



## ECONOMIC AND SOCIAL COUNCIL

Resumed Fifty-third Session

OFFICIAL RECORDS

Friday, 17 November 1972  
at 3.10 p.m.

NEW YORK

*President:* Mr. Károly SZARKA (Hungary).

## AGENDA ITEM 8

**Report of the International Monetary Fund  
(concluded) (E/5215)**

1. Mr. REDDY (India) said that the 1972 report of the International Monetary Fund (IMF) was of particular interest since, despite the hopeful indications which could be derived from recent events, the reform of the international monetary system would preoccupy the international community for some time to come. His delegation welcomed the recent decision of IMF that that reform should be undertaken by the 20 Governments representing its 20 constituencies, a decision which reflected the need for active participation by the developing countries in that process, and hoped that the new approach would soon be reflected in the institutional structure of IMF through the provision of a more equitable share of the Fund quotas and voting rights for developing countries.

2. Any proposal for international monetary reform must take fully into account the relationship between monetary, trade and development questions. In particular, any reform must facilitate both a progressive expansion and diversification of exports of developing countries and the transfer of financial resources to them in accordance with the goals and objectives of the International Development Strategy. His delegation trusted that the studies to be conducted by the Fund on a number of specific issues relating to the proposal for a link between the allocation of special drawing rights (SDRs) and development assistance would lead to an effective link which would increase the resources available to developing countries. At a time when the existing levels of development finance were inadequate and the provision of funds uncertain, the developed countries should part with at least a portion of their profits to add strength and a greater sense of continuity to development finance institutions. That need not necessarily mean channelling financial resources through the International Development Association (IDA), but could involve a separate operation conducted by the World Bank (IBRD) and regional development institutions. His delegation hoped that IMF, if necessary in consultation with the Bank, would be able to develop suitable techniques for making such a system possible in the near future.

3. His delegation also hoped that the Fund would shortly be able to announce the allocation of SDRs for a second basic period. While the question of a larger role for SDRs as part of the over-all reform would no doubt be discussed in various forums, that was no reason to delay a decision on the further allocation of SDRs from 1 January 1973. The regulated allocation of SDRs was important, and any break in continuity would not be conducive to enhancing

their future role. The next allocation should be commensurate with the previous one; while certain countries were apprehensive about the possible inflationary impact of such an allocation on their economies, there was no clear evidence that the effect would necessarily be inflationary, and in any case measures could be devised to immobilize the effects of excess domestic liquidity. Moreover, not all countries were experiencing excess liquidity; in many, useful economic activity might be restricted in the absence of new allocations.

4. Mr. CARANICAS (Greece) said that reform of the international monetary system was one of the most urgent tasks facing the international community. Two of its objectives must be to establish a system which would afford better control over the growth of reserves, and to improve the effectiveness of the adjustment process, both at the national and at the international level. Joint action by the deficit and the surplus countries to facilitate the adjustment process appeared essential. His delegation welcomed the decision that the developing countries should participate in the negotiations which would lead to a new world monetary system. That new role would give them, for the first time, a powerful voice in the talks among the major industrial Powers, from which they had too long been excluded. The significance of that development had perhaps not yet been fully recognized, by either the rich or the poor countries.

5. During the First United Nations Development Decade, there had been no improvement in conditions for most of the population of the poorer countries; unemployment and under-employment, disease and hunger, had become endemic in many parts of Asia, Africa and Latin America. In spite of the constantly increasing wealth of the major industrial countries, foreign aid had been unable to keep up with the increasing needs of the growing population. In the face of that situation, the insistence of the developing countries on the need for a new international division of labour and a fairer distribution of income throughout the world was fully understandable.

6. Any study on the reform of the international monetary system must take into account the relationship between trade and economic development. That was one of the main concerns of the developing countries, whose trade, particularly in raw materials, had suffered considerably in recent years. Because of the continued increase in the cost of their imports, their purchasing power derived from exports had in fact decreased, and in 1971 the gap between the imports and exports of the developing countries which were not exporters of oil had been the widest for 12 years.

7. Obviously, the respective spheres of competence of various bodies must be respected. The twenty-eighth session of the Contracting Parties to the General Agreement on Tariffs and Trade (GATT) had provided for a ministerial meeting in September 1973 to begin a new series of international trade negotiations, and the preparatory committee for those negotia-

tions had been established. It was therefore to be expected that the trade negotiations and the talks on monetary reform would take place in parallel, rather than one before the other. Nevertheless, the world monetary system could not function satisfactorily without a constant and balanced expansion of trade. The system would fail again unless world trade proved capable of stimulating economic development, which it could not do unless there was a new consensus to prevent both monetary and trade discrimination. The problems of the developing countries must therefore remain one of the major concerns of those responsible for reforming the system and negotiating the liberalization of world trade. As the Managing Director of IMF had rightly pointed out (1844th meeting) there must be a willingness to modify national positions in favour of an international consensus. There must also be an increased effort to combat inflation which, it was now established, was transmitted from one country to another through foreign trade and international capital flows and thus constituted a serious obstacle to the economic development of all countries. It was ironic that while those countries which had existed in a climate of galloping inflation had been able to master their inflationary forces, certain major industrial Powers were experiencing difficulties in their efforts to stimulate economic growth and at the same time reduce unemployment and halt the increase in prices. It was becoming increasingly clear that to achieve reasonable price stability, all countries must make simultaneous and mutually reinforcing efforts to combat inflation.

