



**ECONOMIC AND SOCIAL COUNCIL**

Thursday, 30 October 1969,  
at 3.15 p.m.

Resumed Forty-seventh Session  
OFFICIAL RECORDS

NEW YORK

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*President:* Mr. Raymond SCHEYVEN (Belgium).

**AGENDA ITEM 5**

**Report of the International Monetary Fund  
(concluded) (E/4747)**

1. Mr. AKSIN (Turkey) said that the past year had been one of turbulence in international monetary relations and it was reassuring that the International Monetary Fund was actively engaged in minimizing the disruptive effects of strains and imbalances; the steady expansion of world trade and the development of international monetary co-operation during the past twenty-five years had been due in large measure to the Fund's efficient work.

2. The report of the Fund referred to the inflationary pressures felt in the industrialized countries during the past year. Although the inflationary trend had been accompanied by expansion and by demand for the products of developing countries, the imbalances inherent in any inflationary situation had harmful effects on the trade and aid policies of developed countries and, more important, they affected the terms of trade. The prices of industrial products rose much faster than those of primary products, with a resulting adverse effect on the economic growth of the developing countries. The report stated that the large-scale use of monetary measures to curb inflation had been one of the causes of the steep rise in interest rates. It was important that Governments should develop policies to ensure that adjustments were carried out with the least possible damage to international economic relations, particularly to the development of the developing countries; the Fund was in a good position to render valuable services in that direction.

3. The recent expansion of international trade compared to the relatively slow growth of reserves had made it essential to correct the situation, which might have had dampening effects on further expansion. His delegation therefore welcomed the creation of new international liquidity in the form of special drawing rights, which would

allow world trade to expand further for the benefit of both developed and developing countries and should make it easier for the industrialized countries to provide a larger volume of aid with less recourse to aid-tying. It was to be hoped that the activation of the special drawing rights scheme would result in substantial additions to the resources of (IDA), especially since otherwise the main beneficiaries of the scheme would be the industrialized countries. If the creation of liquidity was not managed prudently, the scheme could easily lead to an aggravation of the problem of inflation; however, his delegation was fully confident that the Fund could cope successfully with the situation. He also hoped that during the forthcoming Fifth Quinquennial Review of Quotas, the special needs of the developing countries would be kept fully in mind and that their relative share of the total quotas in the Fund would not decrease.

4. A number of lessons had been learned from the experience of countries in promoting development, but they were not always easy to apply in practice. The lesson that satisfactory development could not take place through inflation was well appreciated by his Government, which had succeeded during the 1960s in keeping prices relatively stable, had constantly reviewed its development plans and, through yearly implementation plans, had been able to take changing circumstances into account. His Government was also conscious of the need to develop a competitive export-oriented industry, and efforts in that direction had resulted in a wider range of Turkish industrial products entering the export markets of the world.

5. Mr. DECASTIAUX (Belgium) said that one striking aspect of the Fund's report was the evidence it afforded that a world economy which was expanding in terms of both production and trade could also suffer reverses resulting from the imbalances caused by inflationary trends in most of the developed countries. An important remedy was the implementation of satisfactory national monetary and fiscal policies in those countries. The economies of the developing countries were fragile and suffered from all the effects of economic disturbances in the developed countries. Close attention must therefore be paid to the balance of payments programme and to budget and fiscal policies. If disturbances in budgets and payments continued, the result would be that aid for the developing countries would remain a residual part of the budgets of the developed countries. Consideration should therefore be given to the idea of a structured development budget related to long-term plans.

6. He welcomed the Fund's commitment to development and hoped that consideration would be given to the special needs of the developing countries when the next increase in quotas was discussed, and also in connexion with the new

special drawing rights scheme. The idea that there should be a link between the distribution of special drawing rights and the development process was interesting and he believed that possibly in the future the developed countries would consider the creation of new liquidity as a way of transferring more resources to the developing countries.

7. He wished finally to express his appreciation of the importance of the Fund's technical assistance to its members and of its staff training activities.

