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AGENDA ITEM 2

General discussion of international economic and social policy (*continued*) (E/4942, E/4984, chap. III; E/5004, E/5005, E/5007, E/5009, E/5010, E/5016, E/C.2/726)

1. Mr. BOERMA (Director-General, Food and Agriculture Organization of the United Nations) recalled that paragraph 16 of the International Development Strategy for the Second United Nations Development Decade envisaged a 4 per cent annual rate of increase in agricultural production in the developing countries. So far, the results had not been very encouraging. Not only had food production in the developing countries increased by only about 3 per cent in 1970, but there were wide disparities between regions. In Asia and the Far East, production could be expected to have risen by between 4 and 5 per cent — well ahead of population growth. On the other hand, food production in Africa had increased very little and thus, in *per capita* terms, had actually fallen. In Latin America it had increased slightly more, though only just enough to keep pace with the growth of population.

2. Thus the outlook for the world food situation was still depressing and FAO and WFP were receiving appeals for food aid from many countries, particularly in Africa. In view of the hopes raised a few years earlier by the announcement of the "green revolution", it might be asked what had gone wrong.

3. In the first place, there had been too great a tendency to regard the green revolution as a panacea. The newly introduced high-yielding varieties of cereals had given grounds for some optimism, but account had to be taken of climatic differences and of the necessary material inputs such as fertilizers, irrigation systems and supporting services. Above all, a resolute effort had been needed on the part of both the authorities and the farmers. Even in the places where the new varieties had been most successful, other crops had not made the same headway and had in some instances even lost ground because some farmers had

abandoned them. A second restraint on the advance of the green revolution had been the lack of the research facilities needed for adapting new varieties to local conditions in the developing countries. Indeed, many countries lacked the resources to embark on programmes with the high-yielding varieties. Then again, the varieties in question were not always in accordance with traditional tastes in many countries. Lastly, in some countries there had not been a sufficient sense of urgency about the whole matter.

4. He was not seeking to under-rate the results of the green revolution. It had enabled several countries to reduce their cereal imports; *per capita* wheat and rice consumption had increased; farmers had received a technological education which would help them to improve their other crops; and, above all, it had been shown that farmers in the developing countries were capable of mastering advanced technological methods.

5. What was needed now, however, was a more concerted effort to spread the green revolution. It was to that end that the ACC had set up a functional group on the green revolution, the objectives and conclusions of which were set out in a special report (E/5012 (Part II)) now before the Council. The purpose of the report was to assist Governments in handling the green revolution by presenting them with an over-all picture of the requirements and possibilities; it could also help donor countries which were offering agricultural aid, and United Nations agencies.

6. If Governments were to be given more effective assistance, it was essential that United Nations bodies should draw closer together. In particular, closer links were needed between the ACC and the Council; it was not for the ACC to decide on international development policies, but it could be of considerable assistance in formulating them, especially in matters involving many different sectors.

7. Of great interest in the context of the green revolution was the recent establishment of the Consultative Group for an International Programme of Agricultural Research, sponsored by IBRD, UNDP and FAO, in which several Governments, private research foundations, development agencies and regional development banks were participating. Following a meeting of the Group, held in May 1971, annual contributions amounting to \$15 million had been announced for the purpose of furthering research efforts on behalf of the developing countries. The Consultative Group was a fine example of inter-agency co-operation in that field.

8. The problem of protein deficiency, dealt with in the ACC special report (*ibid.*, chap. II, section B), had to be viewed as an integral part not only of the world food problem but of the development problem as a whole.