8. The world economy was becoming increasingly integrated. At a time when the developing countries required a substantial increase in development aid, it would be reasonable for the socialist countries, through the Council for Mutual Economic Assistance (CMEA), to participate in the world trade and payments system. Trade between East and West was expanding, and economic co-operation between the members of the Organization for Economic Co-operation and Development (OECD) and CMEA was about to begin. Moreover, IMF had succeeded in formulating policies and developing practices which met the interests of all the groups of countries involved in its activities, and the Managing Director of the Fund, speaking at the third session of the United Nations Conference on Trade and Development (UNCTAD), had expressed a strong belief that it should continue to preserve a universal code applying to all countries in a manner that took full cognizance of their special circumstances. The *World Economic Survey, 1971*, (E/5144)<sup>1</sup> referred explicitly to the absence of planned economies and to the balance which must be established among the nations of the world under a system governed by a powerful international monetary authority which might constitute the basis for a world-wide superstructure. Romania was shortly to become a member of IMF and his delegation hoped that other socialist countries and Switzerland would follow its example. Broader forms of economic and financial co-operation were needed, which would transcend regional boundaries and take account of new developments in western Europe and the socialist countries.

9. Mr. MAHGOUB (Sudan) said that the constructive work done by IMF had been to a considerable degree responsible for the restoration of relative stability in international monetary relations. The defects

of the current system had seriously inhibited the development of the less developed countries. The successive crises in the system had seriously undermined their monetary reserves, while currency realignments in developed countries had substantially increased their outstanding debts. The instability and uncertainty caused by the breakdown of the Bretton Woods system had adversely affected the whole climate of international trade and aid.

10. The present system was based on the use of gold as the international unit of account and as a major reserve asset. Under that system, the only available mechanism of adjustment was internal devaluation or revaluation; IMF had provided an alternative mechanism of adjustment through internationally agreed devaluation or revaluation, but many countries had been reluctant to use that mechanism to correct deficits or surpluses. The general tendency had been to resort to non-monetary methods, and concern about their balance of payments had inhibited the willingness of developed countries to provide aid and had led to the tying of almost all bilateral aid to purchases from the donor country. Balance of payments considerations also reinforced the pressures for protectionism in developed countries, and had led to the imposition of discriminatory measures against developing countries.

11. The increasing recognition of the link between development, trade, and monetary issues was encouraging. In his delegation's view, there was a fundamental need for an institutional arrangement within which trade, development, and monetary policy could be discussed as an integral whole. Reform of the international monetary system in a way which would ensure sustained growth of the world economy was in the interests of all nations. His delegation fully supported the position of the developing countries recently reiterated in the declaration of the Ministers of the Intergovernmental Group on Monetary Matters (Group of 24); a reformed monetary system must promote economic development, ensure substantial transfer of resources to developing countries, foster the expansion of world trade and include substantial allocations of SDRs. In short, it should be oriented towards trade and aid. The establishment of the Committee on Reform of the International Monetary System and Related Issues (Committee of 20) was a welcome development, and would, his delegation hoped, eventually lead to the emergence of an equitable monetary system guaranteeing the fullest possible utilization of productive resources. The developing countries, which had a vital stake in the matter, should participate fully in the negotiations and in the decision-making process, in accordance with resolution 84 (III) adopted at the third session of UNCTAD. The establishment of a link between SDRs and development assistance was particularly important, since it would distribute among States in an equitable manner the gains arising from the creation of SDRs. His delegation accordingly hoped that a decision on the subject would be forthcoming and that a second issue of SDRs would take place in 1973.

12. There was an imperative need for domestic adjustment measures in developed countries, which must recognize the implications of global interdependence in the field of trade, finance and development. His delegation therefore endorsed the plea of the Managing Director of IMF for a modification of national positions in favour of an international consensus. The Fund

<sup>1</sup>United Nations publication, Sales No.: E.72.II.C.2.

had a positive role to play in the promotion and expansion of international trade and development and his Government would support and co-operate with it in that task.

13. Mr. ZAHARAN (Egypt) said that the uncontrolled growth of international liquidity had not been conducive to the stable and equitable functioning of the international monetary system. The competent organizations, including IMF, were unanimous in their view that there must be a substantial increase in liquidity in coming years. It was to be hoped that the developed countries would show the necessary political will to support a programme designed to compensate to some extent for the unfavourable effects of the present system on the economies of developing countries.

