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AGENDA ITEMS 2 AND 3

General discussion of international economic and social policy (E/4776 and Corr.1, E/4833, E/4839, E/4841 and Add.1-2, E/4855, E/4856, E/4866 and Corr.1, E/4872, E/4876) (*continued*)

Second United Nations Development Decade (E/4776 and Corr.1, E/4841 and Add.1-2, E/4876, E/CN.5/445 and Corr.1) (*continued*)

1. Mr. NESTERENKO (Union of Soviet Socialist Republics) said that, on the twenty-fifth anniversary of the United Nations, a tribute should be paid to the Economic and Social Council for the contribution it had made to the maintenance of world peace by its endeavours to sustain member countries in their struggle for development and against colonialism. However, as the Secretary-General had just very rightly pointed out (1696th meeting), the Organization was still facing many problems, which had to be solved if it was to survive. The Secretary-General had rightly emphasized the dangers of the arms race in conventional, nuclear, bacteriological and chemical weapons, which was creating ever greater risks of destruction, helping to bring about the military suppression of many national liberation movements, and encouraging racism and neo-nazism all over the world.

2. While it was true that a great deal depended upon the solutions found for the economic and social problems facing the developing countries, the influence that political questions had on all aspects of the life of peoples must not be forgotten. It was at any rate from that point of view that, in his delegation's opinion, the economic indicators presented under agenda item 2 ought to be evaluated. The indicators showed that in 1969 in the majority of countries there had been increases in production, in consumption and in external trade. Though that justified some optimism, it

left out of account a whole series of problems of the first importance which, his delegation considered, could not be passed over in silence. In view of the terms of reference of the Economic and Social Council, three main questions ought to be considered: first, the negative influence of political and military factors on the economic and social development of countries throughout the world; secondly, use of the results of economic development to promote social progress and in particular to raise the living standards of the masses; and, thirdly, equitable distribution of the fruits of economic development at the international level for the benefit of all countries and first and foremost of the developing countries.

3. In regard to the first question, it had to be admitted that 1969 and the beginning of 1970 had given fresh proof of the evil influence that policies of aggression had upon progress in the world. It was common knowledge that the sums being spent on armaments had risen, for the world as a whole, to \$200,000 million. Admittedly, the manufacture of armaments might incidentally stimulate non-military sectors of industry and the services sector. But, without going into the negative effects that the permanent maintenance of armed forces might have in the social and moral sphere, it was clear that military expenditure was vastly decreasing all countries' chances of development. The acts of aggression which were still taking place in some parts of the world were having repercussions on all the other countries by limiting the over-all financial or other resources which might have been devoted to peaceful purposes. The wars in the Near and Far East were claiming fresh victims every day, among the very people who were struggling to escape from under-development. How could the developing countries feel any confidence in those responsible for such acts, or who approved them? The adverse effects of such a state of affairs upon economic co-operation in general were no less clear. Important economic links which had been formed in the past were now being jeopardized. For example, Israel's blockade of the Suez Canal was doing much harm to international trade. What was the good of planning to carry out a whole series of projects in the field of international co-operation when deliberate obstacles were being put in the way of co-operation that already existed? It was clear that international trade might have increased very substantially indeed during the past year if the shadow of aggression had not been cast over so many parts of the world.

4. Then again, in many countries an intensification was to be observed in contradictions occurring in the economic and social fields. It was no accident that in the United States of America a movement was developing that was increasingly violently opposed to the war in Indo-china and increasingly in favour of using material goods in the struggle

against poverty and want. He did not wish to criticize the United States' domestic policy, but it was interesting to note the diversity of opinion occurring in that country and to see how many Americans now wished available resources to be devoted as much as possible to peaceful purposes.

5. It was also interesting to examine more closely the argument that the manufacture of armaments was an economic stimulus for certain countries. To take again the case of the United States: in 1969 and 1970 military activities in the Indo-Chinese peninsula had increased and military expenditure had reached an extremely high level. That had not prevented the United States' economic growth from continuing, but since 1969 difficulties had arisen and the situation had gradually deteriorated until it now resembled the situation in the 1930s: there was a decline in industrial production, increased unemployment, growing inflation, a rise in retail prices, a drop in housing and so on. It was obvious that the heavy military expenditure undertaken was going to strengthen the factors responsible for that condition of economic depression. The delicate state of the New York stock market was attributed by the financial experts themselves to the consequences of the war in South-East Asia. It was making many Western countries uneasy. The concern expressed during the present session of the Council by the representative of France in particular, and by other delegations, was sufficient to show that. Thus the situation in the world was directly connected with the development of armed conflicts. In view of what he had been saying, the policy of the Soviet Union continued to be based on the struggle against aggression and on support to peoples that were the victims of aggression. It found expression in substantial expenditure on aid to those peoples, aid in accordance with the aims set forth in the Charter of the United Nations, including the aims relating to the achievement of economic and social progress.

6. The second important question that ought to be considered was use of the results of economic development to promote social progress. That was a fundamental question, since it was necessary to prevent economic development from concentrating wealth in the hands of a minority, as it did in the market-economy countries. It stood to reason that economic growth was not sufficient in itself to improve the living and social conditions of the masses. The aim of social progress must therefore always accompany the aim of economic growth. That two-fold aim was capable of realization, as the case of the Soviet Union had shown for the last fifty years. While many progressive countries were celebrating Lenin's centenary, the Soviet Union was proud to be able to demonstrate to the world through its own experience that it was socialism and socialism alone, which made use of economic conditions to improve the lot of man.

7. In that connexion, the Soviet delegation felt that it ought to allay any misgivings that might be entertained in regard to the implementation of the most recent five-year plan in the USSR. In the *Economic Survey of Europe in 1969* misgivings had been expressed as to the carrying out of certain tasks provided for in the five-year plan; but that evaluation had been corrected since by the Executive

Secretary of ECE himself. It had been shown that the economic growth achieved in the Soviet Union in the last five years was equal in value to the whole of the national income for the year 1954. During that period industrial production had increased by about 150 per cent; yet there had been a number of natural catastrophes (floods and earthquakes) which, although not announced with a great fanfare of publicity, had nevertheless caused considerable damage which affected millions of people and very wide areas. In spite of that the agricultural development programme had been crowned with success, and a number of important decisions had been taken for increasing production in that sector during the next five years.

