



## ECONOMIC AND SOCIAL COUNCIL

FIFTY-THIRD SESSION

OFFICIAL RECORDS

Tuesday, 4 July 1972  
at 3.15 p.m.

PALAIS DES NATIONS, GENEVA

*Président:* Mr. SZARKA (Hungary)

## AGENDA ITEM 2

**General discussion of international economic and social policy (*continued*) (E/5124, E/5132, E/5144, E/5145, E/5160, E/5161)**

1. Mr. RIDGE (Universal Postal Union) said that UPU, as one of the more specialized of the agencies and one whose contacts with United Nations bodies were comparatively infrequent, particularly welcomed the annual opportunity to address the Council and to furnish a first-hand account of its aims and preoccupations.
2. Although the relevance of UPU's activities to economic and social policy-making, as exemplified by the third session of UNCTAD and the United Nations Conference on the Human Environment, might not be obvious, postal services had an important role to play in that regard. They were genuinely universal and non-discriminatory, which was the basis of their social, cultural, commercial and administrative importance, but their ready availability often caused people to take them for granted and to fail to realize the amount of organization, planning in relation to public need, and investment in equipment that lay behind such a familiar phenomenon as the letter-box cleared at regular intervals.
3. In all countries the postal services were comparable to large industrial enterprises and in the developed countries they absorbed up to 1 per cent of the total labour force. Their responsibilities included the forwarding and delivery of mail, the provision of public and sorting offices and of parking space for postal vehicles, and the direction of thousands, or even hundreds of thousands, of employees, and the services they provided, which included money transfers and savings-bank facilities.
4. As in all commercial enterprises, it was necessary to cover expenses by appropriate charges and to make projections and plans for the future. The necessity for uniformity of procedures and charges at the national level was self-evident and it was one of the main objectives of UPU to ensure a similar uniformity at the international level. Even in the developed countries, where mechanization was being increasingly introduced — which explained UPU's participation in the World Plan of Action for the Application of Science and Technology to Development — large trained labour forces were required, and that was true even more of the less-developed countries, which could not afford major capital investment programmes. Hence the importance that UPU had from the outset of its partici-

pation in UNDP attached to training programmes, which had been supplemented by the specific objectives established in connexion with the Second United Nations Development Decade, to which the Director-General of UPU had referred in his statement to the Council at its fifty-first session.<sup>1</sup>

5. Unfortunately, the unspectacular nature of the postal services sometimes led to their neglect in the countries which most needed them to underpin their economic and social development — a tendency that was reinforced by the fact that officials at the higher level were sometimes unaware that their country's services were not generally as efficient as those they enjoyed personally in virtue of their position. It was to remedy that situation that UPU had, two years previously, sponsored the production of a widely-diffused memorandum setting out, with specific examples, the contributions that an efficient postal service could make to development.
6. Mr. FRAZÃO (Brazil) said that his delegation was firmly convinced of the imperative need for the Council to seize the opportunity offered by the new climate of consultation, *rapprochement* and reduced tension evident in international relations at the present time, together with the multiplication of economic, financial and scientific links between States, to take the political decisions necessary to gear international co-operation to the attainment of development, stability and expansion. Only in that way could the Council discharge its responsibility to provide adequate operational mechanisms and decision-making procedures for achieving the goals set by the Charter, such as the raising of living standards, the promotion of full employment and the creation of conditions favourable to economic and social development.
7. The failure of the Council over the last quarter of a century to perform those tasks effectively had perhaps been due to the political constraints that had also paralysed the Security Council, and to a certain aloofness on the part of some members with regard to the pressing claims of the developing world that had come to the fore in the post-war era. The conflict of goals that had arisen between the developed world and the emerging countries had generated pressures which the Council had not been able to overcome by political means. Its low record of achievement was reflected in the fact that the procedural resolutions it had adopted since its establishment were almost as numerous as the substantive ones. The Council had in fact been a mere timid spectator of the operation of the Bretton Woods system and it had become bogged down in the discussion of

<sup>1</sup> See *Official Records of the Economic and Social Council, Fifty-first Session, 1780th meeting, paras. 13-22.*

system and it had become bogged down in the discussion of matters of low priority for both developed and developing countries. It was to fill that vacuum of political will that the General Assembly had intervened by establishing UNCTAD, UNIDO and UNDP which had provided the machinery for action that had been lacking in the Council. His delegation wished to see the Council affirm and improve its capability to co-ordinate and to impart the politically integrated guidance required by that constellation of institutions, and so assume once more its function as the principal United Nations organ responsible for stimulating the General Assembly to take final decisions for the implementation of action-oriented policies.