14. The establishment of a link between SDRs and development finance was one of the best means of increasing the volume of public and multilateral development assistance. It was also in the interests of the developing countries that the new monetary system should promote the expansion of international trade. Resolution 84 (III), adopted at the third session of UNCTAD, noted that monetary, trade and financial questions were interrelated; the reform of the international monetary system and the trade negotiations to be conducted in 1973 should therefore be co-ordinated. The question of the forum in which such co-ordination could take place on a continuing basis remained undecided. His delegation believed that neither OECD nor the Group of 10 was the appropriate forum since they both consisted solely of developed countries. The creation of the Committee of 20 was a step forward, since the developing countries were represented on it, but their representation was not equitable in that its membership consisted of 9 developing as against 11 developed countries. The solution advanced by the Group of 24 was that co-ordination should be effected by a body in which the developing countries were adequately represented and in which the technical problems would be dealt with by experts. His delegation therefore hoped that consultations would continue between the Secretary-General of UNCTAD, the Managing Director of IMF and the Director-General of GATT, with a view to developing appropriate machinery for such co-ordination in a body not concerned solely with monetary questions like the Committee of 20. The successful conclusion of those consultations would be a logical consequence of UNCTAD resolution 84 (III).

15. Mr. AKRAM (Pakistan) noted that IMF had re-examined the structure of exchange rates, looked into the conduct of its financial operations with a view to improving its methods and procedures, and devoted urgent attention to international monetary reform. In the latter context, the establishment of the Committee of 20 was particularly welcome, and his delegation hoped that that Committee would take into account the problems of developing countries in relation to the international monetary system and the effects of proposed reforms on their economies.

16. According to the Managing Director of IMF, the world economic situation was considerably better than it had been a year previously. However, that improvement pertained to the developed, rather than the developing countries. Although the former enjoyed a very large percentage of global economic activity, to ignore the developing countries altogether was scarcely ap-

propriate in view of the membership of IMF. For a number of years IMF had tended to concentrate on the developed world; when it referred to phenomena such as unemployment, it meant unemployment in developed countries although the developing countries might have a much higher level of unemployment.

17. The Managing Director of IMF had expressed optimism concerning the improved growth rate of developed countries. A durable financial system could function only in a growing world economy; nevertheless, it must be borne in mind that the growth possibilities of the developed countries were not infinite, but depended primarily on the advantages they enjoyed in technology and in regard to their position in the international market structure. Their relative advantage over the developing countries could not last in the face of the demand of the latter for rectification of the present inequities and their efforts to develop technologies appropriate to their own situation and conditions.

18. If the growth of the world economy was to continue, the growth potential of the developing countries must be tapped. At present, that could only be done through massive investment in certain critical sectors of their economies, which would be in accordance with the current concern over the imbalances in national income distribution. The need for such investment was the basic reason for the demand of the developing countries that a link should be established between the creation of SDRs and the provision of additional development finance. There must also be adequate co-ordination of trade, aid and development. His delegation accordingly looked forward to the co-operation between IMF, UNCTAD and GATT in regard to monetary and trade matters, with a view to ensuring that the interests of the developing countries were taken fully into account. There was also a need for institutional and structural modifications in the system, the most urgent of which was to give the developing countries equal status in the decision-making process of IMF.

19. Mr. ODERO-JOWI (Kenya) said his delegation was concerned over the continuing international currency disarray, whose negative elements were likely to cause massive unemployment and reduce the effort for the development of the developing countries. It was to be hoped that IMF would apply itself to the task of remedying that situation without delay, particularly in view of the technological, institutional and other changes currently taking place in the world. Among those changes were the forthcoming expansion of the European Economic Community, the role of the United States as the main custodian of technical change and a major trading partner of most of the world, and the economic role of Japan. All of those factors must be taken into account in the reform of the system, as must the role of the third world. The latter must not only be fully involved in the negotiations and the decision-making process, but must see that its aspirations in the field of economic development and economic relations among States were taken fully into account. Currency reforms could not be conceived of in isolation from the factors and institutions governing the exploitation of natural resources, on which price levels and the relative values of currencies ultimately depended. His delegation therefore believed that the Committee of 20 should consider the extent to which currency stability was influenced by such major commodities as oil and gold, and by the investment policies of the wealthy countries, multinational corporations

and international banks. IMF must apply itself to the study of such matters, so that when the joint annual meeting of the Boards of Governors of IMF and the World Bank (IBRD) took place at Nairobi in 1973, it would prove possible to agree on positive measures for the reform of the international monetary system as a whole.

20. Mr. DRISS (Tunisia) was gratified that IMF had been able to survive the serious crises which had threatened it, and the entire international monetary system, and had made an effective contribution to the process of international monetary reform.

21. He urged the Economic and Social Council to review its programme of work so that it could perform its rightful function with regard to the specialized agencies in general and IMF in particular. The Council's review of the IMF report should be better timed to enable the Council to make a more positive contribution. It would be more appropriate for the Council to consider the IMF report at its July session, immediately after the report's publication.

22. He noted that the report of IMF (see E/5215) reviewed the major international monetary difficulties, analysed the important monetary decisions and their repercussions, and gave the impression that the Fund was powerless to influence, or at least not responsible for, the existing state of affairs. It was his view that, as the agency for international monetary co-operation, IMF should be in a position to initiate and develop closer co-operation among States particularly among the developed and developing States. Developing countries, including Tunisia, should be protected from the consequences of actions that were unrelated to them or that tended to benefit some nations at the expense of others. Developing countries rightfully demanded that their interests should not be overlooked but be given serious consideration. Although the Committee of 20 recently established by the Board of Governors of IMF included representatives of the third world, that Committee had no decision-making powers. Accordingly, he repeated the urgent appeal for balanced co-operation, loyalty and solidarity among all nations.

