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President: Mr. MARAMIS (Indonesia).

Tribute to the memory of Mr. André Philip

1. The PRESIDENT asked Mr. van Lennep, Secretary-General of the Organisation for Economic Co-operation and Development, to accept the Council's condolences on the death of Mr. André Philip, President of the OECD Development Centre. He paid a tribute to the constructive efforts Mr. Philip had made to promote the development of the third world, both at the first session of UNCTAD, and in his activities at OECD and his many writings, which would continue to be a source of inspiration to the work of the Council.

2. Mr. van LENNEP (Secretary-General of the Organization for Economic Co-operation and Development) thanked the President for the tribute paid to the memory of Mr. André Philip.

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/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*)

3. Mr. HAMBRO (Norway) said that it was gratifying to see, on the United Nations' twenty-fifth anniversary, that the Organization was playing a fundamental role in international activities and in the foreign policy of all the member countries. It had to be recognized, however, that

those countries had not succeeded in making the United Nations either into the universal peace-keeping organization envisaged in the Charter, or into a world-wide instrument of co-operation capable of solving, to the extent desired, the world's economic, social and human rights problems.

4. Member States ought therefore to undertake to redouble their efforts to save future generations not only from the scourge of war but also from poverty, hunger and ignorance. Substantially better results were likely to be obtained in the Second Development Decade, as a result of the experience acquired during the First Decade. After a year and a half's work, the Preparatory Committee had succeeded in laying down a strategy for the battle that had to be waged against need and poverty. The draft international development strategy contained in the Committee's report¹ was unfortunately very far from perfect, since on many points differences of opinion were evident, but it did represent a major step forward in so far as it showed that, for the first time in the history of the United Nations and of the world, a serious effort had been made to elaborate a comprehensive and detailed plan of action for development. Its shortcomings ought not to be a source of discouragement, for the problems outstanding could undoubtedly be solved.

5. However, the development problems of the third world could not be solved simply by drafting a strategy. The strategy would have to be implemented in every detail, even if it did not constitute a legally binding instrument. It was therefore essential that the measures recommended in it should be regarded by Governments as commitments by which they were politically and morally bound.

6. The Norwegian delegation was pleased to note the draft strategy's emphasis on social objectives, which played an important part in the development process and were also essential for arousing the enthusiasm of the public, especially in the industrialized countries. Education, as the Director-General of UNESCO had very rightly said (1697th meeting), was a powerful instrument for economic growth and social development; and, although it represented a long-term investment which did not give a quick return, it was nevertheless a matter of urgency to secure its expansion, not forgetting in doing so that new educational systems must be attuned to the actual needs of the countries and generations concerned. His delegation attached great importance, in that connexion, to the work which was to be carried out by UNRISD and other bodies on elaborating social indicators of development.

7. Such indicators, together with the already existing yardsticks for measuring economic growth, would facilitate

¹ A/7982, transmitted to the Council by a note of the Secretary-General (E/4876).

the review and appraisal process during the Second Decade. Though the need for such evaluation was recognized by everyone in principle, he hoped it would not in practice be impeded by Governments for reasons of national prestige, invoking the "domestic jurisdiction" clause of the Charter.

8. Although the draft strategy before the Council was not yet complete, it was encouraging that a certain amount of progress had been made since it was drafted, particularly in regard to shipping, an important element in the strategy of development. The Secretary-General of UNCTAD had just been holding informal consultations with a number of countries, including Norway, with satisfactory results which, it was hoped, would further increase co-operation between developed and developing countries in that field.

9. The Secretary-General, at the 1696th meeting, had made an extremely lucid assessment of the world situation from the economic and social standpoint, and the Norwegian delegation fully agreed with him about the need substantially to strengthen multilateral programmes, which indicated how far nations could collaborate despite their different economic and political systems. His delegation hoped that all the developed countries members of the Council, irrespective of their economic and social systems, would confirm, at the present session, their intention of participating in the development effort of the Second Decade. The work of the Preparatory Committee had shown, those who had taken part in it the advantages of the consensus method, particularly where objectives and measures to be taken were being defined. It would be advisable for the General Assembly Second Committee to employ that method, because the problems of the developing countries could not be solved by adopting resolutions, the voting on which very often had the effect of accentuating differences of opinion.