9. Referring to the extreme complexity of the whole vexed question of international agricultural trade, he said that rice production, for instance, had risen by 4 per cent per annum between 1964 and 1970, and particularly good results had been achieved in India, Indonesia, Pakistan, the Middle East and Africa; in that same period, however, the share of the developing countries in world rice exports had fallen from 64 per cent to only 45 per cent. Without going into all the reasons for that situation, he considered that there was need for a sweeping, internationally agreed programme of adjustment between rice producers to enable the traditional developing country exporters to regain their place. The fact was that in agriculture, as in many other fields, the nations of the world were becoming increasingly interdependent. Surpluses existed in some places, shortages in others, and the world agricultural situation was quite unbalanced. That was dangerous both for the developing countries and for the developed countries; the only reasonable course was for countries to work out sensible arrangements to accommodate one another's agricultural production and trade policies. Such a process should be undertaken at the world level. It was important, in that connexion, that regional associations such as EEC, which was to be enlarged, should not be of an exclusive nature. FAO could play a key role in the process of international agricultural adjustment, in close collaboration with GATT, UNCTAD and other interested bodies. He had proposed that that subject should be one of the main themes of the FAO Conference in 1973.

10. He went on to speak of some aspects of the co-operation between FAO, the United Nations and other agencies. FAO's working relations with UNDP were highly satisfactory and he was particularly pleased about the new agreement relating to Senior Agricultural Advisers/FAO Country Representatives under which those officers, while recruited by and looking to FAO for their future careers, would be seconded to UNDP and work under the policy guidance of the resident representatives. UNDP would in future bear two thirds of the costs of the programme, instead of half.

11. He hoped that an integrated effort would be made by the United Nations agencies concerned with environmental problems; FAO was dealing with many aspects of the question which affected agriculture, forestry and fisheries. He welcomed the progress being made in preparing for the United Nations Conference on Human Environment to be held at Stockholm in 1972.

12. Finally, there was the question of agrarian reform. It would never be possible to achieve the rate of agricultural progress needed in many countries with the antiquated structures that persisted there. FAO had set up, in co-operation with the United Nations and the ILO, the Special Committee on Agrarian Reform, which was to submit its report to the FAO Conference at its next session.

13. In conclusion, he emphasized that the increased co-operation which he was advocating between Governments and United Nations agencies should be directed towards action. During his time as Director-General of FAO, he had given first priority to efforts to make his

Organization more action-oriented. The world, and particularly the developing countries, should not have the disappointment of seeing that the proposals put forward by the international agencies did not produce any positive results. Unless the agencies concentrated upon action now, it was to be feared that all their efforts would prove to have been in vain.

14. Mr. GORSE (France) said that the problem before the Economic and Social Council in the general discussion of international economic and social policy arose from the fact that the economic situation of the industrialized nations was characterized by persistent inflation and that the economic growth of the developing countries was too slow owing to the inadequacy of domestic savings and foreign aid.

15. The present annual discussion was, in his view, the greatest justification for the Council's existence and was even more useful in that concerted international efforts had failed to find a way to overcome the crises that had arisen since the Council's forty-ninth session. There were, of course, specialized or regional organizations better equipped to resolve all the difficulties arising in international economic relations, but the Council and the General Assembly were still the only really universal bodies where developed and less developed countries discussed together the whole gamut of development problems.

16. It was not enough to analyse periodically the elements of the world economic situation; that exercise could have no meaning unless the methods and structures of the Economic and Social Council were adapted to the present needs of the international community. It was therefore necessary to consider the rightful place of the Economic and Social Council within the Organization and the means with which it should be equipped to enable it fully to assume its responsibilities.

17. In his delegation's opinion, a reform of the methods and structure of the Economic and Social Council was only possible if all Member States had the same concept of the Council's role within the United Nations. According to the Charter, the Economic and Social Council was the central body in which general problems of international co-operation in economic and social matters, and the activities of agencies making up the United Nations family, were discussed. In reality its role had been gradually diminishing in importance for several years, partly because of the establishment of new bodies like UNCTAD and UNIDO. While those bodies satisfied a specific need, it should not be forgotten that a global concept of development was necessary if the United Nations was to take a real part in the co-ordination of national economic policies. For instance, when it came to the appraisal of progress in implementing the International Development Strategy for the Second United Nations Development Decade, and considering the manifold aspects of the application of science and technology to development, the Economic and Social Council was the only body that could perform those tasks under the responsibility of the General Assembly. The fact that its membership was limited did not detract from its democratic character, since every Member State could be

a member in turn; the main condition to be fulfilled, if the Council was to enjoy the confidence of Member States, was that it should represent the international community as fully as possible.