23. General Assembly resolution 2808 (XXVI) had indicated a number of guiding principles to be considered in reforming the monetary system. It was his conviction that those principles remained pious wishes and had not influenced decisions taken in the international monetary field, particularly those aimed at reducing the rate of currency fluctuation.

24. It was important that the dialogue among nations should continue because the interests of all nations were clearly interdependent. As indicated in the report of IMF, the search for a provisional balance of international payments would involve sacrifices and, it was to be hoped, benefits for all. Unfortunately, many important problems were still unresolved such as the role of SDRs, the operation of IMF, and methods of payment for developing countries.

25. The many difficulties and complexities of the situation perhaps explained the fact that the authorities of IMF had not yet been able to reach a decision regarding the allocation of SDRs for the next base period. It was to be hoped that the interests of the economically weak countries would not be overlooked, and that the special problems of those countries would elicit sympathetic co-operation from IMF. He urged that a link between SDRs and the financing of addi-

tional resources for the advancement of developing countries was important and warranted careful study. The Fund must be strengthened and supported by all. 26. While deeply appreciative of the services that IMF had rendered to it, Tunisia believed the Fund was in a position to do even more for all developing countries. International co-operation depended on mutual understanding and respect for the interests and rights of all.

27. Mr. McCARTHY (United Kingdom) said that although there had been promising developments since the Managing Director of IMF had reported to the Council a year previously, both the report before the Council (see E/5215) and his introductory statement at the 1844th meeting were necessarily transitional, since to overhaul something of such major importance as the Bretton Woods system must necessarily take time. The Managing Director had pointed out that inflation control was immensely difficult because inflationary psychology had become deeply rooted and there were by now entrenched forces contributing to the inflationary process. While that statement was perhaps more true of developed than developing countries, his delegation suspected that it might well prove to be a global problem whose solution would increase still further the period which would be required for a new system to emerge.

28. The Managing Director had taken the lead in giving attention to the problems of developing countries, and had been among the first to welcome the trend which had culminated in the establishment of the Committee of 20. His delegation hoped that under Mr. Schweitzer's leadership, IMF would continue to pay close attention to the problems of developing as well as developed countries, and for its part it would do everything possible to ensure that the dialogue which took place in the context of the Committee of 20 proved successful.

29. Mr. SCHWEITZER (Managing Director, International Monetary Fund) expressed appreciation of the interest shown in the report of the Fund and its many-faceted activities. He hoped that the meeting at Nairobi would indeed mark a positive stage in monetary reform.

30. The Fund was aware of the importance of co-operation and co-ordination in all areas and with all bodies. The Economic and Social Council, which had the major co-ordinating role, would continue to receive the full co-operation of IMF which would participate in all meetings relating to it at any time of the year. IMF also maintained close links with UNCTAD since money was a medium for facilitating trade and development.

31. He assured the Council that co-operation and technical assistance were maintained at the highest possible level and that every attempt was made to avoid duplication and insure co-ordination. He expressed his appreciation to the resident representatives of the United Nations Development Programme (UNDP) for their valuable assistance.

32. He noted that there had been many references to SDRs for the second base period starting 1 January 1973. While there seemed to be general agreement that an allocation should be made, no proposal eliciting broad support had yet emerged. He would, however, continue to consult, although it might be preferable to wait, possibly even a little beyond 1 January, in order to arrive at a general and satisfactory agreement.

33. The Fund would give priority in its studies and discussions to the special chapter in the report to which many references had been made.

34. In the matter of monetary reform, he was gratified that the Committee of 20 had won support in the Council, as it had in UNCTAD. It was to be hoped that that Committee would serve as an effective forum for discussion and negotiations at governmental levels. The Committee and its deputies would meet again on 27 November and he hoped that, in view of the prevailing spirit of co-operation it would make progress. He looked forward to the meeting at Nairobi with great confidence.

35. The Fund had survived recent serious crises because of general co-operation. One of the consequences of the reform now envisaged would be to increase the Fund's role and strengthen its authority.

36. The PRESIDENT suggested, in the absence of other proposals, that the Council should take note with appreciation of the report of the International Monetary Fund, as it had done in previous years.

*It was so decided.*

37. Mr. SMIRNOV (Union of Soviet Socialist Republics) said that, if the matter had been put to the vote, his delegation would have approved taking note of the report of the Fund but not "with appreciation".

## AGENDA ITEM 12

### Calendar of conferences and related matters (concluded)\* (E/L.1523)

38. The PRESIDENT invited the Council to resume consideration of document E/L.1523 and said the remaining paragraphs would be considered one by one.

#### Paragraph 4 (a)

39. Mr. AHMED (Secretary of the Council) said, in further reference to the question of the financial implications of convening the *Ad Hoc* Working Group of Experts of the Commission on Human Rights at Geneva rather than in New York, that no additional costs would be entailed. The necessary conference services could be provided at that time at Geneva from within existing resources at Geneva. So far as travel was concerned, the cost of travel of two staff members to Geneva was offset by a reduction in the cost of travel of the experts. Because of the composition of the Group, travel from the various capitals to Geneva was less expensive than the cost of travel to New York.