10. As regards Norway's contribution to the Second Development Decade, the Norwegian Parliament had just adopted a new indicative medium-term plan whereby the total flow of Norwegian financial resources to international development was to be increased to 1 per cent of the GNP by 1974, or earlier still if economic conditions permitted. Under that plan, the Government proposed gradually to increase appropriations for official development assistance until, in 1974, they reached at least 0.75 per cent of the gross national product; and Norway would support the establishment of a separate international target for official development assistance. Furthermore, it would continue to furnish assistance to the developing countries in the form of grants and untied loans, and hoped that the signs some of the major donor countries seemed to be giving of abandoning the policy of tied aid would be confirmed. Under its new assistance plan the Norwegian Government intended to make in future a substantially larger contribution to various international institutions, so as to ensure the even distribution of official appropriations between multilateral and bilateral aid.

11. In his statement to the Council, the Secretary-General had stressed the gravity of the population problem. That problem was also of major concern to the Norwegian Parliament, which had just unanimously adopted the

decision that Norway should substantially increase its assistance to the developing countries in the field of family planning in the broad sense of the term, which included not only birth control but also health services and the social and ethical aspects of that delicate question. While acknowledging that each State was entitled to define its own population policy, the Norwegian delegation appealed to States which had no population problem themselves not to oppose international assistance in that field being given to countries which requested it, and to understand the situation of countries in which the population problem was endangering progress and prosperity.

12. The problem created by the rapid advance of science and technology were becoming more pressing every day, because the new discoveries, which could be used for the benefit of mankind, were also extremely dangerous. The solution of those problems ought to be given an increasingly important place both in the United Nations political and in its economic and social work. The exploitation for peaceful purposes of the resources of the ocean, the sea-bed, outer space and atomic energy demanded an imaginative policy of international co-operation. Appropriate machinery would have to be set up to deal with scientific and technological problems in order that the United Nations might be able to guide development in those fields in the interests of the Organization and of mankind in general. The problems of the human environment, which came within the same sphere, were not a matter for concern only to the developed countries, for the developing countries might be able to avoid making the same terrible mistakes. Pollution was no respecter of political frontiers or national sovereignty, and the developing countries, too, stood to benefit from any international, regional or national action that resulted from the Conference which was to be held in 1972 at Stockholm.

13. Before concluding, he wished to stress the importance his delegation attached to agenda item 28: Measures to improve the organization of the work of the Council. It was prepared to consider with an open mind any proposal made on the question, and thought it essential that the members of the Council should devote the requisite time and effort to examining it at the present session.

14. In conclusion, he reminded the Council, as the Secretary-General had done, that while the total flow of assistance to the developing world from the richer nations was still not as much as 13,000 million dollars a year, 200,000 million dollars were being spent every year on armaments. That frightening trend had to be reversed if development efforts were to be successful.

15. Mr. MALIK (Indonesia) said that he was pleased to be taking part in the Council's discussions at a time when the twenty-fifth anniversary of the United Nations was giving its members an opportunity to reflect on the successes and failures of the past, and when the imminent launching of the Second Development Decade was offering more encouraging prospects for the future, particularly for the developing countries.

16. The United Nations was still far from having attained the two principal objectives set forth in its Charter: that of

maintaining world peace and that of raising the standard of living of people throughout the world. Political insecurity and social unrest were still rife in many parts. In South-East Asia, the protracted war in Viet-Nam, recently aggravated by the Cambodia crisis, was casting an ominous shadow over the region and even over the world, and making regional co-operation virtually impossible. In the Middle East a local crisis was threatening to degenerate into a world-wide conflict unless the United Nations settled the matter soon. The Indonesian Government therefore unreservedly supported the appeal made by the Secretary-General to all Governments, and to the major powers in particular, to replace power politics by a policy of collective responsibility. If parity in armaments and destructive capacity could be established between the super powers and the major powers could meet to make a fresh evaluation of the position, world prospects could be radically changed in line with the fundamental objectives laid down in the United Nations Charter. It was in those circumstances alone that the United Nations could accomplish its noble mission; the maintenance of peace and security was consequently an essential prerequisite for economic and social development. It was with that in mind that the Indonesian delegation had organized a conference of Ministers for Foreign Affairs at Djakarta to study the Cambodian crisis, which was a threat to the peace of Asia and hampering the region's development.

17. The Second Development Decade, the aims of which could not be attained without international peace, would be coming up against a large number of economic problems: the gap between the developed and the developing countries was still widening, international trade was still being hampered by numerous complex restrictions, and the flow of capital to the developing countries remained pitifully inadequate and uncertain. In the social field, the population problem was worsening and constituted a danger to many of the developing countries, from the point of view not only of food but also of health, education, housing and employment. Aware of the danger, the Indonesian Government had adopted a national family planning programme, which was to be implemented by a special body of ministers and experts.