8. Mr. SULEIMAN (Libya) said that the Fund's ability to adjust its policies and operations to the changing needs of the world economy had been demonstrated by, among other things, the second increase in members' quotas and the establishment of compensatory financing facilities in 1963, their expansion in 1966 in order to assist members in meeting payments difficulties produced by temporary declines in primary exports, the establishment of the General Arrangements to Borrow and the expansion and strengthening of the Fund's technical assistance programmes. Such measures reflected the proper function of the international monetary system, which was to provide a rate of increase in international liquidity sufficient to support a steady growth in world production, trade and payments and a high level of employment and to provide international machinery to strengthen the individual and collective will of nations in preventing a recurrence of depression.

9. One of the important obstacles to the development of the developing countries derived from the industrialized countries' concern with balance of payments deficits. Because of that factor, among others, the international monetary system was in need of reform. A significant step in that direction had been taken on 28 July 1968, when the amendment to the Fund's Articles of Agreement had entered into force, introducing special drawing rights and making certain changes in the Fund's rules and practices. It was encouraging that that system applied to all members of the Fund on a non-discriminatory basis and it was to be hoped that it would take into account the problems of the major industrial countries, such as the balance of payments and inflation, and also the needs of the developing countries, thus contributing to their economic development, particularly to their growth through trade, by providing an adequate expansion of international liquidity. One of the most important contributions of the new system to the success of the Second United Nations Development Decade would be the removal of impediments to the expansion of aid created by the fear of resulting balance of payments difficulties. In addition, it was extremely important that policies in the industrial countries should be designed to keep inflation under effective control.

10. His delegation fully agreed with the view expressed in the report of the Pearson Commission that, in countries where both operated, the Fund and the International Bank for Reconstruction and Development should adopt procedures for preparing unified country assessments and ensuring consistent policy advice. Such a measure would greatly improve co-ordination and avoid overlapping.

11. His delegation welcomed the admission of Southern Yemen to membership in the Fund; the broader the Fund's

membership, the greater would be its ability to function as an international institution promoting harmony and discipline in international and monetary affairs.

12. Mr. BLAU (United States of America) said that after twenty-five years of international monetary co-operation the Fund had reached an appropriate milestone in that co-operation by deciding to activate the special drawing rights scheme. The decision was important not only to the industrialized countries and to those who managed reserve currencies, but also to the world as a whole, including the developing countries. The United States had always believed that the creation of international liquidity was of interest to all, should be discussed by all and should be supervised by the Fund. The question of voting powers in the Fund had been somewhat overemphasized, since the Fund in fact operated on the principle of taking decisions by the widest possible agreement among its members.

13. His Government was confident that the Fund would continue to operate for the benefit of the world as a whole. Over the past year, the Fund had shown interest in the problems of the developing world by making drawings available to developing countries, creating stand-by credits for them and taking an increasing interest in the stabilization of commodity prices. A result of that interest had been the decision to go beyond the compensatory financing facility in order to enable members to participate in buffer stock schemes where they were appropriate to the commodity concerned. That decision was important in that discussions of certain commodities had often foundered on the question of how buffer stocks should be financed.

14. His delegation looked forward to the fifth examination of members' quotas, which would allow not only for a general quota increase but also for special individual increases in cases where they were found desirable. He felt that there had been some misunderstanding of the subject; the so-called Bretton Woods formula had never constituted a strait jacket on the size of members' quotas, either at Bretton Woods or thereafter, since the situation of the individual member concerned had in every case been considered. The needs of the developing countries had always been taken into account, and the Fund had made generous and wise use of the flexibility which it enjoyed in re-examining quotas in the light of special circumstances.

15. His delegation particularly welcomed the emphasis placed by the Fund on the need for adjustment in the policies of member countries. It was clear that no level of liquidity, however achieved, would obviate the need for members to adjust their policies to their circumstances. The United States Government remained firm in its intention to bring its inflation and balance-of-payments problems under control. That was not only in its own interest but also in the interest of the world as a whole, since, in spite of the establishment of special drawing rights, the dollar remained an important reserve currency for all countries of the world.

16. Mr. ROUAMBA (Upper Volta) said that for a number of years the world had been shaken periodically by serious monetary crises, in the face of which the Fund had committed itself to an effort whose effect would be to reduce the risk of a collapse of the international monetary system.

17. An important question for the Council was the procedure for discussing the report of the Fund. He did not believe that the Council could in one day add a great deal to the discussions which had taken place among the Governors of the Fund prior to the submission of the report, and a new procedure should be found whereby the Council's discussions could make a new and positive contribution to the Fund's activities and policies. It would be desirable for Member States which were not members of the Fund to have the opportunity of expressing in the Council their views on the report.