40. The PRESIDENT said that if there were no objections the modification in paragraph 4 (a) of document E/L.1523 would be considered as approved.

*It was so decided.*

#### Paragraph 4 (b)

41. Mr. DE AZEVEDO BRITO (Brazil), supported by Mr. ROUGE (France), noted that extensive consideration had been given during the Geneva session to avoid overlapping of meetings and help delegations more efficiently to prepare for and attend the various meetings.

42. Although, as the representative of India had indicated, it would be helpful if the Secretary-General could attend the meeting of the Committee on Natural

Resources, he felt that great care should be taken when it came to changing dates.

43. Mr. McCARTHY (United Kingdom) agreed and noted that the question of documentation and the need to avoid overlapping had been uppermost in the Council's mind when it had adopted the calendar of conferences at its summer session. Paragraphs 4(b) and 4(c) involved the same principle. If the dates were now to be changed, the question might become even more complicated.

44. Mr. NDUNG'U (Kenya) supported the proposed rescheduling of the meeting of the Committee on Natural Resources at New Delhi. He noted that no financial implications were involved and that only one week's change was sought. It was most important that the Secretary-General and other dignitaries be given an opportunity to visit developing countries. Accordingly, the Council should agree to the proposed rescheduling.

45. Mr. FIGUEROA (Chile) said that he had no objection to the proposal to advance the session. However, he wished to know whether the relevant documentation would be ready in time.

46. Mr. DE SEYNES (Under-Secretary-General for Economic and Social Affairs) said that the Secretariat did not foresee any difficulty in providing the documentation in time.

47. Mr. ABHYANKAR (India) said that his delegation agreed that overlapping of meetings should be kept to a minimum; the proposal in paragraph 4 (b) was therefore not intended to set a precedent. However, meetings of the type in question were held in developing countries rarely enough to deserve the maximum possible publicity and encouragement. The membership of the Committee on Natural Resources had recently been expanded to 54 and its second session had been inaugurated by the Secretary-General. His presence at the third session would provide encouragement and would be conducive to the implementation of section E of the International Development Strategy, concerning mobilization of public opinion.

48. Mr. VERCELES (Philippines) endorsed the remarks of the representatives of Kenya and India. The problem of overlapping had not proved insurmountable in 1972 in the case of the United Nations Conference on the Human Environment and the Governing Council of UNDP, nor would it prove so in the present instance. The modification in paragraph 4 (b) should therefore be approved.

49. Mr. DE AZEVEDO BRITO (Brazil) said that the overlapping which had occurred in 1972 had been unavoidable and that, in the interest of efficiency, at least unnecessary overlapping should be avoided in 1973. It had been his understanding that the Secretary-General's visit to India was not related to the session of the Committee on Natural Resources. However, he recognized that it was in the spirit of the International Development Strategy to bring the activities of the United Nations closer to the world at large. He would not press his opposition and trusted that the Secretary-General's presence at the session would advance United Nations efforts in the field of natural resources.

50. The PRESIDENT said that if there was no objection he would take it that the modification in paragraph 4 (b) of document E/L.1523 was approved.

*It was so decided.*

\* Resumed from the 1843rd meeting.

51. Mr. McCARTHY (United Kingdom) said that, in going along with the consensus, his delegation had taken careful note of the fact that the proposal was not intended to set a precedent. His delegation attached great importance to that point.

*Paragraph 4 (c)*

52. Mr. AHMED (Secretary of the Council), recalling the question raised by the USSR representative at the 1843rd meeting concerning the additional costs mentioned at the end of paragraph 4 (c) of document E/L.1523, said that the conference programme during March and April at Headquarters had already been full before the changes proposed in paragraph 4 (c) had been considered. Provision had been made for additional interpreters as a precautionary measure since the necessary services could not, on the basis of the programme as it now stood, be provided from the staff resources available at Headquarters. However, if it proved possible, in the course of administering the programme for the period in question, to provide the services required from existing resources, the Secretary-General would of course do so.

53. Mr. SMIRNOV (Union of Soviet Socialist Republics) said that his delegation would not object to the proposal in paragraph 4 (c) on the understanding that additional expenses would not be incurred.

54. Mr. KITCHEN (United States of America), recalling the difficulties which members of the Council and its sessional committees had faced in the past because they had not received documents in time to give them adequate consideration, said that his delegation was particularly concerned that documentation problems persisted even in the case of the Commission for Social Development, which met biennially. Moreover, the further postponement of the first session of the Committee on Science and Technology for Development—which was a very important body—to a date so close to the Council's own session would cause that Committee's work to suffer.

55. The Council must be firm and cease subordinating itself to the bodies which reported to it. He urged the Council not to agree to a further rescheduling of the twenty-third session of the Commission for Social Development.

56. Mr. EKBLÖM (Finland) said that his delegation had often joined others in deploring the difficulties which resulted when documentation was not available in time. However, the proposal to postpone the Commission's session was reasonable. The quality of the documentation for the session stood to gain by a postponement. He wondered whether no documents at all would be available if the Commission met in February, or whether they would be submitted late.