18. It was imperative that the United Nations should renew its efforts in the fields of agriculture, trade and external development assistance which, as the case of Indonesia had shown, were the three key factors in economic development. Before applying its first five-year development plan, which was at present entering its second year, Indonesia had had to take steps to check inflation and stabilize prices. The plan centred round the development of agriculture, in which 65 per cent of the population were employed, and aimed at making Indonesia self-sufficient in food by 1973 and at raising the annual growth rate of the GDP from 4 to 6 per cent. External financing was another important element in the development plan, and Indonesia had been fortunate enough to obtain substantial long-term loans from several developed countries; it had also secured a re-scheduling of its external debt, which was making its development effort easier. Legislation on foreign investment had, moreover, attracted private capital, especially in

the extractive industries, forestry and fisheries, and that capital had brought with it valuable technical know-how. Indonesia was thus living proof that it was possible for developed and developing countries to co-operate on a basis of equality and to their mutual benefit.

19. The Indonesian delegation was pleased to see that the draft international development strategy laid emphasis on regional co-operation. Co-operation of that kind had already had practical results in the Economic Commission for Asia and the Far East, through the establishment of sub-regional groupings of countries which were at the same stage of development and had similar problems.

20. The Second Development Decade could not be successful in the absence of a political will on the part of all the nations, and in particular of the major Powers, to reverse the present trend. International co-operation was out of the question so long as the material and human resources desperately needed for development were being diverted for the purposes of a senseless arms race.

21. Although the draft international development strategy before the Council was thus not entirely satisfactory, it did comply, as far as was possible, with the wishes expressed by the General Assembly in its resolution 2411 (XXIII). The preamble to the strategy stressed that the strategy's essential elements were, first, a spirit of partnership between developed and developing countries, secondly, the need for a political will and collective determination on the part of the international community and, lastly, recognition of the fact that co-operation was the best means of achieving the objectives in view. The draft strategy also took the social aspects of development fully into account and the dynamic role that youth should play in the process of development.

22. On the other hand, many differences of opinion were still apparent in the draft strategy, on such key issues as the measures to be taken in international trade and in science and technology, and the target date for transfers of resources to attain 1 per cent of the GNP. The Indonesian delegation was deeply concerned to see that certain developed countries were still unwilling to enter into commitments which would do no more than guarantee a minimum standard of living for the peoples of the developing countries and in fact commit only a tiny fraction of their resources – for it was estimated that the annual gross national product of the industrialized countries as a whole had increased by more than 750,000 million dollars between 1960 and 1968, whereas the total amount of public and private capital entering the developing countries in 1969 had only been 4,000 million. His delegation was also surprised by the unduly legalistic position adopted by some of the developed countries with respect to the undertakings involved in the draft strategy, for far from being an official treaty it simply represented an expression of Governments' political will to take the necessary steps to achieve certain common objectives.

23. The Indonesian delegation was firmly convinced that responsibility for development lay with all countries, regardless of their political, economic and social systems. It believed that the success of the Second Development

Decade was liable to be seriously jeopardized by the fact that a large number of the Members of the United Nations, in particular the centrally planned economy countries of Eastern Europe, had so far taken no part in the preparation of the development strategy. The Economic and Social Council and the General Assembly should accordingly take all possible steps to make it possible for those countries to participate in the drafting of the final version of the international development strategy, which it was, incidentally, in the interests of those countries to do.

24. The extent to which the development strategy achieved its ends was directly bound up with future performance of the United Nations and, in particular, with that of the Economic and Social Council. Despite the many services it had rendered, the Council had long needed to improve its work procedures and programmes. As the Secretary-General had pointed out (1696th meeting), its work ought to be less technical and closer to the simple aspirations of the people. The Indonesian delegation was accordingly prepared to support any proposal for constructive changes in the Council's operations. The Council ought to continue to work unremittingly to promote the economic and social advancement of the developing countries.

25. Mr. JENKS (Director-General, International Labour Office) said that in some respects the achievements of the last twenty-five years had far surpassed the hopes expressed at the San Francisco Conference: problems then regarded as virtually insoluble had been solved, the sense of international responsibility had widened and deepened, and the progress of science and technology had opened up new horizons. In other fields, however, achievements had fallen short of expectation: there was violence and instability in the world beyond the most pessimistic anticipations, personal freedom remained precarious in many countries and the settlement of international disputes was not being achieved as easily as had been hoped. But the most startling contrast was provided by the scale and rhythm of the problems arising in the political, economic, social and cultural fields. In all those fields the pace of change had far exceeded the capacity of man and institutions to adapt themselves. The issue today was whether mankind was capable of effectively coming to grips with the problems of today and tomorrow, of meeting the challenges of the new age, and of finding a remedy for economic frustration, racial bitterness and social discontent and upheaval.