18. There were a number of questions relating to the Fund's activities which were of special interest to African States. The institution of the special drawing rights scheme should make it possible to increase the exchange of currency in the world. It was to be hoped that the scheme would lead to an additional means of financing balance of payments deficits, thus permitting the developed countries to make a greater contribution to the financing of development aid, and that the industrialized countries would in due course consider the possibility of establishing a relationship between special drawing rights and aid to the Third World. It was regrettable that purely monetary concerns had hitherto overshadowed the question of financing the development of under-developed countries.

19. The possible consequences of the review of quotas had been of some concern to African representatives on the Fund's Executive Board. Appropriate solutions should rapidly be found to stabilize the present structure of the Fund in the light of economic, geographical and political conditions in the modern world; the Fund's function as an international monetary barometer would be difficult to perform unless there was balanced representation of all continents within it.

20. While the special drawing rights scheme was likely to improve international trade, such trade could not be of real benefit to the developing countries until an equitable long-term solution had been found to the basic problem of stabilizing raw material and commodity prices. The problem was of vital importance to the development of international trade and its solution would have an important effect on the world's economic balance.

21. Since some African countries had suffered from unexpected monetary devaluations which had prejudiced their economic balance and their over-all planning, he believed that the time had come for the Fund to undertake an exhaustive study of the real effects of financial dealings on all sectors of economic activity, with a view to proposing measures to mitigate their harmful consequences. The idea of creating a regional currency for the whole of Africa was becoming increasingly important and deserved serious study. There was an urgent need for concerted effort to solve all those problems and he was confident in the Fund's ability to propose feasible solutions in due course.

22. The Council was faced, as always, with the problem of relationships between developed and developing countries. Those problems could be tackled in the Fund with more realism and objectivity and in a spirit of greater international solidarity. At that level, pious hopes and vague

statements concerning the political will to aid other countries or to make greater efforts to merit such aid were insufficient, and the study missions sent by the Fund to various countries provided particularly revealing reports on that aspect of the problem.

23. During 1968 and the first half of 1969, the development of the world economy had been marked both by rapid expansion and by the existence of serious financial imbalance. Against that difficult background, the Fund had scored notable successes, which indicated that the problems could be solved. He believed that many of the organizations whose activities the Council co-ordinated could draw inspiration from the Fund's example and from its ability to adapt itself constantly to the changing world economic situation.

24. Mr. ABDELMOUTI (Chad) said that the developing countries frequently encountered problems with short-term credits which, unless solved, would affect their long-term development plans. The Fund was attempting through the special drawing rights scheme to create long-term liquidity, which would have important repercussions for the developing countries, but the short-term problems must also be solved. Lack of liquidity hindered exports and added to balance of payments difficulties, leading to measures detrimental to long-term development, such as import restrictions, which cut back production. Such a deflationary situation resulted in outflows of foreign capital, which made it necessary to borrow capital at high interest rates. It was to be hoped that the Fund would find ways and means of helping developing countries to tackle those problems.

25. The Fund took an unfavourable view of drawings that would increase its holdings of a given currency to more than 125 per cent of the quota of the drawing member. For that reason, in 1969, only eight of its thirty-nine African members had been able to draw amounts corresponding to 125 per cent of their quota levels.

26. He felt that the Fund could make more resources available to its members by raising the quotas, easing the conditions for drawing and abandoning the restriction which did not permit its holding of the currency of a particular member to be more than 200 per cent of its quota. The 200 per cent limit was justifiable in the case of countries in which inflationary pressures might create excessive demand in countries other than the borrowing countries. Whereas in the developed countries inflationary pressures might lead to excessive demand, he did not believe that the level of demand from the developing countries would be high enough for the process to operate in reverse and create inflation there.

27. It would also be desirable to establish a relationship between the creation of international liquidity and the amount of resources made available for development.