8. Those achievements had had a direct effect on the social life of the country: thus, during the last five years it had been possible to increase the minimum pay of all workers and considerably raise the pensions level, measures costing, in a heavily populated country like the USSR, thousands of millions of roubles. Mention should also be made of the introduction of guaranteed wages in agriculture, and the measures taken to improve workers' conditions in the "difficult" regions of the north. In general, during five years, real *per capita* income had increased by 33 per cent, a percentage higher than that provided for in the plan. Building had proceeded at a faster rate, making it possible to improve housing conditions every year for more than 10 million people. The number of doctors had increased by 120,000 and there had been a great increase in the number of hospitals. In education, the number of children going to school would, in the current year, reach 50 million, and the number of students in higher education would rise by 812,000. It was appropriate, in 1970, International Education Year, to stress the success achieved in that field in the USSR.

9. The Soviet Government considered it essential to expand the means for education and vocational training, to improve educational standards, to facilitate access to education and to make it free of charge, if education was truly to be adapted to the requirements of scientific and technical progress in the modern world. For that reason it was constantly making fresh allocations to improve education in the country which was above all an education for the people, or in other words accessible to all and entirely free of charge. One of the most remarkable of the new educational developments was the provision of education in the languages indigenous to each region, which was promoting a rapid development of culture in regions, whose cultural flowering had long been retarded by tsarist exploitation. Thus, plans for cultural development must accompany plans for economic development. There, experience had confirmed the socialist theory, and education was adjusting itself to the requirements of social progress. The USSR was consequently in a position to provide developing countries which asked for it with aid in the training of national specialists. By way of example, the Friendship University in Moscow might be mentioned — a real international university, since it was attended by more than 3,000 students from 80 different countries. The programmes of assistance for training skilled personnel in the developing countries of Asia and Africa had made possible

the training of more than 150 qualified technicians. In addition, the USSR was giving and would continue to give a substantial amount of help for the building of educational centres and buildings in many of the developing countries of Asia and Africa. Thus the USSR was not responding to the appeals made just with promises and declarations, but making a substantial and practical contribution.

10. The examples he had given showed what economic development made it possible to attain in the social field, without any great upheavals in society resulting. For that reason, the Soviet delegation considered that the authors of the reports prepared on the world economic situation ought to pay more attention to the close links that existed between economic development and the real situation of the working masses, particularly since in many countries social conflicts were at present intensifying, owing to the fact that inflationist price policies were having the effect of wiping out what the working class had won. A large number of very searching economic studies, made not only in the Soviet Union but also in large Western countries like the United States of America, France, Great Britain and Italy, clearly showed that the degree of exploitation of the working classes in general was increasing rather than diminishing, whereas their share of the wealth that they were continuing to produce, far from rising, was actually in some cases less.

11. With regard to the third question to which the Soviet delegation wished to draw attention, it was a well-known fact that the acuteness of the economic and social problems existing in the developing countries was attributable both to those countries' colonial past and to the system of capitalist division of labour in the world. The fact that their natural resources were still being exploited by foreign capital reduced their capacity to use their economic potential to achieve social progress. Though the economic situation had somewhat improved in many developing countries in 1969, the Soviet Union remained convinced that nothing had really changed. The regional economic studies which had been made confirmed that problems of finance and other similar problems were still as serious as ever. The Soviet Union was convinced that the solution of problems to do with the implementation of national programmes depended on the real economic independence of the developing countries. Only such independence would enable them to mobilize their human and material potential and to effect a transformation in depth of economic and social structures. No source of external finance could, by itself, ensure progress in that field, unless opportunities were provided by other means to enable in particular the developing countries to obtain from their external trade the resources upon which they so strictly depended. It would also be necessary for the principal Western countries to consider paying compensation for the years of colonial exploitation to which they had subjected those countries. For decades, colonialism had meant appropriation pure and simple, without compensation, of the wealth created by the colonial peoples' labour. Repayment, if only partial repayment, of the wealth thus taken would be no more than justice.

12. For its part, during the past year the Soviet Union had substantially increased its commercial, technical, scientific and economic co-operation with the developing countries. Trade with those countries had increased by nearly 25 per cent as compared with 1968. The Soviet Union had, as in the past, mainly been providing those countries with machinery and equipment, but it was also buying more finished products from them. In general it was endeavouring to increase the market outlets which those countries urgently needed, and to do what it could to help establish the most favourable conditions for the development of sustained economic co-operation with them.

13. Within the United Nations and more particularly UNCTAD some positive results had been achieved, but they might have been much greater had a favourable attitude been displayed by many Western countries. There was no need to mention the various fields (preferences, for example) in which the measures proposed by UNCTAD had failed: the countries responsible were well aware of the way in which their policies were hampering progress, and the developing countries had learned it to their cost. In regard to international trade, the balance for 1969 showed that the increase that had occurred in the Western countries was due to increase of trade between the developed countries, and that the share of trade with the developing countries had declined. In the Soviet Union, on the other hand – and the point should be emphasized – the amount of trade with the developing countries was steadily increasing, while the share of foreign trade with the developed countries was declining. Within the European Economic Community, trade between the member countries had increased by 26 per cent, while trade with the developing countries had fallen from 22 per cent in 1968 to 18.8 per cent in 1969. It was clear that the discriminatory measures practised by the countries of the Community towards the developing countries constituted an obstacle to the latter's external trade. Unfortunately that was a fact which was proved by the statistics.

14. Thus, although the external trade of the developing countries had increased in absolute terms, although trade was tending to become stabilized, and although the prices of certain products had gone up, the receipts derived by those countries from their external trade remained extremely low, and the difficulties they were faced with had been further aggravated by the difficulties the developed countries themselves were experiencing, difficulties which had obliged eighteen developing countries to devalue in 1969. Speaking in general, the measures taken by the capitalist countries to protect their own financial position were frequently harmful to the developing countries. For example, when the central banks of the capitalist countries, in an endeavour to combat inflation and over-heating, had raised interest rates so much that in the United States and a number of other countries they reached the highest level for 40 years, the cost of borrowing had become higher and credit conditions stricter for the developing countries.