26. All those complex problems came down to one thing: the task of ensuring human survival. The nature of that task required, in the first place, that the United Nations system should be completely and effectively universal. The International Labour Organisation would, for its part, continue to wrestle with the special problems which that universality raised for an organization which was basically tripartite and wished to preserve that unique character. Secondly, in the interests of mankind at large the United Nations system ought to be concerned with the problems of every country equally, irrespective of its political system, economic and social structure or degree of development. It ought to be the nucleus of a common polity, and all member countries should share its obligations and benefits and recognize that

they had common responsibility for the common welfare. It was in that spirit that ILO was pursuing its activities, serving not any particular interests but the interests of all. The task required that the various sectors — economic, social, cultural, political and scientific — should be part and parcel of a common objective, and that every institution should make its own contribution within the more general context of the United Nations system as a whole. ILO for its part realized that it could not isolate any of its major responsibilities from the general context of contemporary concerns, and it believed that there were few cases in which the impact of a problem upon people's daily lives might be ignored. It had accordingly always emphasized the need to secure a broad, world-wide consensus on a global development strategy, to awaken on a world-wide scale the political will required to give economic growth a precise social goal, and to create the social infrastructure that growth required. It had consequently always cultivated the closest co-operation with the Economic and Social Council and with all the international and regional organizations, both those inside and those outside the United Nations system, which were devoting themselves to the progress of mankind.

27. Accomplishment of the task also entailed study of the problems, and of effective measures, on a world-wide scale. Autonomy and co-operation were the twin pillars of participation in the United Nations system. The vitality of a society depended on the orderly distribution of power, not its concentration, and it was on a basis of that fundamental truth that the United Nations system had been conceived to secure economic and social co-operation between the nations. The complexity of the United Nations system reflected the complexity of the world and of human life. International action was increasingly aiming at stimulating rather than at taking the place of national action, and to achieve that aim the closest possible co-ordination was required at the level where decisions were translated into action. In the interests of the community as a whole it was necessary that the links which united men in the pursuit of a common goal should be more important than the political frontiers that separated them. Such were the concepts underlying the decentralized structure of the United Nations system and the establishment of the Economic and Social Council, whose function it was to see to the general welfare outside the political context, in accordance with the wish expressed by the authors of the United Nations Charter.

28. The task of development also entailed an organization, and common aims. The United Nations system's various modes of action could not be isolated from one another. ILO had long held the view that all the means it employed to attain the goals aimed at were complementary to one another, not only because they all contributed to the common objective but also because each reinforced the effectiveness of the others. That enabled it to adopt coherent decisions and measures and to take over-all action on a wider scale, without which its contribution to the world-wide development process would lose its distinctive value. It was from that point of view that ILO had examined the *Study of the Capacity of the United Nations*

Development System,² it had found much in it that it approved, but was unable to accept the idea of dissociating technical co-operation for development from substantive policy in the fields concerned.

29. To carry out the task of development successfully, it was also necessary to realize clearly that while the ideal was to match resources to needs, the order of priority of those needs had to be decided upon in relation to resources' availability. Resources were a hundred times greater than they had been twenty-five years ago and, although they were still insufficient, their availability reflected an international solidarity which should induce international organizations to use them wisely and prudently. That entailed having a common purpose, a common plan and a common discipline, and there the Economic and Social Council had an essential part to play in co-operation with the ACC. The Council had therefore to have breadth of vision, consistency of policy, freedom of judgement, and substantial powers.

30. The immediate target of ILO for the Second Development Decade was to seek to maximize the human input and the human outcome of economic progress. Human input to development had to do, basically, with jobs and skills. The First Decade had shown that more investment did not necessarily imply more employment; it could even happen in some cases that more investment led to a reduction in employment for a constantly growing population. Such a phenomenon threatened the very foundations of human society. The World Employment Programme had now entered the stage of practical action; the objective was clear: by the end of the Second Development Decade, not only must the gross national product have increased by an impressive percentage, but also a far greater proportion of the active population must be engaged in useful, productive and remunerative employment. Only then would development efforts be able to have significant and lasting results, both socially and economically, for the whole population of the world. During the past year the African Jobs and Skills Programme had taken its place with the Ottawa Plan for Human Resources Development and the Asian Manpower Plan among the regional components of a future world-wide programme. A report on the efforts made to tackle the employment programme in Colombia was to be published during the next few days, and negotiations were at present under way with UNDP and the Governments of the Asian countries for actual implementation of the Asian Manpower Plan.