28. Mr. SCHWEITZER (Managing Director of the International Monetary Fund) said that the Fund attached great importance to the advice it received from the Council. The Fund was fully aware of the important role the Council should play in co-ordinating the activities of all organs of the United Nations system. He was gratified that the

Council had been able to devote so much time to studying the Fund's problems. The Fund's annual report was of a special character, having been approved unanimously by all the Executive Directors appointed by all the members of the Fund. It was not surprising that the views expressed in the Council largely reflected the same concerns as those expressed by the Governors of the Fund at the recent annual meeting. It was encouraging that the views exchanged at the technical level of Ministers of Finance and Governors of central banks were close to those expressed in the Council in the broader field of United Nations co-ordination. The Fund's activities had to be conducted without fanfare, since discretion was essential in monetary matters. He was happy to see that most members of the Council recognized the importance of good financial management in making development possible. He believed that the Fund had established a sound basis on which development programmes could be planned and executed. On the threshold of the Second Development Decade, the Fund still had an essential role to play. Its aim was to ensure that development aid should be as extensive as possible, on satisfactory terms, and that the quality of the aid should be good. The Fund would give all possible assistance to the United Nations Secretariat and to UNCTAD in the preparation of a development strategy.

29. He would not attempt to reply individually to all the suggestions and comments made during the discussion, but he had taken note of them, and they would be carefully considered by the Fund. He would therefore confine himself to some general comments.

30. There was almost unanimous satisfaction with the activation of the special drawing rights, although one representative had withheld his final verdict on its value. Admittedly the special drawing rights were not a general panacea, and could not take the place of sound national policies. Several points had been raised in relation to those rights. The first was that, because the distribution was proportional to quotas, the rich industrial countries had a greater share of special drawing rights. The increased international liquidity required could have been obtained by increasing the price of gold; that would certainly have benefited the rich countries with substantial gold reserves rather than the less developed countries. Alternatively, use could have been made of a unit of account established between, and for the benefit of, a limited number of countries. The merit of the arrangement decided on by the Fund was that it made the system universal; all participated in the decision and in the distribution. The distribution on a quota basis might be imperfect, but it reflected the relative share of countries in the world economy.

31. It should be noted that the distribution for the first base period of three years represented nearly 50 per cent of the quotas. Countries that used IMF resources know how difficult it was to secure the use of two credit tranches; the special drawing rights arrangements represented the equivalent, available free of any conditions. Another point was that a calculation of what the special drawing rights represented in relation to existing reserves showed that, in percentage terms, they meant much more for the developing countries than for the industrial countries.

32. Another question of general interest was that of a link between the establishment of those additional reserves and

development aid. When the Fund had first considered the matter, it had thought that such a link was technically possible and economically feasible. However, as the discussion had continued on the text of amendments to the Articles of Agreement of the Fund designed to permit the creation of the new facilities, all those permitting any institutional or organic link of that kind had been deleted. There were arguments both for and against such a link: many major countries had considered that it would be unwise to mix problems of international monetary liquidity and problems of development aid. In any case, the fact was that no organic or institutional link of that kind existed. A number of interesting suggestions had been made about a possible link, but for the moment it must depend on the individual goodwill of the rich countries that received special drawing rights allocations. It should be noted that any link between the allocations and development aid would only be significant if it meant that a donor country would do more than it would otherwise intend to do, from the aid standpoint.

33. True, the texts establishing the special drawing rights were not immutable. However, since it had taken twenty-five years to make the first amendment to the Articles of Agreement of the Fund, there was likely to be a considerable delay before any further amendments were made. He firmly maintained that the activation of the special drawing rights' scheme should remove any reason to invoke balance of payments difficulties in not granting the aid that an industrialized country would normally grant in view of its economic situation.

34. He noted that action often led to more criticism than was the case with inaction. That was also true of the Fund's attempt to contribute to the stabilization of the prices of commodities and raw materials. It must be emphasized that it was not the Fund's function to solve long-term problems. Its resources and its Articles of Agreement did not permit the establishment of machinery that could provide a long-term basis for improving the terms of trade or the prices of raw materials. The Fund's reserves were of a monetary nature and consequently could not be immobilized on a long-term basis. Its Articles of Agreement emphasized that the use of its resources must be temporary, and consequently its contribution must be limited to the financing of buffer stocks under agreements that could ensure balanced inflows and outflows during a limited period. Again, the Fund's use of its resources could no doubt be enlarged by the amendment of its Articles, but that was something that could not be visualized in the near future. Consequently the long-term problems of raw material prices and the terms of trade should be solved by other means.