57. Mr. GATES (New Zealand) said that he also was dismayed at the proposals in paragraph 4 (c). Although his delegation felt that it should be possible for a body which met biennially to convene on schedule, it could agree to the postponement of the Commission's session in order to allow time for the preparation of documentation.

58. However, his delegation could not go along with the proposal to postpone the first session of the Committee on Science and Technology for Development. The arguments in paragraph 4 (c) were not convincing. The schedule of conferences for March did not appear so crowded as to require a postponement, unless, of

course, other meetings were planned that were not listed in the schedule.

59. Mr. McCARTHY (United Kingdom) said that he remained to be convinced that a postponement of the Commission's session was necessary. Since it met biennially, more time than usual was available for preparatory work. He wished to know whether documentation in the sole control of the Secretariat had been delayed and if so, for what reason.

60. With regard to the explanations given in paragraph 4 (c), he pointed out that the Commission on Social Development had originally been scheduled to convene two months after the conclusion of the General Assembly. Moreover, the Commission could not keep putting off its work pending the receipt of tardy replies from Governments and organizations.

61. His delegation was also concerned that postponement of the first session of the Committee on Science and Technology for Development might mean that its report would not be ready in time for the summer session of the Council, when the latter would be undertaking the important task of review and appraisal.

62. Mr. DE AZEVEDO BRITO (Brazil) said that his delegation also had reservations concerning the proposals in paragraph 4 (c). The Council would suffer more than the Commission if it received its documentation late. Moreover, postponement of the session of the Committee on Science and Technology for Development would mean that it would overlap the session of the Advisory Committee on the Application of Science and Technology to Development. Although the latter was an expert body and the former an inter-governmental one, delegations might wish to use the same representatives in the two Committees.

63. Mr. MORDEN (Canada), recalling that the careful negotiations on the terms of reference of the Committee on Science and Technology for Development had led to the establishment of a certain relationship between it and the Advisory Committee on the Application of Science and Technology to Development, agreed with the representative of Brazil that it would be unfortunate if the sessions of the two committees overlapped.

64. Mr. HOWARD (Acting Director of the Social Development Division) said, with reference to the statement of the representative of the United Kingdom, that the Commission for Social Development had a heavy agenda and that several items required complex consultations between various agencies; it was not just a question of collating material received. Some of the reports required would be based on meetings which had been very firmly scheduled for November and December 1972 on the basis of the tentative calendar of conferences for 1973, of which the General Assembly had taken note at its twenty-sixth session. However, in no case had a document in the sole control of the Secretariat been delayed.

65. Mr. VERCELES (Philippines) said that, in the light of the explanations in paragraph 4 (c) and those given by the Acting Director of the Social Development Division, it was clear that sufficient documentation would not be available for the Commission to meet in February. The proposal to postpone the session to March should therefore be approved.

66. Mr. McCARTHY (United Kingdom) said that he accepted the explanation of the Acting Director. However, since it must have been known for some time that the changes would be necessary, it was surprising that the Council had only just been advised of it in document E/L.1523.

67. He wished to know whether, as a result of the postponement of the session of the Committee on Science and Technology for Development, its report would be available to the Council in good time for consideration at its summer session.

68. Mr. KITCHEN (United States of America) said that he found it difficult to understand how a Commission which met every 24 months should find itself totally unable to conduct its work because it did not have certain documents it had expected. It should be able to convene even without the reports which were to issue from the meetings scheduled for November and December.

69. Mr. AHMED (Secretary of the Council), replying to the question of the United Kingdom representative, said that he could offer reasonable assurances that if the Committee on Science and Technology for Development met from 26 March to 13 April its report would be available by 15 May, more than six weeks before the summer session of the Council.

70. With regard to the remarks of the representative of Brazil, he said that the Secretariat had been assured by the substantive department concerned that it would be possible to service the Advisory Committee on the Application of Science and Technology to Development and the Committee on Science and Technology for Development at the same time and that, given the close relationship between them and the fact that the latter was holding its first session, the advantages of their meeting simultaneously outweighed any disadvantages.

71. Mr. GATES (New Zealand) said that his delegation still felt that it would be bad practice to have the session of the Committee on Science and Technology for Development overlap that of the Advisory Committee and convene so close to the summer session of the Council.

72. It appeared from the debate that, while some delegations believed that the session of the Commission for Social Development should be postponed, few wished to reschedule the first session of the Committee on Science and Technology for Development. The advantages of leaving the latter as presently scheduled far outweighed any inconvenience to the Office of Conference Services or any financial implications involved. Accordingly, the Council should consider only the proposal to reschedule the Commission's session.

73. Mr. HOWARD (Acting Director of the Social Development Division) said, in reply to a question by Mr. KITCHEN (United States of America), that the two reports concerning meetings scheduled for November and December would be ready for processing by the end of December.

74. Mr. KITCHEN (United States of America) wondered whether the reports represented a major portion of the Commission's agenda or whether they could be held over to a later session.