31. Occupational injuries and diseases represented an extremely heavy burden on production, seriously hampering opportunities for development and inflicting a heavy loss on the national economy. Governments or management, in the developing countries in particular, did not perhaps adequately appreciate their cost, which was very high, since it consisted not only of compensation to injured workers, but also of loss of production attributable to their absence from work, to damage to plant and equipment, and to the idleness of machines and other workers while

production was suspended. It was, of course, difficult to put a figure to that cost, but it was worth noting that in the United States of America losses due to industrial accidents and diseases in 1968 were \$8,000 million, or twice the budget of the NASA that year. In the developing countries those losses were likely to represent an even greater burden on the economy, since rapid industrialization made the risk of injury and disease far greater. In all countries, but in the developing countries especially, occupational safety and health measures had lagged behind advances in technology. That was why ILO was at present reviewing, and might be called upon to intensify, its occupational safety and health programme. One of the most memorable events of ILO's fiftieth anniversary year had been the meeting of an International Congress on Occupational Safety and Health, which had thrown into sharp relief the complexity of the problems which technological development had precipitated. The Governing Body was at present engaged in an in-depth review of the whole programme, and it was possible that a wide range of new standards – conventions, recommendations, codes of practice or practical guides – might be necessary. ILO believed those measures could not in any event be superfluous, but on the contrary represented an immediate contribution to economic growth.

32. The climate of labour-management relations played a primary, and at times a paramount part in the human input to economic progress. Healthy labour-management relations were always an element of stability and a factor promoting dynamic development, and the Second Development Decade could not succeed unless production were freed from the constant mortgage of industrial unrest and conflict and a real dialogue were achieved in that field. ILO had long been concerned with industrial relations in the advanced countries; of recent years it had been increasingly concerned with the position in the developing countries, where that problem was becoming more acute as the economy's complexity increased. In any case, ILO was determined to persist in its endeavours to improve industrial relations throughout the world, for it considered that would be a major element in its contribution to the Second Development Decade. That would involve much negotiation between the parties directly concerned, and Ministries of Labour would be called upon to play a discreet but dynamic role to settle the disputes which would inevitably arise between management and workers. In addition, it was necessary that management should understand that the welfare of its workers and its relations with them were essential factors in securing better performance and higher output. Lastly, independent and responsible trade unions were required, capable of acting as valid bargaining partners in negotiation, of effectively defending the interests of their members, and of persuading those members that negotiations were the most effective method of settling disputes and of securing an equitable share in the fruits of production. Co-operation of that kind between the three partners was, ILO considered, the only means of ensuring the success of the whole development effort.

33. The human input to development was matched by the possible human outcome. Economic growth had to be judged by its contribution to improving the quality of life.

² United Nations publication, Sales No.: E.70.I.10.

Such an improvement required not only concerted efforts on the part of all the institutions of the United Nations system, but also, in the work of ILO itself, a reasonable balance between the development of human resources and the conditions of life and work which that development made possible. Ever-increasing inequality was coming to be the fundamental problem of development. There had been much talk of the widening gap between the rich and the poor countries, but the gap between the rich and the poor within the developing countries themselves was no less serious. It was probable therefore that as the Development Decade proceeded ILO would be laying greater emphasis in its work on a more equitable distribution of incomes and leisure. Already the General Conference had, at its fifty-fourth session, adopted new conventions on minimum wage fixing with special reference to developing countries, and on longer holidays with pay. Political stability and economic growth as much as social justice required that efforts in that direction should continue.

34. The role of social security and its various means of operation were continuing to pose grave problems. But a new phase had now begun in which social security was being increasingly considered as a positive factor in economic development itself, and in the more equitable distribution of that development's social dividends. In the field of social security, as in other fields of social policy, ILO was at present engaged in re-thinking the fundamental principles of its work.

35. If one believed that the improvement of living conditions ought to be the over-all purpose of development, then it was necessary to co-operate fully and effectively in the world-wide action at present being planned for the protection of the natural environment. ILO would be taking an active part in the United Nations Conference on the Human Environment.

36. ILO recognized the vital importance of monetary stability, investment, resources, trade, industrialization and the like, and it was at present considering, in co-operation with the institutions of the United Nations family concerned, what its contribution might be to fostering, in all those fields, relationships between economic means and social ends. It was proud to have seen a pioneer in declaring freedom of expression and of association to be essential to sustained progress, in proclaiming poverty to be a danger to all, and in affirming the right of all human beings to freedom and to dignity, and to have translated those principles into practical programmes of action. At its last session the ILO General Conference had called upon all States to ratify and observe the freedom of association conventions, had recognized that freedom of association was meaningless without freedom of opinion, freedom of expression and freedom of assembly, and had recommended that the International Covenant on Civil and Political Rights be regarded a major step in that direction; and it had pledged its full co-operation in international efforts to ensure that peace, justice and freedom should be founded on personal freedom. The primary target of development was not, ILO considered, an increase in the gross national product, but the building of a solid material foundation for the freedom of the human spirit. That was

why ILO regarded its work for human rights as no less fundamental for development than its concern for productivity.