35. With respect to the possible revision of quotas, the Board of Governors had asked the Executive Board to make proposals before the end of 1969. There was no argument with the principle of an increase in the quotas, since it was appropriate that facilities for conditional assistance should increase with the supply of unconditional liquidity, and the role of both was essential for a better adjustment of the balance of payments. The formulas used would take account of national income, reserves and foreign trade, and great weight was attached to the fluctuations in exports. It was considered that there should be a general increase, as



large as possible, that would benefit all countries, and also a special increase to take account of any change in the relative share in the world economy of different countries. Formulas would be used, but the results would be adjusted in the light of good sense. He assured the Council that the question of the share of the developing countries would receive very serious consideration in the course of the exercise. He could not promise that there would be any increase in the immediate future but the problem was one of concern to the members of the Fund and would be the subject of various studies and discussions.

36. With respect to the distribution of net income, the existing Articles of Agreement provided that those with creditor positions in the Fund should receive a remuneration. The principle could of course be questioned, but he did believe that it was perhaps advisable to give some slight form of encouragement to the countries that agreed to their currencies being used. What they obtained was little enough in comparison with what could be earned on the world money market. He did not believe that the arrangement was unjust. The Articles of Agreement did not permit any of the profits to be transferred to IDA; possibly that rule could one day be changed, but that was the present situation.

37. He was reassured, because what he had heard in the Council showed that there was no philosophical difference between the Fund and the Council regarding the importance of fighting against inflation and the importance of international co-operation in monetary and financial matters. Adjustments in interest rates were desirable, and some countries should eliminate the special causes that had led to monetary crises in recent months. Once a new balance had been restored, it could be maintained so long as countries continued to pursue sound national economic and financial policies. Although the recent period had been a very difficult one, he was convinced that the outlook for the future in the Fund's field of competence was one justifying optimism. He thanked the members of the Council for their comments on the Fund's report and assured them that they would influence the Fund's future decisions.

38. The PRESIDENT suggested that the Council should adopt the following draft resolution:

*"The Economic and Social Council,*

*"Takes note with appreciation of the report of the International Monetary Fund."*

*It was so decided.*

## AGENDA ITEM 2

**General review of the programmes and activities in the economic, social, technical co-operation and related fields of the United Nations, the specialized agencies, the International Atomic Energy Agency, the United Nations Children's Fund and all other institutions and agencies related to the United Nations system (E/4744 (vol. I), E/4744 (vol. I)/Add.1 and Corr.1, E/4744 (vol. II) and Corr.1 and 3, E/4748/Rev.1)**

39. Mr. PATRIOTA (Chairman of the Enlarged Committee for Programme and Co-ordination) said that the Enlarged

Committee's final report (E/4748/Rev.1) consisted of a preface; six chapters dealing with organizational matters; broad issues relating to co-ordination, programming, planning and budgeting; seven specific recommendations; a list of other matters considered by the Committee; a survey of existing operational and research activities of the United Nations family in the field of economic and social development; the preparation of a handbook of criteria and procedures for requesting technical assistance; and seven annexes.

40. The Enlarged Committee had been established by the Economic and Social Council in 1966 in accordance with General Assembly resolution 2188 (XXI), which asked the Council to enlarge the Committee from sixteen to twenty-one members in order to review fully the existing activities of the United Nations system. The Enlarged Committee was asked, *inter alia*, to present a clear and comprehensive picture of those activities; that picture was provided in document E/4744, volumes I and II.

41. He drew attention to the following recommendations in chapter III of the Enlarged Committee's report (E/4748/Rev.1): that a reconstituted Committee for Programme and Co-ordination should be established, consisting of twenty-one members; that the Secretary-General should be asked to prepare a report on existing and planned computer facilities in the United Nations system; that the Secretary-General should be asked to prepare a report on the existing Secretariat machinery for providing scientific and technical advice in the United Nations system; that procedures should be followed to strengthen current arrangements for the co-ordination of work programmes, with particular reference to information circulated to Member States and organizations for comment and their transmission to appropriate bodies in the United Nations; and that measures should be taken to help overcome the problems created by conflicting or overlapping decisions taken by intergovernmental organs with broadly the same membership.