18. It was, however, the representative nature of the Council that was being called in question. That was not without precedent, since it had been considered useful in the past to give certain subsidiary bodies a larger membership than the Council and it was proposed to do the same in the case of new bodies whose establishment was envisaged. His delegation thought that the question was difficult, since it could not be settled without an amendment to the Charter. It was in fact reasonable to consider that the legal instrument upon which the whole life of the United Nations was based should not be exposed to the frequent changes characteristic of international relations. Anxiety to preserve its integrity should not, however, preclude any change which might prove to be necessary, and his delegation had not yet adopted a definite position with regard to a further change in the membership of the Council. It was aware of the need to ensure adequate representation of the developing countries in the Council, but he hoped that the recommendations made to the General Assembly would take into account the need to maintain a certain stability and continuity.

19. Since there was a problem, and ways and means of solving it must be studied, his delegation was still in favour of the immediate establishment, under the control of the Economic and Social Council, of two technical committees, one of which would be responsible for the appraisal of the Second Development Decade and the other for the study of problems concerning the application of science and technology to development. Those committees should, in his opinion, have a larger membership than the Economic and Social Council. With regard to the enlargement of the Council itself, he was prepared to take part in any discussions on the subject, but such discussions should be strictly limited to the case of the Council and should not serve as a precedent in other bodies.

20. The Council could, moreover, adopt at its present session a number of less ambitious measures for improving its methods of work. His delegation thought that it would be advisable for the Council's debates to be concentrated on really important problems, and to avoid unnecessary repetition of discussions that had already taken place in subsidiary bodies. It would also be useful to re-examine the intervals at which the different questions were considered, for it was clear that an annual discussion was not justified in every case: in that way the agenda of each session could be considerably reduced and the burden of the secretariat in preparing for meetings could be lightened accordingly. The present situation was far from satisfactory in that respect; at each session a large number of the documents were published too late for Governments to be able to study them fully; moreover, the translations of documents, most of which were drafted in English, were distributed with a considerable time-lag. That situation, which hampered the efficient working of the Council and ran counter to its rules of procedure, was not unavoidable, as the example of other international bodies showed.

21. That was the direction in which his delegation would like efforts to be made to restore the Council to its rightful position and to make it a true forum of qualified opinion on the economic and social problems of the international community as a whole.

22. With regard to the problems themselves, and in particular those concerning the industrialized countries, the past year had been characterized for those countries by a resumption or marked acceleration of economic growth, due largely to the positive movement of the situation in the United States. France had had its share in that expansion, for with a growth rate of 6.1 per cent it had ranked second among the Western countries in 1970. Estimates for 1971 forecast a growth rate of at least 5.7 per cent, which would indicate a very rapid expansion rate, although it was likely that the nature of the expansion would be different. Whereas during the last financial year priority had been given to the reduction of imbalances caused by currency adjustments at the end of 1969, and growth had been mainly in investments and exports, it was probable that in 1971 the chief driving force in expansion would be what the economists called "household consumption".

23. The accelerated growth of the economies of all the industrialized countries in 1970 had unfortunately been accompanied by generalized inflation and great instability in the international monetary situation, factors whose interdependence had been demonstrated by recent events. Uncontrolled competition among the various social groups for a share of the national income was leading to cost inflation which Governments had often neither the technical means nor the political will to control. The divergencies of development trends or policies gave rise to marked balance-of-payments disequilibrium. One of the bases of the monetary system established by the Bretton Woods Agreement was acceptance of the need for nations to adopt the disciplinary measures necessary to correct their balance of payments, but it was obvious that at the present time those disciplinary measures were both incompletely and unequally respected by the various members of the international community. The French delegation therefore drew the attention of the Council to the potential dangers for Member States, whether developed or developing, of continued inflation and instability of exchange rates. Such phenomena distorted investment decisions and increased uncertainty about the future, thereby jeopardizing economic growth and threatening social justice; they also gave rise to the temptation to introduce protectionism and were liable to produce once again the evils of monetary isolation and water-tight market divisions; lastly, they led to an increase in the cost of investment and the application of deflationary policies which rendered it more difficult to maintain a certain volume of public aid.

