27 March rather than from 17 February to 23 March 1970.

C. REVISION OF THE RULES OF PROCEDURE OF THE COUNCIL AND OF ITS FUNCTIONAL COMMISSIONS

85. The Council, at its resumed forty-seventh session, considered³⁴ a number of amendments to its rules of procedure and those of its functional commissions arising out of the measures it had adopted to improve the organization of its work³⁵ and the calendar of

³⁴ E/SR.1647.

³⁵ See *Official Records of the General Assembly, Twenty-fourth Session, Supplement No. 3 (A/7603 and Corr.1)*, chap. XIV, section B.

conferences and meetings for 1970 and 1971 it had approved during its forty-seventh session.³⁶

86. The Council decided to adopt, on a provisional basis, the Secretary-General's proposals for amendments to the relevant rules of procedure and other organizational changes,³⁷ and to suspend rules 2, 9 and 14 of its rules of procedure. The Council further decided that, in the light of experience with the new programme of conferences and meetings in 1970, it would consider the revision of its rules of procedure at the first regular session in 1971.

87. The Council also decided to amend rule 2 of the rules of procedure of the functional commissions by replacing the reference in that rule to the Interim Committee on the Programme of Conferences by a reference to the Committee on Conferences of the General Assembly.

³⁶ See section B above.

³⁷ E/4757 and Corr.1, paras. 4-8.

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