42. At its forty-fifth session, the Council had asked the Enlarged Committee to consider the framework of headings used in ACC's report on expenditures of the United Nations system in relation to programmes,<sup>1</sup> and also in the comprehensive picture of the system's research and operational activities which the Enlarged Committee was to submit to the General Assembly (E/AC.51/GR/L.6/Add.1). The Enlarged Committee also noted in chapter III of its report that several activities were already under way within the United Nations and that it was essential that they should not overlap. The Committee urged the Secretary-General to ensure that any overlapping aspects of activities should be the subject of close and continuing consultations.

43. Chapter IV also contained details of other subjects that the Enlarged Committee had considered without taking substantive action on them, namely, the impact of national priorities on the planning, execution and evaluation of international programmes; the use of common premises and facilities for economy and efficiency among United Nations family members; regional co-ordination;

<sup>1</sup> *Official Records of the Economic and Social Council, Forty-fifth Session, Annexes, agenda item 23, documents E/4501 and Add.1.*

co-ordination of marine activities; Council resolution 1408 (XLVI) on technical co-operation in social development.

44. Chapter V dealt with the preparation of a comprehensive picture of existing operational and research activities in the United Nations family in the field of economic and social development.

45. Chapter VI dealt with the preparation of a handbook of criteria and procedures for requesting technical assistance.

46. In accordance with paragraph 2(a) of General Assembly resolution 2188 (XXI), the Committee had arranged for the preparation of a clear and comprehensive picture of the operational and research activities of the United Nations system in economic and social development. At its first session in September and October 1967, the Committee had agreed on the format for the two parts of the report. For the first part, a factual account would be prepared by the Secretariat, including sections on constitutional and organizational arrangements, on the economic and social development programmes and activities of the United Nations system and on arrangements for co-ordination, planning and evaluation. The second part of the report was to be prepared by the Committee with the assistance of the Secretariat and would consist of an assessment of the United Nations system's activities as described in part I, and the Enlarged Committee's conclusions and recommendations.

47. At its second session in September 1968, the Committee had considered the draft by the Secretariat of the first part of the report and, after a preliminary discussion, had asked the Secretary-General to invite comments on the draft from all Members of the United Nations and from the specialized agencies, regional economic commissions and resident representatives of the UNDP. The report had then been revised in the light of those comments and of the comments of members of the Enlarged Committee (E/4744 (vol. I), E/4744 (vol. I)/Add.1 and Corr.1, E/4744 (vol. II) and Corr.1 and 3).

48. The Committee had decided, however, to transmit the report to the General Assembly through the Council without endorsing it, with the Secretary-General assuming full responsibility for it.

49. As explained in paragraph 105 of its report (E/4748/Rev.1), the Enlarged Committee had not made a systematic assessment of the operational and research activities of the United Nations family in the field of economic and social development. Such assessment as the Committee had been able to make was implicit in the recommendations in its report. Effective assessment was a continuing process, and it was assumed that it would be among the continuing functions of the reconstituted Committee for Programme and Co-ordination and would be undertaken in the light of the results, *inter alia*, of the *Study of the Capacity of the United Nations Development System* and the report of the Pearson Commission.

50. In accordance with paragraph 5(c) of General Assembly resolution 2188 (XXI), the Secretary-General had

prepared for the Committee in 1967 an outline of a handbook containing an account of all procedures for requesting assistance from members of the United Nations family of organizations and the financial and technical criteria according to which such assistance was provided. At its first session, the Enlarged Committee had agreed that it would be very useful for government authorities, particularly in developing countries, which were concerned with the various technical co-operation programmes of the United Nations system, to have a consolidated handbook of procedures and criteria for requesting assistance and it had accordingly asked the Secretary-General to prepare the preliminary draft of such handbook with the assistance of UNDP and in consultation with the specialized agencies and other programmes concerned.