37. Mr. van LENNEP (Observer for the Organisation for Economic Co-operation and Development), speaking at the invitation of the President, said that the United Nations and OECD differed in many ways, but shared a common responsibility: that of promoting international co-operation in the service of the world economy as a whole. Everyone knew that such co-operation was necessary; there were immense problems and it was extremely difficult to find practical and imaginative solutions that would improve the lives of men both in the developed and in the developing countries. It was in that light that the draft international development strategy before the Council should be considered. A number of difficulties remained to be solved, but what the Preparatory Committee of the Second United Nations Development Decade had achieved was none the less important. OECD was prepared to give firm support to the work on the development strategy, inasmuch as agreement on a strategy would provide it with a common framework within which confrontation of the policies of the member States of OECD could take place.

38. In regard to the role of OECD in co-operation for development, he reminded the Council that it was an organization of twenty-two of the most developed market-economy countries. Consequently it had special problems and special responsibilities, since the management of a modern economy was a difficult and delicate thing. The objective of OECD's work had, from the beginning, been to influence economic policy-making in the widest sense.

39. The member countries of OECD had tried to develop, through confrontation and discussion, the right policies for promoting economic growth and for maintaining the external and internal stability of their economies. They had not always been successful, but OECD was constantly endeavouring to improve economic policy, and at the Ministerial Meeting held in May 1970 the member countries had set themselves a growth objective for the 1970s, clearly indicating however that economic growth was not an end in itself but a means of achieving a better life for the individual.

40. Emphasis was henceforth therefore being given in OECD to the qualitative aspects of economic growth, and OECD had embarked upon a study of the various aspects of environmental problems with a view to bringing them into the general context of economic and social development policies. OECD was following with keen interest the preparations for the United Nations' Conference on the Human Environment, and was, of course, prepared to make its full contribution.

41. But it was not enough for OECD to concern itself with the quality of life in its own member countries. Governments and the general public in the industrialized countries were becoming increasingly aware of their responsibility for expansion of the world economy as a whole and of the interdependence of economies. Interdependence had many facets, and one facet was directly connected with management of the economy in the industrialized countries.

Sustained economic expansion in the OECD countries was necessary for sound development of the world economy, whereas over-heating or recession could have adverse effects upon the developing countries. Economic interdependence also meant in practice a sustained effort on the part of the developed countries to aid the developing countries. Understanding of that problem had increased throughout the past decade, and whereas to begin with attention had been focused chiefly on financial and technical assistance the industrialized countries had now realized that they had to collaborate in a vast co-operative undertaking for development in all fields. OECD had followed that change in attitude very closely and many of its activities had a bearing on development problems.

42. Regarding the role of OECD in relation to the Second Development Decade, all problems to do with development assistance concerning member countries of OECD were, he informed the Council, dealt with by OECD's Development Assistance Committee. Most of the work of that Committee and its working parties during the past year had been related, directly or indirectly, to the preparations for the United Nations Second Development Decade. The Committee had held discussions on the volume of aid, including possible dates for attainment of the 1 per cent target; it had also studied the question of establishing a new target for official development assistance. It had been very much concerned with the question of further improving the terms and quality of aid, and the Ministerial Meeting had asked it to give active consideration to the possibilities of tied aid being gradually abandoned. Lastly, it should be mentioned that the aid policy of each member country was subject to an annual review, which constituted a very rigorous test of its development policy; those reviews lay at the very heart of the Development Assistance Committee's activity.

43. In the wider context of co-operation for development, in which UNCTAD had played the part of pioneer, OECD had for a number of years been examining problems to do with the trade policies to be applied towards the developing countries. The Trade Committee of OECD was to meet shortly to study the establishment of a system of generalized, non-discriminatory and non-reciprocal tariff preferences in favour of developing countries. Thanks to close co-operation with UNCTAD, OECD had been able step by step to reach a basis for agreement on its member countries' trade policies in that connexion. Preferences were not, admittedly, a panacea, but neither should the long-term benefits which might result from such an agreement be underestimated. It was to be hoped that a final decision would be taken in the matter within a reasonably short time.

44. In a broader perspective, the idea of a coherent strategy for economic and social development could not but be of concern to OECD because, like the Council, it dealt with a large number of sectors of activity: agriculture, industry, manpower, science, education, finance and various other fields. OECD would endeavour to bring up the interests of developing countries whenever the policies to be applied to those various fields were being studied. In that way the government experts participating in OECD's work would be obliged to recognize their responsibilities.