8. The unsatisfactory state of affairs which had hitherto obtained was not the primary responsibility of the Secretariat, or, more specifically, the Department of Economic and Social Affairs, which had had to perform the tasks entrusted to it by Governments. The Secretariat had been concerned mainly with the compilation of statistical data, the collation of sectoral information and the production of general analyses rather than with the presentation of alternatives for political decision. If, however, the Council showed the necessary flexibility and foresight to formulate comprehensive policies for international economic and financial co-operation to be implemented by its own appropriate mechanisms, the Secretariat could be expected to play a new, forward-looking role.

9. As far as the subsidiary bodies of the Council were concerned, they wasted time and energy by dealing with problems in a piecemeal way and were deprived of the comprehensive doctrines of economic and social development which it was the Council's function to provide. The Council must put the ineffectiveness of the past behind it and become the operative body it always should have been.

10. As a consequence of the General Assembly's decision, in resolution 2847 (XXVI), to increase the membership of the Council, the developing countries felt that it could be made a more effective instrument for the improvement of co-operation in development and the acceleration of progress, and they hoped that the developed countries would eventually come to reconsider their attitude to its role. There were renewed signs of financial crisis and economic instability and there was no doubt that protectionism was creeping into the economic and financial decisions being taken in several developed areas of the world.

11. His delegation firmly believed that the accumulation of unsolved problems was a result of the past incapacity of the international community to move forward, beyond makeshift arrangements that barely arrested the drift towards international economic anarchy, to the establishment of an economic order in which the plight of the developing countries would be substantially alleviated and its causes eventually eliminated. The failure to achieve that goal must again be ascribed to the lack of political will on the part of many developed countries, both with centrally planned and with market economies, fully to commit their abundant resources to that vital effort. The recurrent economic and financial crises of the developed countries could not be overcome without the integration of the

low-income societies into the world economic and financial system established by the fully industrialized nations. Prevailing international patterns of production and trade were not only unjust and detrimental to the developing countries but hindered that integration and the achievement of a new international division of labour. The positive feedback from development would act as a corrective to the present unbalanced distribution of the world's wealth and income, a pattern which the technological revolution was threatening to freeze. There were, however, signs of an economic, scientific and financial *rapprochement* between the major Powers and between them and the countries that had recently been described as their "clientele" — their "unwilling clientele", as he himself would put it.

12. When in 1963, at the second session of the Preparatory Committee of the United Nations Conference on Trade and Development, the developing countries had attempted to project the benefits that could spring from an intensification of a two-way flow of trade between the major political blocks with different social and economic systems, progress had been precluded by the political atmosphere then prevailing. Now that co-existence and negotiation were the current watchwords and that a further three Powers had assumed a first-rank role, it was to be hoped that the links between development, stability, expansion, peace and security could be re-emphasized.

13. Although much had been accomplished by the United Nations system in the economic sphere, the achievements were rather meagre in comparison with the magnitude of the problems confronting the international community, and — which was particularly relevant to the current debate — they were not a result of the Council's work but of intensive negotiations conducted elsewhere in the United Nations framework.

14. Progress to date had been made possible by the awareness that the developing countries were an integral part of the international community, which was collectively responsible for solving the world's social, economic and financial problems. The international community had by and large discarded the theory that well-being could be spread everywhere through the promotion of full employment and that the world economy was merely the aggregate of national monetary and trade units which could be profitably interrelated within a permanent framework, provided that certain rules were observed by all countries. It now recognized that development was a precondition for stability and expansion, and for international peace and security. That view was based on the concept of collective economic security, the premise that the development of developing countries and the economic expansion of the developed countries were two aspects of the same process, and on the recognition of the need to eliminate international tensions arising from the economic disparity between the industrialized and developing countries. The Council could play a major role in the creation of such a system of collective economic security by formulating doctrines and policies encompassing both development and expansion. That it had not taken up the challenge posed by under-development was inexcusable. Its proceedings had an air of unenlightened conservatism and gave the impression

that it was being used as a means of resisting and obstructing change within the United Nations.