51. At its second session, the Committee had had before it a draft handbook of criteria and procedures for requesting assistance from all members of the United Nations system. After revising the handbook, the Committee had endorsed it and authorized the Secretariat to proceed with its publication.<sup>2</sup>

52. Mr. GUPTA (India) said that India was a member of the Enlarged Committee and generally concurred in that Committee's recommendations, perhaps the most important of which was recommendation A contained in Chapter III of the report concerning the reconstitution of the Committee for Programme and Co-ordination (CPC). Because of the increase in the volume and complexity of United Nations activities in the economic, social and human rights field, co-ordination had become of increasing importance for selecting priorities, avoiding duplication and ensuring the most efficient use of available resources. India believed that, if co-ordination was to be effective, the existing Committee must be strengthened. There had been a lack of adequate Secretariat assistance, not through any shortcomings on the part of the Secretariat, but because the Office of the Assistant Secretary-General for Inter-Agency Affairs had very little staff and a great deal of work and could therefore devote limited time to the Enlarged Committee. That had led to weaknesses in documentation that had hampered the Enlarged Committee in its work; consequently it had recommended, in paragraph 25 of its report the appointment of a suitable number of professional officers at the appropriate level of seniority to assist the Committee in its work on a continuing and exclusive basis. India attached the highest importance to that recommendation, being convinced that unless it was adopted, no meaningful work could be done by CPC. For similar reasons, the Enlarged Committee had recommended, in paragraph 23, that the Committee might select from among its members Special Rapporteurs to prepare studies between the Committee's sessions. Obviously Special Rapporteurs who were members of the Committee would have a slightly different approach from members of the Secretariat. He was glad to note that in paragraphs 27 and 28 arrangements for close co-operation between the Joint Inspection Unit and the Enlarged Committee were proposed.

53. It would be noticed that the terms of reference in paragraphs 29 to 34 were broader than those assigned to

<sup>2</sup> *Assistance for Economic and Social Development Available from the United Nations System: A Handbook of Criteria and Procedures* (United Nations publication, Sales No.: E.69.I.23).

the previous Committee for Programme and Co-ordination. He believed that such terms of reference were necessary to ensure that the Committee would not feel hampered by a restricted definition of its terms of reference. In that connexion he referred to the issues identified for future consideration by the Enlarged Committee in annex III of its report. The Committee had been unable to consider all those topics in detail, but India believed that the issues identified would be of great assistance to the reconstituted CPC in drawing up its work programme. The annex cited indicated the many related issues that would have to be dealt with by any committee for programme and co-ordination and illustrated why it was necessary to give a broad mandate to the new Committee. India earnestly hoped that the Council would approve those recommendations.

54. In principle, his delegation supported the Enlarged Committee's view as reflected in recommendation E on programme co-ordination and prior consultations on work programmes by agencies, but it believed that a final decision should be deferred until the specialized agencies and other organizations concerned had commented on the proposal.

55. His delegation wished specifically to support recommendations D and G in chapter III. It also attached considerable importance to the matter of common premises for United Nations field offices (paras. 90 to 92) and hoped that the new CPC, in close co-operation with ACABQ and ACC, would study it thoroughly and as a matter of urgency. The Maltese proposal concerning co-ordination of international activities relating to the marine environment (paras. 94 to 98) was well conceived and probably necessary. Unfortunately, owing to the late submission of the proposal, the Enlarged Committee had been unable to study it thoroughly. His delegation hoped, therefore, that the question, which was both important and complex, would be considered further by the reconstituted Committee for Programme and Co-ordination. Indeed, India was inclined to agree with the Maltese proposal (para. 96) that a small committee of government experts should be established to examine all aspects of the matter with a view to reporting, through CPC and the Council, to the General Assembly at its twenty-sixth session. His delegation supported the recommendation in paragraph 100 concerning Council resolution 1408 (XLVI).

56. It also welcomed the appearance of the Handbook of Criteria and Procedures for requesting technical assistance and hoped that it would be of assistance to developing countries. Pursuant to operative paragraph 2 (a) of General Assembly resolution 2188 (XXI), an account of the operational activities of the United Nations system in the field of economic and social development had been prepared. For lack of time, the Enlarged Committee had not made a systematic assessment of those activities. Such assessment was a continuing and evolving process and presumably would be among the basic functions of the reconstituted Committee for Programme and Co-ordination.