OECD hoped thereby to contribute to the success of the Second Development Decade.

45. One of the important issues that had also to be tackled was that of economic structures. Despite the changes brought about by the development of technology, the economic structures of OECD's member countries suffered from a certain rigidity which hampered quick changes, so that they tended to adopt protectionist or supporting actions. The consequences of those actions were often felt by the developing countries when they tried to expand their exports to the industrialized world. OECD realized that a frontal attack would have to be made on those problems in industry and in trade, in order to facilitate the necessary changes.

46. The Second Development Decade called for a two-fold effort on the part of international organizations: first, they had to encourage their member countries to pursue suitable policies, and secondly, they had to co-operate at the secretariat level to avoid duplication of work. It was the latter question that had received particular prominence in the arrangements envisaged for the review and appraisal of the Decade's objectives and policies. Since it first began to operate, OECD had been periodically reviewing and appraising the performance of its member countries in various fields. That method of work could be adapted to the requirements of the Second Development Decade. For some years OECD had, in addition, been making its contribution to the UNCTAD *Review of international trade and development*. It would be quite prepared to consider how co-operation between the secretariats might be extended in that field with a view to contributing to the success of the Decade.

47. It was worth repeating that though co-operation was not a sort of magic formula, it was nevertheless the expression of a living reality in the face of problems of such magnitude that no country could hope to cope with them alone. On the eve of the Second Development Decade it was essential clearly to understand that the developing and the developed countries had to face those problems together. Long-term and sustained common effort was required, and OECD had resolved to participate fully in that effort.

48. U NYUN (Executive Secretary, Economic Commission for Asia and the Far East) said he was pleased to have an opportunity to report on the situation in Asia and the Far East in the presence of such high-ranking representatives of the Governments of countries in that region.

49. The economic situation had considerably improved since the previous year. A number of countries in the region had been helped by a combination of favourable factors (good harvests, favourable external markets) in the agricultural sector. A large number of developing countries had achieved, in 1968 and 1969, growth rates of above 5 per cent, and in many cases appreciably higher than the target rate for the First United Nations Development Decade. If that trend were maintained in 1970, the region as a whole would have attained the average annual target of 5 per cent for the First Decade. Export earnings, the main source of

foreign exchange for the developing countries in the region, had increased at an average annual rate of some 5 per cent during the period 1961-1967, and at an even higher rate in 1968; everything pointed to the fact that the movement had actually gained speed in 1969. It was probable, however, that most of those countries would be continuing to need foreign aid, in the form of grants or of loans on easy terms. After a brief increase in 1967, the volume of official inflows into the countries of Asia now appeared to be falling off. In addition, debt service had been alarmingly on the increase for some years past.

50. At its twenty-sixth session, ECAFE had concentrated on the social development that was taking place in Asia. There was an increasing awareness that, in that field, changes ought not solely to take the form of an increase in the welfare benefits which might directly result from the development effort. They had other aspects which were at once the prerequisites for and results of development. The study of the mechanics of those elements and their application was arousing increasing interest, and it was hoped that that would be a contribution to the efforts made by the developing countries of the region within the context of the Second Development Decade.

51. During the present year, the twenty-fifth anniversary of the United Nations, ECAFE had, at its last session, given serious thought to some of the principles laid down in the Charter, which had perhaps even greater validity at present, and in particular the requirement that States should "employ international machinery for the promotion of the economic and social advancement of all peoples". The ECAFE region had, admittedly, just lived through a decade which had left its economic future still heavily obscured by uncertainties and tensions. Yet in certain fields an agreement was beginning to emerge which gave grounds for hope. Those areas of agreement the Commission was endeavouring to exploit to the maximum. The process of co-operation on a large scale was already well developed in the region as a whole; it even extended to countries between which relations were at present strained, also to countries outside the region. Psychological barriers had been broken down and a consciousness of regional identity had emerged, while countries that were not members of ECAFE regarded it as a valuable forum for promoting the peaceful development of the region. Now that the principles and methods of co-operation for assisting the less advanced countries had been worked out, the next thing was actually to attain the targets set, a task which would not only mobilize all the human and financial resources available at the national and the international level during the next decade, but also require a considerable affirmation of political will on the part of the developing and developed countries alike. The ECAFE countries had long been applying themselves to the formulation of a common political will. That spirit of mutual understanding had manifested itself once again on the Commission's twentieth anniversary with the adoption of the Tokyo Declaration, which contained basic mutual assistance principles and expressed a real common political will. At its twenty-fifth session (1969) the Commission had adopted an historic resolution on the Second Development Decade in

which it had expressed a resolve to look at needs connected with development in their long-term perspective.