15. Another thing that was happening in the capitalist financial system was the new drawing rights decided on to bring about a relaxation in the field of international liquidity. That system favoured the economy of the

developed capitalist countries while leaving the interests of the developing countries out of account. Thanks to it, the United States had received at the beginning of 1970 more "paper gold" than all the developing countries put together, and the Federal Republic of Germany the equivalent of more than a quarter of those resources. As a United States economist had put it, the new drawing rights put the developing countries in a position in which all they could do was to wait for an improvement in their financial situation as a result of the special drawing rights – to wait, so to speak, for manna to drop from heaven. Even the most optimistic experts believed that those drawing rights could at best provide a respite in the continued development of the monetary crisis, but could not in any way serve to counterbalance the demand for a return to the gold standard in fixing the real price of gold.

16. Going into all those questions in detail might not seem warranted, but the Soviet delegation believed that any judgement ought to be based on a thorough examination of the economic situation, not on theatrical declarations that were of no interest to very many countries. The observations his delegation had been addressing to the Economic and Social Council on the present situation could, it considered, make a big contribution towards determining the essential measures for attaining the real aims of economic and social development.

17. In compliance with the wish expressed by a number of delegations, he would indicate the Soviet Union's position with regard to the Second Development Decade. The USSR had always been ready to make a practical contribution to attainment of the aim of the Charter, and had always firmly believed that the economic and social situation in which millions of people in the developing countries found themselves was unacceptable. It was consequently always prepared to approve any measures liable to overcome the developing countries' difficulties, but it considered that a programme of action involving time-limits laid down in advance must be a continuing one and must be based on principles that really would make more rapid development possible. Thus the Second Decade ought to be preceded by measures to clear up the international situation. It ought to be marked above all by progress in disarmament, in the destruction of stocks of atomic and chemical weapons, in the withdrawal of foreign troops and in the peaceful settlement of disputes. The funds thereby set free would make it possible to solve social and economic problems and to finance development programmes, and scientific and technological progress could at last be made to serve the ends of peaceful development. In drawing up the programme for the Second Decade it was also necessary to take into account the experience acquired during the First Decade, which had not had the results hoped for owing to the increased exploitation of developing countries by the developed countries and to the widening gap between the economic levels of those two categories of countries. A programme of action for the 1970s must not just consist of a list of quantitative indicators, but should contain bold political, economic and social measures for application at the international level. Economic growth must be accompanied by real social progress for the masses in the

countries concerned. National development plans must be designed to deal with each country's urgent problems and be in harmony with the United Nations programmes, and both alike must be based on a number of practical principles, namely: that profound social and economic transformations were necessary to eliminate all obstacles to the development of productive forces; that budgetary and fiscal reforms were required to ensure a more equitable distribution of material resources; that the public sector should be strengthened, and development plans should be drawn up which would enable the private sector, also foreign capital, to be subordinated to national interests; that measures should be taken to prevent the flight of capital; that inequitable economic agreements restricting the sovereignty of developing countries over their own natural resources should be done away with; that the domestic resources of the developing countries should be mobilized in such a way that they were supplemented, not replaced, by financial aid from abroad; and that aid should have no discriminatory aspects and should not involve interference in the beneficiaries' internal affairs. Lastly, any development programme must lay stress upon international trade and take into account the basic principles proclaimed by UNCTAD.

18. Unlike the colonial powers and capitalist States, the USSR and the other socialist countries had never exploited the developing countries, and they could consequently not be regarded as bound by the obligation to devote 1 per cent of their GNP to aiding the developing countries. Nevertheless the USSR proposed to go on giving multilateral assistance to countries which had recently attained independence, in order to help them to eliminate the consequences of colonialism. It was also prepared to increase its co-operation in the training of skilled personnel and would in any event continue to adapt its methods of co-operation to the development programmes of the countries concerned, scrupulously respecting their national sovereignty.

19. Any development programme must, in order to succeed, be espoused by the people concerned as their own. The United Nations must therefore provide its assistance without intervening in the internal affairs of the countries benefiting from it. The responsibility for evaluating the achievements of the Second Decade should accordingly be assumed not by a special body but by the Council, which under the Charter was the principal organ responsible for economic questions – it was consequently the Council which should study the implementation of regional and international plans and where necessary report on them to the General Assembly.

20. Lastly, the Soviet Union could not turn a blind eye to the problems facing the workers in all the other developed countries, and in the developing countries: increasing exploitation of the workers, mounting unemployment, scorn of elementary rights, concentration of wealth, environmental pollution, the housing problem – all those problems had to be solved without delay, for they were having a bad effect on economic and social development throughout the world. The coming decade must consequently be the decade of economic and social progress throughout the world, and those various aspects of world

development could be set out in a document which the Council might be requested to prepare.

21. Mr. OLDS (United States of America) said that he wished to exercise his right of reply and to make three comments on the statement of the representative of the Soviet Union who, in referring to the situation in the United States as he was perfectly entitled to do, had seen fit to give an interpretation of that country's political motivations.

22. The representative of the Soviet Union had, in the first place, quite rightly drawn attention to the repercussions of military and political activities on economic and social development; but he had then gone on to say that the role of the United States in the South-East Asian conflict was casting doubt upon its leaders' real desire to contribute to economic progress. It must be remembered that the United States had been drawn into that conflict despite itself, as it had been drawn into the Korean War and into the Second World War; yet that had not prevented it from providing, since the Second World War, some \$131,000 million in economic aid, only \$28 million of which had taken the form of loans or tied aid. Despite the difficult situation in which the United States found itself on account of the efforts it was making to ensure the military and economic security of other countries, it did not wish to be thought unable to meet its international obligations in the field of development, or unwilling to do so; it was glad that the USSR had declared its readiness to meet its obligations too and was prepared to be judged on results.