24. Governments must therefore give evidence at the national level of determination and courage in establishing new ways of enabling the social groupings to work together. Similarly, in the international field, some form of concerted action must be set on foot which would encourage countries faced with balance-of-payments difficulties to

exercise self-discipline, to abandon practices likely to disturb the monetary system, and to control the movement of speculative capital. Stability of the international monetary system was a necessity for all and its restoration could not but benefit the developing and developed countries alike. Finally, it would be regrettable if the freedom of both commercial and financial transactions were compromised by a refusal to impose the necessary controls on movements of capital which were largely artificial. On the latter point, the French delegation fully shared the opinion of the Managing Director of IMF (1774th meeting).

25. Apart from the financial and monetary crisis, there was also a psychological and political one, which might vary in shape from country to country, but seemed to be due everywhere to the same fundamental malaise. There was increasing dissatisfaction with quantitative growth targets, because "the quality of life" seemed threatened and, as average incomes increased, new demands arose, which were as difficult to formulate as they were to satisfy, being less concerned with the traditional needs of the individual than with more vague and collective considerations such as the quality of the environment and the actual nature of people's work. It would seem then, that when economic expansion reached a certain level, it was, as it were, called in question, as regards the form it was to take and sometimes the very principle of such expansion, by its chief agents and beneficiaries.

26. But it must not be forgotten that most countries in the world were still at a more modest stage of growth. While those countries were primarily responsible for their own development, the industrialized countries also had a part to play, not only by providing financial and technical assistance, but also by helping them to expand their exports. Expansion of exports was the best way for the developing countries to obtain the resources necessary to finance their development and France had been one of the first countries to propose the introduction of generalized preferences for the developing countries' products.

27. Another aspect of trade relations, to which the French delegation also attached great importance was the organization of the major commodity markets. It was common knowledge that the results achieved so far were not very encouraging: for many commodities it had not been possible to arrive at an agreement and the implementation of existing agreements was not free from problems. That situation was most regrettable and the French Government was constantly trying to find remedies for it.

28. The provision of aid was another means of fostering the economic and social progress of the developing countries. France, whose own aid to developing countries was well beyond the target of 1 per cent of GNP, was disturbed by the fact that the programmes of some major countries, which had not yet reached that target, were showing a tendency to contract or stagnate. That tendency was even more worrying if public aid, which depended solely on the will of Governments, was considered alone. Such aid should be stabilized at a reasonable level so as to provide the developing countries with a relatively constant and predictable flow of resources which would enable them to

prepare realistic development plans. But in 1970, the target set for the share of public aid in total aid had not been achieved, although France had succeeded in maintaining its contribution at 0.65 per cent of GNP in spite of its economic and financial difficulties.

29. The quality of aid was as much a source of concern as its amount or nature. It was evident that in a considerable number of underdeveloped countries a large services sector was growing up, particularly in the public sphere, alongside a stagnating traditional agriculture. Such an orientation towards services at the expense of industry and agriculture was not very healthy. The weakness of the productive sector was usually attributed to a bad international division of labour, but it might be wondered whether the developing countries paid enough attention to industrial employment. In some of them, the proportion of educational expenditure allocated to vocational and technical training was very low and a new approach to training in general might be desirable. The objection would no doubt be made that to raise such questions showed an incomplete vision of man and his development, but the argument could be reversed: the creation through work of goods which freed man from the most onerous forms of natural servitude was also among mankind's legitimate goals. The French Government had always pressed for greater stress on the social factors in development and considered that the International Development Strategy was somewhat inadequate from that point of view. It was true that social objectives were difficult to quantify, but even rough figures would be helpful, for the absence of a social policy, and particularly an employment policy, would in the end destroy the economic foundations of international co-operation.