52. Lastly, at its twenty-sixth session the Commission had adopted, in its resolution 103 (XXVI), a comprehensive declaration entitled "United Nations Twenty-fifth Anniversary: ECAFE Declaration" (E/4823, part III), which he had pleasure in submitting to the Council for consideration. It dealt with a number of important matters of relevance to the future work of the Commission and the United Nations in the Second Development Decade. It showed how realistically ECAFE was envisaging preparations for a balanced development of the region in the coming years. A trade liberalization and payment arrangements programme was ready for implementation. Several specific projects had been proposed to supplement the work already undertaken by, for example, the Asian Statistical Institute and the Asian Institute for Economic Development and Planning. The major infrastructure work undertaken in the region was to be reinforced by an intensive programme for shipping development. In the trade field, commodity arrangements had been concluded (on coconut and rice, for example), and major studies had been carried out on a number of import and export commodities with a view to developing supplementary products. Pre-investment projects for multinational industries were in progress. It should also be mentioned that the Commission was attaching increasing importance to population problems. In addition, the *Economic Survey of Asia and the Far East* laid greater stress on elements of social change and the importance of youth. At the national level, some basic changes in orientation had been introduced. Particular attention was being paid to programmes of activities and specific projects, by organizing roving seminars, sending countries interdisciplinary group missions and through training courses and consultancy services provided by the secretariat.

53. There was no doubt that those various developments would mark a new phase in the Commission's work and enable it to contribute more effectively, at the regional and sub-regional level, to the success of the Second Development Decade. It should be emphasized that none of those projects would have been possible without the close co-operation existing between the Commission and the regional offices of such United Nations bodies as UNCTAD and UNIDO. There were already joint ECAFE/FAO, ECAFE/ITU and ECAFE/WMO units, and he had pleasure in announcing that he had just completed arrangements with the Director-General of UNESCO for setting up an ECAFE/UNESCO unit. It was obvious, however, that the largest contribution must come from the countries themselves. As resolution 103 (XXVI) recognized, the prime responsibility for intensifying mutual co-operation lay with the ECAFE developing countries, and those countries had achieved an impressive increase in their capability to organize their own development, both individually and collectively. On their side, the developed countries ought to assume more fully the responsibilities incumbent upon them in regard to the development efforts.

54. The foregoing remarks brought him to some basic issues. The first was the need for and the importance of unified effort on the part of the organizations linked with

the United Nations to help the Commission to achieve its development aims in the region. The trend towards decentralization that was becoming apparent must be encouraged and taken further. The co-operation that had been established between the specialized agencies must not be confined to the setting-up of joint units, but should also include inter-agency arrangements at the regional level. The increasing part played by the Asian Development Bank should also be mentioned.

55. Another basic issue was the role of the developed countries. They must take the necessary steps to give the developing countries an assurance of sustained growth. In connexion with the over-all development strategy, ECAFE had, in its resolutions 94 (XXV) and 106 (XXVI), laid down clear directives for a periodic evaluation of the progress made towards attainment of the aims of the Second Development Decade at the regional level. That evaluation would make it possible to supply the developing countries with helpful indicators, to evolve machinery for deciding how far regional co-operation should go, and to provide the developed countries and the international financing bodies with a constructive basis for maximizing assistance of all types.

56. The time had come to solve the problems of uncertain growth and to overcome the fears to which the present economic instability gave rise, that had already been referred to by various speakers at the present session. If, for example, the developed countries were jointly to resolve to apply policies that would give the region an assurance of sustained support, through the United Nations, that assurance would itself be sufficient to guarantee the stability and peace that were so necessary for lasting prosperity. For that

to happen, courageous decisions would be needed, and that was perhaps the most important policy implication of the present situation in Asia and the Far East, which now found itself at a cross-roads. The new road the region decided to take would depend on factors that were at once political, social and economic, though in the last analysis the economic situation was the determining factor. With the help of the United Nations and its various bodies, and through the Commission, the Asian countries would do the utmost in their power to remove obstacles, but there were a number of urgent problems, in particular in the field of trade and aid, that they could not solve without the understanding and co-operation of the developed countries. That support they hoped to receive from the members of the Economic and Social Council.

Report of the Council Committee on Non-Governmental Organizations on applications for hearings (E/4889)

57. The PRESIDENT said that the report of the Council Committee on Non-Governmental Organizations had just been circulated, as document E/4889.

58. If there were no objections, he would take it that the Council approved the Committee's recommendations on the participation of interested non-governmental organizations in the Council's discussions on the various agenda items.

It was so decided.

The meeting rose at 12.40 p.m.