23. Secondly, with regard to the interpretation placed by the representative of the Soviet Union upon the links between the United States' domestic problems and its participation in the conflict in South-East Asia, he reminded the Council that his country's participation in that conflict had been the outcome of a deep conviction on the part of the people of the United States that a country's economic and political progress ought to be based on the exercise of its right to self-determination, not on a desire for political or economic exploitation, as the representative of the Soviet Union had suggested. The President of the United States had recently called upon all States Members of the United Nations to try to work together to attain that essential condition for progress in South-East Asia so that the United States might be able, as early as possible, to devote a large part of its resources to economic development, as the USSR representative wished it to do. In that connexion, he reminded the USSR representative that his country was one of the two States that were in a position to help solve the problem of South-East Asia.

24. Lastly, the representative of the Soviet Union had said that the developed countries' responsibility for the developing countries was based on a moral obligation to compensate the latter for the damage done by exploitation on the part of the colonial powers or the capitalist States. The United States, which had been the first colony to win its independence, was convinced that the basic factor in development must be the mobilization of the developing countries' own resources, and the responsibility it felt for those countries was not based on the distant past but on

the interdependence that was a characteristic of the modern world. It simply considered that, for nations that were in a position to do so, it was a duty and a privilege to participate on a footing of equality in the task of world development.

25. Mr. BARBOZA (Brazil) felt that it would be useful, at the beginning of the Second Development Decade, to examine the reasons for the failure of the First Decade, which had not enabled a strategy for development to be framed, or provided the necessary means, or marshalled the will required for development. The resounding failure of the First Decade, during which the rich countries had grown richer and the poor countries poorer, had been due, in his delegation's opinion, to two basic shortcomings: an action gap, and a conceptual gap.

26. The action gap resulted from the inadequacy of the measures adopted in relation to the needs to be met: the restrictive devices hampering the developing countries' trade had been strengthened and multiplied, despite UNCTAD decisions; financing had been insufficient and its terms had remained unfavourable, thus aggravating the developing countries' long-term indebtedness; the share of those countries in world shipping had diminished; and lastly, no action had been taken to facilitate their access to modern technology. Despite certain isolated bright spots — such as the conclusion of the International Sugar Agreement, the progress made in establishing a generalized system of preferences and the prospects opened up by the fourth session of the Committee on Shipping, and the inclusion of a chapter of particular interest to developing countries in the Patent Co-operation Treaty concluded in June 1970 — the fact remained that sufficient efforts had not been made to attain the goal of the First Decade.

27. The conceptual gap was no less serious than the action gap, and was in part the reason for it. Despite the numerous works on the subject of economic development published in the last few years, there was no getting away from the fact that policies and measures adopted at the international level were, in many cases, based not so much on a comprehensive theory of development, as on certain myths, such as the self-containment fallacy, the paternalistic fallacy and the gradualistic fallacy.

28. The assumptions implicit in the self-containment fallacy were that the developing world was a self-contained unit unrelated to the developed world, and that under-development was simply an accident of geography and history. Under-development was however, on the contrary, a world-wide process largely due to an international division of labour in accordance with which a number of countries at the centre of the world economy exported manufactured goods, while other countries at the periphery had hardly any other course open to them than that of specializing in the production of primary commodities. That resulted in a transfer of resources from the periphery to the centre, both in the field of international trade, where it took the form of a deterioration in the developing countries' terms of trade, and in the financial field, in which many developing countries were obliged to export, in the form of royalties, profits and amortizations, more capital than they received

from abroad; the transfer also took the form of human migrations, due to the attraction which industrial centres had for the developing countries' research workers and technicians. Under-development could not be abolished by localized corrective action, or by a simple adjustment of the developed countries' economic policies; it required basic changes in the rules of the game in the international economy.

29. The assumption of the paternalistic fallacy was that development could be achieved by the formation of special ties between the developing countries and certain developed countries which felt they had special responsibilities, of historical or geopolitical origin, towards them. Admittedly nothing ought to be done to prevent the formation of special ties; but such ties ought to result from a genuine feeling of solidarity not from a policy the object of which was to maintain, restore or create spheres of influence: partnership was a desirable goal, whereas paternalism was self-defeating.

30. Lastly, the assumption behind the gradualistic fallacy was that development was a long-term process aiming at best at a gradual increase in income over a fairly long time-span. That view, which was based on the experience of already developed countries, left two important things out of account. In the first place, when the industrial revolution started under-development was not relative but absolute; there was no income gap between different countries and development could not be assessed, as it was assessed today, in terms of the economic abyss between the countries of the north and those of the south. Secondly, the world was at present witnessing a general speeding-up of history, and economic development had to be planned in accordance with the space-age concept of time, not as it had been planned during the last century. That did not mean performing a miracle, only that the will and intellect of man should do what they could with the technology now at mankind's disposal.

31. It was generally agreed that to allow the plight of developing countries to deteriorate any further was unthinkable. There appeared, however, to be two conflicting approaches to the problem, one simply aiming at stabilizing poverty, and the other at trying to abolish it. The strategy of stability, which had never actually been formulated in explicit terms but might be identified from certain signs, trends and statements, appeared to be based on three things: a demographic policy, an agricultural policy and an employment policy.

32. The demographic component of that strategy was based on the theory that population growth was endangering the developing countries and all mankind. The population explosion had come to be regarded as contemporary civilization's worst nightmare: life had come to be feared more than death. The Brazilian delegation did not share that view, for it would be a serious over-simplification to say that *per capita* incomes were insufficient because population growth was too high. It must not be forgotten that, for countries which relied on abundant manpower for their development, population was fully as important a production factor as capital, and that it played an import-

ant role in creating an adequate market for mass consumption in the developing countries. Population growth might, admittedly, pose a problem in some developing countries, but Brazil firmly believed that the policies to be adopted in connexion with it lay within the exclusive jurisdiction of each sovereign State.

33. The second thing the strategy of stability was based on, was the development of agriculture. The first Secretary-General of UNCTAD had discredited the theory that agriculture was the most important sector of activity for development, by showing that over-specialization in agriculture would make the developing countries still more vulnerable in so far as it would expose them to all the vagaries of international trade. It was now recognized that industrialization was the most dynamic element in economic development. The classical theory of the primary role of agriculture as a development factor still had its defenders, since it was true that in many cases industrial development could not, by itself, stimulate general growth. Nevertheless the stress laid upon industrialization was wholly justified, provided, of course, industrialization formed part of a comprehensive and coherent policy which gave agriculture its due.