15. Inadequate representation in the Council had for many years kept it aloof from development efforts made through UNCTAD, UNDP and UNIDO. With the enlargement of its membership, the Council could still be made to face reality, overcome its apathetic attitude towards pressing economic problems and play a useful role in international co-operation for development. The membership of the sessional committees was at last large enough to accommodate and reflect the diversity of views in the United Nations, and would give the developing countries a sense of participation in the solution of economic and social problems.

16. If the Council was to play an effective and dynamic role in economic affairs, many bold, imaginative measures would have to be adopted to improve the structure of its work. Routine, repetitive, overlapping debate would have to be abolished, its overloaded agendas radically simplified, new items introduced and provision made for special sessions to deal with international economic emergencies or conflicts. Only when emergency meetings of the Council could be called to discuss international economic crises, prior to their consideration in the General Assembly, would the United Nations be fulfilling its role in the economic and financial field. The Council would then no longer be a rubber stamp for innumerable reports which were not discussed or seriously considered, but would have become a co-ordinating body with a policy-making and negotiating role. To expedite that transformation, the major economic Powers should be prepared to bring important economic problems to the attention of the Council.

17. He was glad that the Secretary-General had referred in his opening statement (1819th meeting) to the concept of collective economic security and had offered some guidelines for its systematic study by the Council and for its practical application. Brazil would wholeheartedly support that endeavour.

18. Mr. GORSE (France) said that the Council's primary role was to review national economic and social policy objectives and to work out an international scale of priorities as a basis for the work of United Nations specialized agencies. Its role was therefore at the highest level, in accordance with the spirit of the Charter. France attached the greatest importance to the Council's general debates and the French Government had recently obtained from Parliament authorization to ratify the Charter amendment increasing the Council's membership from 27 to 54.

19. As the representative of Tunisia had pointed out, the Council was bound to consider the major events of the past year. It was significant that most western countries, in considering those events, had questioned the desirability of making economic growth their main policy objective.

20. The continuing monetary crisis, despite the agreements of December 1971, indicated a basic imbalance in international economic relations. No co-operation was possible in the fields of concern to the Council if States could not stabilize their currencies or create favourable

financial conditions for the harmonious development of foreign trade. Stable rates of exchange were in the interests of both developed and developing countries, making agreements more lasting and reducing exchange controls to a minimum. As Governments could no longer claim to have complete control over their monetary policies, it was only fair that all countries should participate in decisions affecting the international monetary system. France could not accept a situation in which its economy and the fate of its currency could be influenced from outside by policies in which it had had no say or by decisions in which it had not participated.

21. It was of course disappointing that no progress towards commodity-price stabilization had been made at the third session of UNCTAD, but the session had not been a failure. It had provided developing countries with an opportunity to reaffirm their positions, which would henceforth have to be taken into account. Moreover, it had for the first time tried to launch a coherent programme for the benefit of the least-developed countries. That programme would be only the beginning of the large-scale efforts needed to overcome the problems of countries which otherwise could not hope to acquire the means for building a modern economy for a long time to come. The Conference had also recommended action, often unanimously, on other matters of concern to the developing countries, and had clearly strengthened international co-operation in the trade and assistance fields.

22. The United Nations Conference on the Human Environment had drawn attention to real dangers and would encourage the international community to plan new forms of joint action which individual Governments could not effectively carry out alone. The Council could ensure that the efforts of the international organizations concerned were not dispersed. The Conference had also given developing countries an opportunity to learn from the mistakes made by other countries in the pursuit of industrialization. International co-operation would enable man to use science to solve the very problems its application had created. The United Nations was rightly taking an increasing interest in the problems of science and technology. His Government was studying with great interest the World Plan of Action for the Application of Science and Technology to Development.