30. The French Government had just received the conclusions of a committee whose task had been to review the objectives and methods of French aid to the developing countries. His chief reason for mentioning that study was to show that it never did any harm to examine one's conscience from time to time and that everyone who wanted to avoid becoming a prisoner of routine should make a point of doing so. In that connexion, the French delegation considered that it would be a good thing if the major developed countries wrote the basic principles of their foreign aid policy into their national legislation, for that would give the countries of the third world a valuable indication of the future prospects for aid from the industrialized countries and would help them to plan their own development. It was, after all, the political willingness of Member States to work together for the economic and social progress of mankind that would determine the success of an undertaking which had, in a sense, become the *raison d'être* of the United Nations.

31. Mr. CARANICAS (Greece) said, with reference to agenda item 2, that the *World Economic Survey, 1969-1970* (E/4942) dealt with topics related to the implementation of the International Development Strategy, being largely devoted to the methodological problems of measuring the progress of the developing countries, determining how to make good certain gaps and shortcomings and evaluating the world economic outlook as it affected

the development process. That outstanding document was, in fact, a first attempt at establishing a tie between the world economic situation and the complex concept of development and gave a new dimension to the collective responsibility of the international community with regard to the economic development of the poor countries.

32. It had to be recognized that the International Development Strategy, as adopted by the General Assembly, was only a draft and suffered from the inadequacy of the available economic and social data and the lack of comparable statistics and appropriate indicators for making over-all comparisons. The introduction to the *World Economic Survey* described very well the complexity and interdependence of the various aspects of development and emphasized, once again, the effect of the external situation on the policies pursued by the developing countries.

33. Two key elements in the resources available to the developing countries, namely, export earnings and the inflow of capital, made them particularly sensitive to the circumstances and policies of other countries. In 1970, for the third consecutive year, they had recorded increases in real output and in exports which exceeded the average figures for the previous decade, but that trend had been cancelled out by the deterioration in the terms of trade. After a sudden rise in 1969, export prices had in fact fallen towards the end of 1970, while import prices had increased as a result of inflation in the industrialized countries. In other words, the development of world trade had continued to be governed largely by cyclical changes in the developed countries' demand and imports. According to OECD, there might be a certain recovery in the world demand for primary commodities by the end of 1971.

34. There was no doubt that world trade in recent years had been chiefly stimulated by demand in the European countries, Japan and the United States. According to the Secretary-General's "Review of salient features of the world economy, 1970-1971" (E/5036 and Add.1-3) there had been a marked and fairly general slowdown in the world economy in 1970. The slowdown had affected industry in particular and, in that sector, its main incidence had been in North America. The cause of the marked slowdown had been the efforts being made to reduce inflationary pressures by restricting demand, the repercussions of which had been felt in the developing countries.

35. In the same report, the Secretary-General had observed that there had been a discernable tendency towards the internationalization of inflation in recent years and that islands of stability were becoming increasingly difficult to maintain. That was especially true in the case of small countries such as Greece which, although it had achieved a rapid increase in GNP combined with relative price stability, still remained highly dependent on trade, invisibles and a continued inflow of capital. In 1970, external pressures had markedly increased and prices of imports had risen by 8.5 per cent with a concomitant rise in consumer prices.

36. The attention given to the problem of inflation in the *World Economic Survey, 1969-1970* and the "Review of salient features of the world economy, 1970-1971" was

thus very welcome. Unfortunately, they did not put forward any means of achieving effective anti-inflationary policies. When Governments had to choose between rising unemployment and worsening inflation, they invariably opted for the second, because expansion was preferred to stagnation. The danger of inflation and stagnation occurring together had become a very real one and it was difficult to see how it could be avoided without adopting a wages policy or an incomes policy. Although the need for such policies — in one form or another — was becoming more and more widely recognized, their adoption in practice seemed, unfortunately, more and more difficult. Cost inflation, resulting from the lack of proportion between rises in wages and additional benefits and improvements in productivity had become an inseparable part of the inflationary process. As for demand inflation, although some countries tried to control it by monetary and fiscal measures, they often found that the elimination of excess demand did not necessarily mean a return to stable prices. It might perhaps be necessary, as was suggested in the summary of the *Economic Survey of Europe in 1970* (E/5007), to seek an international explanation for the present extent of inflation. It had been shown time and again that wages and prices no longer responded in the same way to variations in the equilibrium between supply and demand. It was vital that economists should find a solution to the problem of cost inflation, which was a major obstacle to economic stability and could no longer be effectively controlled by fiscal or monetary instruments. Such instruments needed to be supplemented by an incomes policy, on a basis that still had to be determined, in the light of recent experience in that field. It might also be necessary to look into the question of institutions, which were so powerfully organized in modern societies.