34. The third element in the strategy of stability was, lastly, a static employment policy, which over-emphasized employment at the expense of development objectives. The Brazilian Government aimed at both those things, but wanted to promote development through employment, and *vice versa*. That was why it had been able to support the World Employment Programme proposed by the ILO. It also endorsed, in general, the passage on employment policies in the draft international development strategy (E/4876), although it would have liked to see it stated more clearly in that document that employment policy and development policy were interdependent. On the other hand it did not share the view expressed in another United Nations organ that the higher the rate of economic growth the more rapidly the employment gap widened. That might have been true at some time in a few countries, but in general the only way to have a sustained full employment policy was to accelerate development. It had been pointed out that development was unable to generate employment because production techniques tended to be capital intensive and labour saving. But in that case it would have been better to encourage development by using different techniques that were better adapted to the developing countries' special conditions and that drew more fully on the labour force. The reason for that state of affairs was that technology had to be imported from developed countries and reflected the labour-capital ratios characteristic of them. In future it would certainly be necessary to try to learn from past experience and correct any mistakes that had been made. The Brazilian Government was, for its part, trying to evolve a development strategy that fully utilized Brazil's human resources, so as to secure an optimum combination of all development factors. To support those efforts, however, intensified international action would be required to devise capital-saving techniques especially adapted to the developing countries' needs, and the Brazilian delegation was sure that the developed countries

would encourage the developing countries' efforts by opening their markets to the products produced by those new techniques. It agreed with the Director-General of the ILO that, by removing or substantially reducing the trade barriers to industrial imports, the industrialized countries would help to accelerate the transfer of labour from agriculture to industry in the developing countries and enable those countries to earn more foreign exchange.

35. The strategy for stability thus outlined would, at best, prevent an aggravation of poverty in the world, but it was obvious that the Second Development Decade must be growth-orientated, not stability-orientated, and that it ought to be based on a dynamic, not a static model. The Brazilian delegation did not regard that dynamic model as anything Utopian and considered that it might be drawn up on a basis of what was already feasible and of the information that had been collected. Many of its elements might be found in the Pearson report¹ which, it was encouraging to see, openly endorsed many of the proposals made by the developing countries.

36. It was the view of the Brazilian delegation that the strategy for development ought to comprise goals and targets which were at once realistic and ambitious, measures consistent with those goals, and deadlines for the adoption of the measures. The goal of the Decade should be for the developing countries to attain a GNP growth rate which was significant both in absolute terms, i.e. in terms of economic and social progress, and relatively, i.e. which would narrow the gap between developed and developing countries in the field of income. The targets suggested by the Committee on Development Planning, for both over-all growth of GNP in the developing countries and for specific sectors such as agriculture, industry or imports and exports, were, in the delegation considered, reasonable and feasible although not ideal.

37. The second element in a dynamic strategy should be a set of measures in the fields of trade, financing and technology. The trade policy ought to be based on the principle that international trade was not an end in itself but a means of promoting development by giving developing countries an opportunity to finance a substantial part of their development out of their own export earnings. That involved framing a pricing policy capable of checking the deterioration in the terms of the developing countries' trade, removing the tariff and non-tariff barriers that were preventing access to the developed countries' markets, establishing a generalized system of preferences for manufactures and semi-manufactures from developing countries, and restructuring world shipping in such a way as to enable developing countries to transport the goods involved in their foreign trade increasingly in their own vessels. The financing policy should be so designed as to enable developing countries to bridge the gap between their foreign trade earnings and their import needs. It would thus help to lighten those countries' ever-increasing load of foreign debt and to put a stop to the reverse capital flow

that was upsetting their balance of payments. In the field of technology, it would be necessary to try to narrow the gap between the developed and the developing countries. A massive transfer of science and technology was an indispensable prerequisite for the attainment and maintenance of high growth rates in the developing countries. In that connexion the Brazilian delegation shared the view expressed by the Advisory Committee on the Application of Science and Technology to Development in its second report,² that the scientific approach offered the best hope for assisting the developing nations to speed up the process of their expansion. It also agreed with the United Nations Secretary-General that technology was the most powerful force in the world for improving standards of living. It would be necessary to make arrangements, on an international scale, for the transfer of scientific and technical information from the centre to the periphery, to encourage the development of technology at the national level, and to set up appropriate inter-governmental machinery to promote, by the transfer of technology and the expansion of national research, the scientific development of the less advanced countries.

38. Lastly, a dynamic strategy should set deadlines for the implementation of agreed measures, alike in respect of attainment of the 1 per cent of GNP objective recommended by UNCTAD at its second session, and for the measures in the field of trade, finance and technology.

39. Comparison of the main elements in that dynamic strategy with the draft submitted by the Preparatory Committee for the Second United Nations Development Decade (E/4876), produced, inevitably, a certain feeling of frustration. The section "Goals and objectives" was on the one hand incomplete, in so far as it failed to declare in a precise form the fundamental necessity of narrowing the income gap between the developed and the developing countries, and on the other insufficient, in so far as it set targets lower than those originally suggested by the Committee for Development Planning. The section "Policy measures" was drafted in very non-committal terms. In it the developed countries were requested to endeavour to take certain measures and to give others sympathetic consideration; and though agreement had been reached on certain points it had only been reached in principle. At best, the Brazilian delegation considered, that amounted to an expression of good intentions. Lastly, there was complete disagreement on the crucial question of deadlines for attainment of the objectives and in particular of the 1 per cent of GNP for the volume of assistance, which was the fundamental thing upon which the strategy's success depended. The draft strategy consequently fell far short of what was expected of a dynamic and development-oriented strategy. In its present form it was but a step forward along a long path.

40. The Brazilian delegation was, however, confident that in due course the members of the United Nations bodies would finally agree on a meaningful blueprint for action in

¹ *Partners in Development: Report of the Commission on International Development* (New York, Praeger, 1969).

² *Official Records of the Economic and Social Council, Thirty-ninth Session, Supplement No. 14.*

the coming decade. It was for the Economic and Social Council and the international community as a whole to take a decision and to choose between the static and the dynamic models, between the strategy of growth and the strategy of stagnation. The Brazilian delegation hoped that all countries would choose the more dynamic alternative, which alone would enable the coming decade to be in fact, not merely in name, a Development Decade.