75. Mr. DE SEYNES (Under-Secretary-General for Economic and Social Affairs) said that it was difficult for a member of the Secretariat to answer the question

raised by the United States representative. The Commission for Social Development was an intergovernmental body and its programme of work must therefore be decided by Governments.

76. Mr. KITCHEN (United States of America) expressed the view that the Economic and Social Council as the paramount body had the constitutional right to make known its schedule of work and expect its subordinate bodies to adhere to that schedule. The Council had made a strong commitment in July but now experienced difficulty in meeting that commitment.

77. Mr. SCOTT (New Zealand) felt that a decision should be taken in two parts. The Council should first decide on the date for the Commission for Social Development and then on the date for the Committee on Science and Technology for Development. His delegation thought that the latter meeting need not be rescheduled.

78. Mr. AHMED (Secretary of the Council) said that, according to consultations he had had, another major conference could not be accommodated in March. If the Commission for Social Development was rescheduled, the Committee on Science and Technology for Development would also have to be moved.

79. Mr. SCOTT (New Zealand) felt that the conference facilities could accommodate another meeting.

80. Mr. McCARTHY (United Kingdom) said he could not understand the situation. Judging by the number of bodies scheduled to meet, it looked as if April would be busier than March.

81. Mr. SMIRNOV (Union of Soviet Socialist Republics) said that, in view of the confusion, the Council should confirm its decision of July.

82. After an exchange of views on procedure, the PRESIDENT put to the vote the proposal that the Council maintain its decision of July relating to the timing of the meetings of the Commission for Social Development and the Committee on Science and Technology for Development.

*By 14 votes to 7, with 2 abstentions, the Council decided to maintain its decision of July relating to those two meetings.*

#### Paragraph 4 (d)

83. The PRESIDENT said that, if there were no objections, he would consider that the Council approved the modification contained in paragraph 4 (d).

*It was so decided.*

#### Paragraph 5

84. The PRESIDENT said that, if there were no objections, he would consider that the Council approved paragraph 5.

*It was so decided.*

### AGENDA ITEM 9

#### Elections (E/5210/Rev.1)

85. The PRESIDENT said that the Secretariat had received no information concerning candidates for election to the Committee on Natural Resources and the Committee on Review and Appraisal. Mongolia was a candidate for one of the seats on the Committee

on Science and Technology for Development and Sri Lanka was a candidate for the Statistical Commission. 86. He said that, if there was no objection, he would take it that the Council wished to elect Mongolia to the Committee on Science and Technology for Development for a term of three years beginning on 1 January 1973 and Sri Lanka to the Statistical Commission for a term of four years beginning on 1 January 1973, and to postpone until the organizational meetings of its fifty-fourth session the remaining elections listed in the annotations to the agenda items for the current session (see E/5210/Rev.1).

*It was so decided.*

#### AGENDA ITEM 4

##### Report of the Population Commission on its special session (E/5212, E/5224, E/5225)

##### REPORT OF THE ECONOMIC COMMITTEE (E/5225)

87. The PRESIDENT noted that the Economic Committee in its report (E/5225) had recommended draft decisions I to V for adoption by the Council, concerning respectively: (a) periodicity of sessions of the Population Commission; (b) change of name of the Advisory Committee on Global Population Strategy and, consequently, that of the study on global population strategy; (c) participation of specialists in the World Population Conference, 1974; (d) periodicity of meetings and increase in membership of the Advisory Committee of Experts on the World Population Plan of Action; (e) report of the Population Commission on its special session (E/5212).

*Draft decision I was adopted by 14 votes to 4, with 4 abstentions.*

*Draft decision II was adopted by 15 votes to none, with 8 abstentions.*

*Draft decision III was adopted by 16 votes to none, with 7 abstentions.*

*Draft decision IV was adopted by 15 votes to none, with 8 abstentions.*

*Draft decision V was adopted without a vote.*

#### AGENDA ITEM 5

##### Regional co-operation

##### Draft resolution submitted by Lebanon entitled "Establishment of an economic commission for Western Asia" (E/L.1497/Rev.2)

##### REPORT OF THE ECONOMIC COMMITTEE (E/5226)

88. The PRESIDENT noted that in paragraph 4 of the report on the item (E/5226), the Economic Committee had recommended a draft decision for adoption by the Council. If there was no objection, he would take it that the Council endorsed that decision.

*It was so decided.*

89. Mr. MOBARAK (Lebanon) said his delegation trusted that the final and favourable decision which it anticipated that the Council would take at its fifty-fifth session at Geneva in July 1973 would not prevent the proposed economic commission for Western Asia from starting its operations on 1 January 1974.

#### AGENDA ITEM 2

##### Question of the establishment of a United Nations revolving fund for natural resources exploration

##### REPORT OF THE ECONOMIC COMMITTEE (E/5227)

90. The PRESIDENT invited the Council to vote on the draft decision which the Economic Committee, in paragraph 10 of its report (E/5227), had recommended for adoption by the Council.

*The draft decision was rejected by 9 votes to 8, with 5 abstentions.*

91. Mr. NDUNG'U (Kenya) proposed that the Council should decide to take note of the report of the Intergovernmental Working Group on the United Nations Revolving Fund for Natural Resources Exploration and decide to refer the matter to the General Assembly at its twenty-seventh session for further consideration.