37. Another problem affecting practically all the developed market-economy countries was that of massive short-term capital movements. It was hardly surprising that the monetary crisis which had reached its climax in May 1971 had led some persons to conclude that the international monetary system set up at Bretton Woods a quarter of a century previously had broken down and that something new would have to be devised. He was not convinced that the monetary system itself was at fault; like the representative of France, he thought that better co-ordination of the economic and monetary policies of Europe and the United States, together perhaps with rather more self-discipline, would have made it possible to avoid the crisis. As the Director-General of IMF had said at the 1774th meeting, the international monetary system could not function unless all countries, certainly the large ones, played their full part in the system, and that implied paying particular attention to measures needed to maintain or restore the balance of international payments and giving full weight to the effects on other countries of any measures they might take to improve their internal economic situation — or, in other words, there was considerable scope for better international policy co-ordination. It was true that capital could move from country to country nowadays with consummate ease, thus provoking certain imbalances on the international money market, and that

the rules adopted at Bretton Woods, which specifically left to Governments the authority to cope with capital flows, were no longer sufficient to deal with such massive short-term capital movements. It was vital that the central banks should act in concert. On the one hand, however, the central banks were at present autonomous institutions with a sphere of action bounded by the frontiers of their countries while, on the other, international financial institutions depended for any intervention on their members' willingness to co-operate, since every action of significance required virtual unanimity. It appeared, however, that effective and swift action could come only from an international institution reproducing on a supranational scale the structure and operational procedures of the national institutions. The political obstacles which would have to be overcome to achieve such a degree of co-ordination seemed formidable, but the emergence of the Eurodollar and Eurocurrency markets and the internationalization of the activities of financial intermediaries proved that what a few years previously might have appeared an intolerable affront to national sovereignty was fast becoming a reality.

38. The Eurodollar market was not in itself the cause of the capital movement. Its basic function had been that of an intermediary. Total banking liabilities payable in currency other than that of the country of residence of the banking institution had increased from \$44,000 million at the end of 1969 to about \$57,000 million at the end of 1970, with the non-dollar component rising at a much faster rate than the dollar component. Organizations such as IMF and OECD were currently studying the question of whether to regulate the Eurocurrency market or to employ official borrowing and lending operations in that market to influence the supply of, and demand for, funds. Basically, the question was how to bring about the full participation of the developed market-economy countries in the necessary adjustment process. It was, however, interesting to note that while European central banks had announced that they would cease feeding dollars to the European market, the banks of the developing countries were, on the contrary, attracted by the high yields of that market.

39. In addition to the Eurocurrency market, which was a phenomenon of the post-war economic period, a development that was perhaps even more interesting was now taking place: the emergence of multinational corporations, with all the movements to which they gave rise – movements not only of capital and goods, but also of factors of production, technology and management techniques. Although the emergence of multinational corporations had tended to accelerate economic growth both in industrial and in developing countries, the scope and mobility of their operations often brought them into conflict with the traditional interests of governments, which were concerned about their influence on local economies and feared that the activities of such companies would elude their control. Some developing countries also feared that massive foreign investments would have an unfavourable influence on their industrial development by making it excessively dependent on decisions taken outside the jurisdiction of the countries concerned. That fact had

been stressed in the report of the Committee for Development Planning (see E/4990, para. 116), which proposed to consider those problems and the possibility of a system of international control at some future date. It was obvious that the emergency of multinational corporations was a trend that was not going to be stopped. It seemed unrealistic to think of regulating that trend through any international organization, but, as the Under-Secretary-General for Economic and Social Affairs had stated when he spoke before the twenty-third Congress of ICC, held at Vienna from 19 to 23 April 1971, it was to be hoped that the vast movement of mergers and restructuring of leading industries would not continue over a long period of time without some effort being made to subject it to a minimum of international regulation.