41. Mr. LABOUISSÉ (Executive Director, United Nations Children's Fund) said that it was now recognized that the protection of children was both an important means of achieving national development and one of the key purposes of that development, as might be seen from resolutions 1493 (XLVIII) and 1494 (XLVIII) adopted by the Economic and Social Council at its forty-eighth session, the report of the Pearson Commission, the report of the Meeting of Experts on Social Policy and Planning (E/CN.5/445 and Corr.1) and the draft strategy prepared by the Preparatory Committee for the Second United Nations Development Decade (E/4876). Although impressive results had been achieved in the past few years, a great deal still remained to be done to attain what still, to a large extent, remained in the realm of aspirations. In the context of the Second Development Decade UNICEF would do everything it could to ensure that those aspirations became, progressively, a reality in the everyday life of the millions of children who were to become the society of tomorrow.

42. The development process was increasingly being regarded as a many-faceted undertaking with interdependent economic and social aspects. The fact remained, however, that most of the things being done for children were on the social side, and that it was the productive or economic aspects of development that were receiving the most attention, the largest share of resources and certainly the most external assistance. That situation might perhaps be inevitable, historically speaking, but it did give special importance to the kind of aid that UNICEF provided.

43. UNICEF was making an important qualitative contribution by advising Governments on how to take the needs of children more effectively into account when preparing and implementing national development plans. In quantitative terms, 70 per cent of UNICEF's aid consisted of supplies and equipment for a wide range of services benefiting children: health centres, training centres, schools, plants for the production of protein-rich foods for young children, and the like. The remainder largely took the form of cash grants for the training of local personnel, such as para-medical personnel, teachers and nutritionists, and for the instruction of the mothers themselves in such matters as nutrition and hygiene. UNICEF also participated in disease-control campaigns by supplying drugs and equipment; it also granted a large number of training stipends.

44. UNICEF's ability to contribute to the attainment of the objectives of the Second Development Decade would depend directly on the extent to which it could attract funds. UNICEF was entirely dependent on voluntary contributions, 75 per cent of which came from Governments and 25 per cent from private sources. Nor did it have any significant reserves. It supported particular programmes

in developing countries for periods ranging usually from three to five years, but annual expenditures were financed out of annual income and UNICEF's financial programme was prepared on a basis of estimates of income. There had been encouraging increases in income of recent years and the target of \$50 million in 1970, approved by the Economic and Social Council, would probably be achieved and even exceeded. Nevertheless, since revision of structures and goals were being widely discussed, UNICEF had considered it necessary to review its own situation and to adapt its action more closely to existing needs and possibilities; it had accordingly applied itself to considering what its contribution might and ought to be to the Second Development Decade. The conclusion it had reached was that the developing countries' needs were at least twice as great as the amount of aid it was at present giving, and that it could administer an assistance programme of twice the size with relatively little strain on the United Nations system as a whole and without any change in present methods of co-ordination.

45. Governments did need more assistance. Once projects had been prepared and the technical guidelines had been laid down, it was comparatively easy to provide more supplies and equipment for an increasing number of health centres, schools and the like. Then again, in many countries the basic conditions for training on a larger scale, funds excepted, already existed. The nature of UNICEF aid also explained why, in present circumstances, it would be relatively easy to expand that aid without imposing any new strain on the rest of the United Nations system. The modest scope of many projects in which UNICEF participated was in many cases due solely to its limited resources. The expansion of those projects ought not therefore, in itself, to give rise to any new technical problems or make any significant additional demands on the specialized agencies co-operating with UNICEF in their implementation.

46. In regard to UNICEF procedures, about which he wished to give some details, the essential point was that all UNICEF-aided programmes received the technical advice and, where appropriate, the approval of the specialized agencies directly concerned. The existing mechanisms were numerous, but well co-ordinated. At the most important level, i.e. country level, programmes were worked out by the Government, the specialized agencies concerned and UNICEF's representatives. At UNICEF headquarters, the three agencies with which the Fund co-operated most closely — FAO, UNESCO and WHO — were represented by resident advisers. Arrangements with the United Nations Social Development Division, and with UNDP, also existed. In addition the governing bodies of both WHO and FAO had established, with the Executive Board of UNICEF, general policy committees consisting of representatives of those organizations; and inter-secretariat meetings were organized at the highest level with the ILO and UNESCO.

47. An important question that had been before the UNICEF Executive Board at its forty-ninth session was the date by which UNICEF might expect to have doubled its income. He himself had proposed as the target for 1975 a figure of \$100 million a year, on the assumption that

contributions from Governments would have reached \$75 million by that date, income from other sources making up the balance. That proposal had received general support in the Executive Board and several Governments had agreed to take measures to help UNICEF to reach that new target.

48. If it received the necessary financial support, UNICEF would be proceeding with its work in the Second Development Decade by providing aid in any field that concerned children to which the Governments concerned attached high priority in the context of their national development efforts.

49. In all probability the four most important fields of activity would continue to be training, education, nutrition and health. Training would probably be an ever-growing field in the coming years, and though UNICEF was concentrating on the training of local low- and middle-level personnel it was not unaware of the fact that all the developing countries needed to train personnel of all types. In the field of education, aid requirements would continue to grow. More schools and more teachers would be needed, but the thing that appeared to be needed most was curriculum reform, particularly in rural education, combined with a better use of technology. UNICEF's contribution in that field would continue to take the form of supplies, equipment and training stipends, with UNESCO providing the technical advice and guidance. As regards nutrition, UNICEF had been concerned for many years with the problem of child nutrition and it would continue to co-operate closely with FAO and WHO over that. Substantial advances had been made, *inter alia*, in the manufacture of high-protein foods for young children. In the health field, UNICEF's main concern was mother and child health care. UNICEF would be having to go on devoting the major part of its resources to that problem in the years ahead on account of the extraordinary pace of the population explosion.

50. It was a good thing that many countries had realized the need for action in connexion with that explosion. Experience had shown, however, that family planning programmes, to be effective, must be closely associated with basic health services. UNICEF was receiving a steadily increasing number of requests for assistance in that field, and the creation of the United Nations Fund for Population Activities promising as it did new sources of funds and new initiatives, was a matter for congratulation. It should be noted that UNICEF aid for family planning was provided only at the request of Governments and with the technical approval of WHO.