23. The three events to which he had referred pointed to the need for closer harmonization of national policies. While UNCTAD's goal was the fastest possible development of under-developed economies, in the eyes of some environmentalists development was an evil to be resisted. The monetary crisis could also be regarded as a development disease. Wide publicity had recently been given in developed countries to two arguments in favour of slowing down or halting development. One was that the natural resources needed to maintain current growth rates would soon become inadequate and economic activity would have to be curtailed. The other was that growth was accompanied by increasingly frequent crises and social ills and would therefore have to be regulated or stopped before society was paralysed. Obviously, if the population became too large for the earth to support, mankind would have to

accept restraints in order to survive. Those arguments were of course oversimplified and could offer only negative solutions. France for its part considered that development was necessary but that it was good only if kept within definite limits.

24. An increase in the national product of developing countries, which was itself dependent upon the maintenance of a high level of activity in the industrialized countries, was the primary quantitative target for the Second United Nations Development Decade. There was therefore no question of abandoning it. Economic development, however, could lead to disappointment if it was not regarded as a means of ensuring social progress. As the Secretary-General had said, the division between economic and social progress, always arbitrary and theoretical, had perhaps become an impediment to effective development action. The same point was made in the *World Economic Survey, 1971* (E/5144). Economic and social progress meant that the developing countries should not be content to follow policies which merely increased the quantity of material goods made available to the population. The standard of living was not expressed only in terms of *per capita* income, but should be a measure of the national well-being, whose improvement was one of the main objectives laid down in the Charter. To the poorer countries it might seem more difficult to achieve economic development and to eliminate social inequality at one and the same time, but it was necessary and many of them had already realized that and had included in their plans consideration of social justice, attaching equal importance to the use, and to the production, of wealth. There was indeed little hope of full employment unless Governments adopted adequate population policies.

25. Economic and technical assistance policies should be re-oriented to serve the interests of the recipient countries rather than of the donors. If, for example, there was likely to be a shortage of raw materials, they should be economically used and their prices fixed at high levels. The profit derived from the higher prices should preferably go to the developing producer countries, through the application of international commodity agreements when such action seemed necessary. Having attained higher growth rates, the industrialized countries might be tempted to advise developing countries to adopt wholesale their planning methods and even their economic and social systems. That would be a mistake. Although technical assistance could help developing countries to prepare their national plans and establish production and trade struc-

tures, it was no substitute for their assumption of political responsibility in the orientation of their economies. France which was not collectivist although it no longer practised full economic liberalism, believed in the effectiveness of its planning system, although it would not go so far as to claim that that system could be applied wholesale to all developing countries. The main purpose of its co-operation was to make available the fruits of its experience, without trying to impose its system and methods. It tried in turn to preserve its individuality by borrowing from others only what suited its economic, social and cultural pattern. That did not mean that France wished to impose narrow limits on international co-operation in the economic and social field. It believed, on the contrary, that the harmonization of national policies had become imperative in the present-day world. The co-ordination of governmental action was not, however, a sovereign remedy and could be practised only in a climate of confidence and mutual respect.

26. While the increase of national wealth was desirable, it did not in itself solve the social problems of development. Social considerations must enter into economic planning; the growth of the national product was no more important than its distribution. The effective expansion of a developed or a developing economy required the participation of all sections of society and general agreement on the planning objectives. There must also be a desire for justice at all levels and the possibility of fair distribution of the benefits of development among the various social categories. That idea, which was an underlying principle of the Second Development Decade, should unite the developed and developing countries. The Council provided a sufficiently large forum for tackling jointly the problems of balanced economic and social progress. As the Secretary-General had said, the Council could make a very significant contribution towards the achievement of a large degree of coherence of policies and of co-ordination of works if it were to act as a focal point in which Governments could establish general guidelines regarding the direction of international economic co-operation, whether in the United Nations or in its associated organizations. France wholeheartedly supported the Secretary-General's interpretation of the Council's role. The formulation of the International Development Strategy had created a need for a body responsible for carrying it out. By virtue of its responsibilities under the Charter, the Economic and Social Council was the only body capable of accomplishing that task.

The meeting rose at 4.20 p.m.