92. Mr. McCARTHY (United Kingdom) noted that, for various reasons, the Intergovernmental Working Group had failed to reach agreement on what was presumably the central feature of the fund, namely the basis on which it would revolve. If there was to be a further effort, it should be by the Intergovernmental Working Group. However, there was little time left before the end of the current session of the General Assembly, and he did not think that the Intergovernmental Working Group would be able to meet, receive proposals and formulate a document in time for the Second Committee to take a decision. Therefore, the Council could do nothing more at its current session than take note of the report of the Intergovernmental Working Group.

93. Mr. DE AZEVEDO BRITO (Brazil) said that any decision regarding the fund clearly fell within the competence of the Council. A matter of principle was involved, and it would be wrong for the Council to abdicate its responsibility to the General Assembly. The 54-member Economic Committee had voted to defer consideration of the question to the July 1973 session of the Council, and in the view of his delegation, it would be improper to ignore that decision. Furthermore, the debate had shown that the time was not yet ripe for a decision. However, in order to reduce the time lag, he proposed that the Council should take a decision on the question at its fifty-fourth session rather than at its fifty-fifth session.

94. Mr. OGISO (Japan) felt that the discussions on the item clearly indicated that the Council could not take a final decision on the question of establishing a revolving fund, since it did not have the necessary data for such a decision. It could only take a decision about future procedure, and it would be appropriate to request the General Assembly at its current session to consider the procedural aspect of the question in order to be able to take a final decision at its twenty-eighth session. His delegation therefore felt that the Kenyan proposal was most appropriate and it would support it.

95. Mr. KITCHEN (United States of America) noted that, time after time, developing countries had made much of the issue of whether the Council meeting in plenary would act in accordance with the political and substantive decisions of the sessional committees. By an overwhelming vote of a body considerably more representative than the Council, a decision had been taken to provide a *modus operandi* in a difficult and



complicated situation. In the view of his delegation, the Kenyan proposal was pre-emptive and sought to channel the issue to the General Assembly where further difficulties might arise. His delegation noted that 9 votes now governed the will of the 54-member Committee, and that those who had sought protection under the enlargement formula were now rejecting it.

96. Mr. SCOTT (New Zealand) felt that the best way out of the present impasse would be to ask the representative of Kenya if he would agree to the proposal by the Brazilian representative that the item should be discussed at the fifty-fourth session of the Council.

97. Mr. ROUGE (France) said that if the problem had been a substantive one, his delegation would have respected the decision taken by the Economic Committee. However, the question at issue was purely procedural, and his delegation would vote in favour of the Kenyan proposal if it was put to the vote.

98. Mr. NDUNG'U (Kenya), replying to the point raised by the Brazilian representative, said that the Council frequently merely took note of reports and referred them to the General Assembly for further consideration. However, in a spirit of compromise his delegation was prepared to accept the Brazilian proposal that consideration of the item should be deferred to the fifty-fourth session of the Council.

99. Mr. KITCHEN (United States of America) said that it had been his delegation's original intention to suggest that consideration of the item should be deferred until the fifty-fourth session of the Council.

100. Mr. MORDEN (Canada) said that his delegation viewed with concern the overturning of a decision taken by a body far more representative than the Council. The action by the Council was clearly a violation of the spirit, and, to a certain extent, the letter of Council resolution 1621 A (LI).

101. The PRESIDENT said that, if there was no objection, he would take it that the Council accepted the proposal by the representative of Brazil.

*It was so decided.*

## AGENDA ITEM 10

### Consideration of the provisional agenda for the organizational meetings (E/L.1524)

102. Mr. SEKVIAMAH (Ghana) proposed that rule 82 of the rules of procedure, which specified that States elected to the Council Committee on Non-Governmental Organizations should be members of the Council, should be suspended in order to permit the election of States which were additional members of the sessional committees.

103. Mr. SMIRNOV (Union of Soviet Socialist Republics) felt that the Ghanaian proposal constituted an amendment to the rules of procedure, rather than a suspension. Even if it were merely a suspension, however, according to rule 89, the Council could not suspend the application of a rule of procedure unless 24 hours' notice of the proposal for the suspension had been given. Since his delegation would have to request instructions from its Government, it could not accept the Ghanaian proposal.

104. Mr. SEKVIAMAH (Ghana) said that his delegation had made the proposal, which seemed to it to be of minor importance, in the interests of the smooth functioning of the work of the Council. However, in view of the legitimate concern expressed by the Soviet delegation, his own delegation wished to request that the proposal to suspend the relevant portion of rule 82 should be taken up again at the time of the adoption of the agenda for the organizational meetings.

105. The PRESIDENT said that, if there were no objections, he would take it that the Council adopted the provisional agenda for the organizational meetings of the fifty-fourth session.

*It was so decided.*

### *Closure of the session*

106. After an exchange of courtesies, the PRESIDENT declared the fifty-third session of the Council closed.<sup>2</sup>

*The meeting rose at 7.15 p.m.*

<sup>2</sup> See the record of the following meeting.