51. Lastly, UNICEF always stood ready to provide emergency assistance. In the past two years, it had implemented a substantial programme of assistance for children in Nigeria and had participated in emergency relief operations in South-East Asia, Romania, Hungary and Peru. Its Executive Board had approved a \$500,000 commitment for immediate relief after the earthquake that had devastated Peru, and that assistance would be followed up by help over reconstruction. UNICEF would of course be prepared to co-operate fully in any arrangements made to ensure closer

co-ordination of emergency assistance within the United Nations system. The less publicized disasters and the permanent dangers that were threatening the life of millions of children in all the developing countries must, however, not be forgotten. The means were available to break the vicious circle of poverty: all that was needed was to find the requisite political will.

AGENDA ITEM 32

Measures to be taken following the earthquake in Peru (E/4883 and Add.1, E/L.1333, E/L.1334)

52. Mr. QUINTANA (Executive Secretary, Economic Commission for Latin America) said that the magnitude of the disaster in Peru had produced a movement of solidarity in the countries of Latin America and of other areas. Following consultations with the Secretary-General of the United Nations and the President of the Commission and on the proposal of the Chilean Government, supported by other Governments, it had been decided to convene an extraordinary session of ECLA's Committee of the Whole to consider what measures should be taken to meet the emergency on a basis of international co-operation. A high-level mission of experts, sent on a fact-finding mission to Peru in preparation for the extraordinary session, had drawn up a preliminary report in which it had described the scope of the disaster and the economic and social conditions in the stricken areas; it had also made a first evaluation of the damage, and submitted recommendations regarding the measures which might be taken as part of an international co-operative effort. In addition, the Peruvian delegation, through the Ministry for Foreign Affairs, had submitted a detailed report on the consequences of the disaster, which had cost more than 50,000 human lives, and had estimated the cost of reconstruction at about \$520 million.

53. It had been generally agreed that such an unparalleled disaster called for exceptional measures of international co-operation giving practical effect to the spirit of solidarity which had inspired the Charter of the United Nations. The ECLA Committee of the Whole had unanimously adopted resolution 297 (AC.63), reproduced in the report of its sixth extraordinary session (E/4883), which contained specific recommendations addressed to the Economic and Social Council. The Committee of the Whole had also adopted resolution 298 (AC.63), in which it requested the Economic and Social Council to recommend to States Members of the United Nations the establishment of an Emergency Fund for cases of natural disaster, which would be made up of voluntary contributions by all members of the international community and whose first activity would be to make available to Peru, through the competent United Nations bodies, all the financial and other resources needed for the reconstruction of the devastated regions.

54. UNDP and the specialized agencies of the United Nations had taken decisions on the provision of aid to Peru within their respective spheres of competence, with special reference to technical assistance services, and Mr. Raúl Prebisch had been appointed to co-ordinate the concerted

action by the United Nations family. He (Mr. Quintana) was sure that the Council would endorse the ECLA resolutions and that the international community would approve and carry out the recommendations and practical action proposed in them.

55. The PRESIDENT invited Mr. Piñera, Chairman of the sixth extraordinary session of the Committee of the Whole of ECLA, to address the Council.

56. Mr. PIÑERA (Chile), Chairman of the sixth extraordinary session of the Committee of the Whole of the Economic Commission for Latin America, said he wished to associate himself with the tribute paid at the 1699th meeting to Mr. André Philip, President of the OECD Development Centre, who had devoted his whole life to the cause of the third world and had placed at the service of that cause his extraordinary qualities as a humanist. A fine man, full of liberal ideas and proposals, he had been a great socialist and a great Christian, and his contribution to the development of the third world should serve as a universal example.

57. Referring to the disaster which had struck Peru, he said that ECLA and the Latin American Institute for Economic and Social Planning (ILPES) had jointly drawn up the report before the Council (E/4883). During the extraordinary session of the Committee of the Whole in New York, forty-two African, Asian, European and Latin American countries had been represented by observers, who had all expressed strong support for international solidarity and co-operation. The discussions of the Committee of the Whole had been marked by a sense of urgency, for the disaster that had struck Peru endangered the development plan which that country had energetically launched and which might be seriously jeopardized unless immediate international help was forthcoming.

58. Peru would, of course, make the major reconstruction effort itself, but international co-operation was necessary to ensure the effectiveness of that effort. The two resolutions adopted for that purpose by the Committee of the Whole expressed that sense of urgency and solidarity and sought to translate into reality the spirit of the Charter of the United Nations. Resolution 298 (AC.63), in particular, recommended that the Economic and Social Council should study the possibility of establishing an Emergency Fund for cases of natural disaster, which would be used first of all for Peru and then for any other country struck by natural disasters, in accordance with the idea that had long been advocated by the Director-General of WHO.

59. Mr. de ARAUJO CASTRO (Brazil) introduced draft resolution E/L.1333 on behalf of its sponsors, who had been joined by Ghana, Indonesia, Pakistan and Yugoslavia.

60. In view of the purpose of that proposal, it was important that it should be adopted as quickly as possible; in any case, its text was almost identical with that of resolution 297 (AC.63) that had been unanimously adopted by the Committee of the Whole of ECLA at its sixth extraordinary session. In that connexion, he wished to

mention the active part played by the Chilean delegation and to pay a tribute to the efforts made by the Secretary-General's personal representative.

61. Reviewing the operative part of the draft resolution, he pointed out that paragraphs 2 and 3 took account of the absolute need for the continuation of the aid already granted by certain Member States; the exceptional nature of the measures provided for in paragraphs 4 and 5 was justified by the equally exceptional nature of the situation in Peru; paragraphs 6, 7 and 8, which mainly concerned UNDP, also reflected the need for special financial facilities; lastly, paragraphs 9 and 10 contained an appeal to IBRD, an appeal based on the fundamental principle of the Bank's policy that problems of reconstruction were inseparable from problems of economic development.

62. In conclusion, he said that his own country fully shared Peru's grief and urged that draft resolution E/L.1333 should be adopted unanimously in order to support the efforts of the whole Peruvian people.