40. He had dealt at some length with those different problems because they contributed to the creation of imbalances between States and to a large part of the many stresses and strains to which the economies of both developed and developing countries were subjected. The International Development Strategy would have to strive to find solutions to such problems and imbalances. There were, however, other problems that required the Council's attention, and one of the most important of those problems was the staggering burden of the arms race. In the general conclusions contained in the introduction to the 1970 *Report on the World Social Situation* regarding priorities for national and international action during the Second Development Decade, it was stated, *inter alia*, that a large part of the resources necessary for the large-scale expansion of international assistance could be realized from a drastic reduction of military expenditures, which, even in some very rich countries, had reached almost ruinous proportions (see E/5005, p. 16). Figures recently published in the international press, particularly in connexion with a survey carried out under the supervision of Professor Gunnar Myrdal, showed that it was not incorrect to speak of a "colossal investment in genocide". By way of comparison, the total amount of net transfer of resources to less developed countries, as shown in table 58 of the *World Economic Survey, 1969-1970*, was negligible. That was a perfect example of what the Secretary-General had described in his statement to the Council as "distorted priorities", and which he had called on the Council to rectify during the coming years (see 1773rd meeting, para 35). At the present time, it was difficult to see how the Council could help to solve such stupendous political problems and, from that point of view, the International Development Strategy seemed pathetically inadequate.

41. In line with the suggestions of the President (*ibid.*, para. 50), he wished to make some comments on agenda items 3 (a) (System of over-all appraisal of progress in implementing the International Development Strategy for the Second United Nations Development Decade) and 17 (Measures to improve the organization of the work of the Council). On the threshold of the Second Development Decade, it was difficult to disassociate those two items from agenda item 2. When the first review and appraisal of the objectives and policies of the International Development Strategy was made in 1973, its shortcomings could

then begin to be identified, the factors accounting for those shortcomings could be sought and policies and objectives could be adapted accordingly. Thus, as the International Development Strategy evolved, ever higher goals could be set. Of course, an over-all appraisal at the national, regional and international levels would only be possible at the end of the Second Development Decade. Nevertheless, he did not intend to discuss at the present stage the different approaches to such a system of appraisal. The report of the Secretary-General on the system of over-all review and appraisal, and the views of governments on that issue, provided an excellent analysis of the problem and permitted a useful comparison of possible variations in the system of appraisal. In addition, the reports of the Committee for Development Planning, the ACC (E/5012 (Part I)) and the Commission for Social Development (E/4984) provided a wealth of information on the various arrangements that could be made for an adequate system of evaluation. After governments, the regional economic commissions, UNCTAD, UNIDO and the specialized agencies of the United Nations had carried out partial appraisals, it might be useful for the Committee for Development Planning to take up that issue on a permanent basis. Although the ultimate responsibility for the review

and appraisal of the progress achieved fell to the General Assembly, the Economic and Social Council should play a pre-eminent role in that process. The appropriate methods for that purpose would be thoroughly explored by the Economic Committee during the second week of the present session. The Greek delegation would present its detailed views at that time. However, at present, it wished to stress that flexibility was needed, and that any decision, whether in connexion with the possible expansion of the membership of the Council or its committees, or with the establishment of a standing committee on the application of science and technology to development, should have the overwhelming support of the members of the Council.

42. With regard to the measures to improve the organization of the work of the Council, he recalled that his delegation's views had already been expressed in the revised draft resolution submitted to the Council at its fiftieth session by Greece and New Zealand (E/L.1408/Rev.1). His delegation, however, was ready to co-operate with all delegations whose views on that question were different, mainly in order to find a way to take into account the lawful aspirations of the developing countries.

The meeting rose at 5 p.m.