63. Mr. VIAUD (France) sincerely thanked the Chilean representative for his tribute to the memory of Mr. André Philip; his words would be passed on to the French Government as well as to Mr. André Philip's family.

64. With regard to the draft resolution under consideration, of which France was a sponsor, there was no need to dwell on the reasons for its submission; the main reason was that the magnitude of the disaster in Peru called for a large-scale co-operative effort. The text before the Council was the one already adopted by ECLA; the French delegation considered that the Council should in turn give its full moral support to an aid programme which, it was hoped, would become increasingly well co-ordinated.

65. He thought, however, that some drafting amendments were needed in the text submitted; in particular, the order in which the agencies were listed in paragraph 6 should be altered so that the specialized agencies and the United Nations bodies were grouped separately.

66. Finally, the French delegation supported the wording of operative paragraph 2 of the draft resolution and therefore hoped that the members of the Council would accept it as it stood and reject the amendment which had been proposed.

67. Mr. FRANZI (Italy) said his country had already given its views on the matter under consideration at the extraordinary session of the ECLA Committee of the Whole.

68. As to the draft resolution under consideration, he had a few improvements to suggest. In particular, he would like the words "and credits" to be inserted after the word "loans" at the beginning and the end of operative paragraph 4; he would also like the words "and IDA" to be inserted after each of the two references to IBRD at the beginning of operative paragraph 9, since the part which that Association could play should not be overlooked. The Italian delegation approved the remainder of the draft resolution.

69. Mrs. MIRONOVA (Union of Soviet Socialist Republics) introduced the amendment in document E/L.1334. Her delegation had submitted that amendment because it felt a profound sympathy with the Peruvian people in the calamity which had overtaken it and considered that all peoples should be urged to respond to the appeal to be made by the Economic and Social Council. The purpose of the amendment was therefore to remove any discrimination from the draft resolution, which was of a humanitarian nature, so that the spirit of solidarity called for by the Charter could find full expression.

70. Mr. AMERASINGHE (Ceylon) said that his delegation supported the Soviet amendment because it considered that, in addressing an appeal to mankind, the draft resolution should not emphasize the political division of the world.

71. Mr. GUELEV (Bulgaria) said that his country had already had occasion to express its solidarity with Peru at the sixth extraordinary session of ECLA's Committee of the Whole.

72. With regard to the proposals before the Council, his delegation supported the Soviet amendment because it considered it abnormal that any discrimination should be shown on such a matter as assistance to the Peruvian people; if the amendment was rejected, his delegation would be unable to vote for operative paragraph 2 of the draft resolution, which struck it as completely unreasonable.

73. Mr. BRADLEY (Argentina), speaking on behalf of the sponsors of the draft resolution said that they had not had an opportunity to discuss the Soviet Union's amendment among themselves. He was, however, afraid that they could not accept it, despite the observations made by the representatives of Ceylon and Bulgaria.

74. On the other hand, the sponsors would have no difficulty in accepting the French representative's suggestion concerning operative paragraph 6 and thought his point might be met by the following wording: "Requests the Secretary-General of the United Nations to ask the Governing Council of UNDP, the specialized agencies, especially IBRD and IMF, and IAEA, UNIDO, . . ."; the financial agencies would thus be grouped separately from the other organizations.

75. The sponsors of the draft resolution would also have no difficulty in accepting the changes suggested by the Italian representative.

76. The PRESIDENT invited the Council to vote on the amendment in document E/L.1334.

The amendment was rejected by 10 votes to 6, with 8 abstentions.

77. Mrs. MIRONOVA (Union of Soviet Socialist Republics) requested a separate vote on operative paragraph 2 of the draft resolution.

Operative paragraph 2 of the draft resolution was adopted by 16 votes to 2, with 4 abstentions.

78. The PRESIDENT invited the commission to vote on draft resolution E/L.1333 as a whole.

The draft resolution was adopted unanimously.

79. Mrs. MIRONOVA (Union of Soviet Socialist Republics), speaking in explanation of her vote, said that her delegation had voted in favour of the draft resolution out of a sense of solidarity with any country which had suffered a natural disaster. She nevertheless deplored the political discrimination shown in operative paragraph 2 of that resolution.

80. Furthermore, with reference to operative paragraph 8, the Soviet delegation wished to warn Governments participating in UNDP against any undue increase in the aid provided by that body; it might well be asked why the existing resources were not sufficient. Provisions such as operative paragraph 8 should not be adopted without thorough preliminary consideration.

81. Mr. AMERASINGHE (Ceylon) said he too deplored the discrimination reflected in operative paragraph 2 of the resolution.

82. Mr. ABE (Japan) said that his delegation had voted in favour of the draft resolution. It regretted, however, that that proposal had not been submitted to members of the Council until the previous day; as Japan was not a member of ECLA, his delegation had been unable to make an adequate study of the proposal, nor was it possible to refer the matters to superior authority for consideration. That was particularly unfortunate, as operative paragraphs 5, 8, 9 and 10 of the resolution related to matters affecting the attitude of members of UNCTAD and UNDP. Paragraph 8, in particular, would be interpreted as an endeavour to increase contributions to UNDP without attempting to prejudge the priorities among various programmes entrusted to UNDP. However, in view of the urgency of the matter, and also in view of the warm relations existing between Peru and Japan, the Japanese delegation had considered it possible to vote in favour of the draft resolution.

83. Mr. ALZAMORA TRAVERSO (Peru) expressed his gratitude to members of the Economic and Social Council. Since, for obvious reasons, his delegation had not taken part in the vote, he wished to express his country's thanks to the Secretary-General and his personal representative for all the help they had given to Peru. In view of the magnitude of the task, Peru would mobilize all its forces for its accomplishment, but the task would be lightened by the knowledge that it could count on the solidarity of the States represented in the Economic and Social Council; that knowledge was a source of great encouragement.

84. Mr. PIÑERA (Chile), Chairman of the sixth extraordinary session of the Committee of the Whole of the Economic Commission for Latin America, said he would have preferred operative paragraph 3 of the resolution adopted to express the Council's thanks not only to the Secretary-General but also to Mr. Prebisch, his personal representative in Peru.

The meeting rose at 2 p.m.