57. Mr. BLAU (United States of America) said that, in general, his delegation supported all the recommendations of the Enlarged Committee. The one to which it attached most importance was that concerning the establishment of

a reconstituted Committee for Programme and Co-ordination. Without the assistance of subsidiary bodies the Council could not adequately undertake programme review and co-ordination, two of its main functions. CPC had therefore been established. Pursuant to General Assembly resolution 2188 (XXI), the membership of the Committee had been enlarged and the enlarged Committee had been instructed in the resolution to make a general review of the existing operational and research activities of the United Nations family of organizations in economic and social development. Understandably, the Enlarged Committee had encountered difficulties in making the review, but had nevertheless done reasonably satisfactory work. In any case, reviewing the work of as complicated a system as the United Nations family of organizations was a continuing task and the Enlarged Committee had therefore rightly suggested that CPC should be reconstituted and that its terms of reference should be a compound of those of CPC and the Enlarged Committee. His delegation could also support the Enlarged Committee's recommendation concerning the size of the reconstituted Committee. The core of the Committee should consist of Council members, but countries which, although not members of the Council, had nevertheless shown an interest in and aptitude for co-ordination and programme review should be enabled to participate in its work. The size of the reconstituted Committee should, therefore, be more or less that of the Enlarged Committee. Thus constituted, the Committee would be able to continue and develop the system of dialogue between representatives of Governments and representatives of the Secretary-General in the matter of programme, and between representatives of Governments and representatives of the Executive Heads of the specialized agencies in the matter of co-ordination, so successfully developed by the Enlarged Committee. His delegation therefore supported the Enlarged Committee's recommendation A.

58. Mr. CHRISTIANSEN (Norway) said that a more comprehensive discussion of the report would be possible when Governments had had time to consider the recommendations of the Enlarged Committee. At the current stage he would comment on two questions only. Firstly, it seemed necessary for the time being to keep an open mind on the size of the reconstituted CPC. There were no doubt valid reasons for limiting membership to twenty-one, but steps must be taken to ensure that the membership of the reconstituted Committee was balanced and representative. Secondly, it might be appropriate if, before taking a definite decision on the suggestion in paragraph 96 of the report, the Council were to consider the work programme of UNESCO'S Intergovernmental Oceanographic Commission. There should be no duplication of work.

59. Mr. PATRIOTA (Chairman of the Enlarged Committee for Programme and Co-ordination) said that as Chairman of the Enlarged Committee he had refrained from singling out any recommendation as meriting particular attention. As representative of Brazil, however, he recalled that, in the Second Committee, his delegation had emphasized the importance it attached to recommendation A. Brazil had strongly supported the report in the Second Committee and would do so in the plenary General Assembly.

60. Mr. LOBANOV (Union of Soviet Socialist Republics) said that the Enlarged Committee had been established as

the result of the initiative of two delegations; none of the others had been particularly enthusiastic about its establishment. Comparison of its terms of reference with its accomplishments showed how unsuccessful the Enlarged Committee had been. Money had been spent mainly on the preparation of documents, translations and office work. Eventually, a Handbook of Criteria and Procedures for requesting technical assistance and an account of the operational and research activities of the United Nations system in economic and social development had been prepared, but they were of little value and would take their place among publications which disappeared without trace. Indeed, the information in the Handbook had become outdated before the Handbook had been published, and document E/4744 contained a series of inaccuracies.

61. The most important recommendation in the Enlarged Committee's report was that concerning the establishment of a reconstituted Committee for Programme and Co-ordination. It was essential that the Council should take a decision on that matter at its current session and submit to the General Assembly a specific resolution recommending the establishment of a reconstituted Committee and indicating its structure. Only by so doing would the Council fulfil its role as the body mainly responsible for co-ordination. There was no need to take a decision on the matter at the current meeting; the question could be discussed further at a later date. What was essential was that the Council should not shelve its responsibility by merely transmitting the report to the General Assembly.

62. The PRESIDENT said that it had been his intention to suggest that the Council should adopt the following draft resolution:

*"The Economic and Social Council*

*"Takes note of the report of the Enlarged Committee for Programme and Co-ordination and transmits it to the General Assembly at its twenty-fourth session."*

63. Mr. LOBANOV (Union of Soviet Socialist Republics) said that his delegation could support that draft resolution provided it was understood that, in transmitting the report to the General Assembly, the Council was not abdicating its responsibility for deciding on the final structure of the reconstituted Committee.

64. Mr. BLAU (United States of America) agreed that the Council would be failing in its duty if it did not decide on the nature, structure and terms of reference of the reconstituted Committee. The resolution should contain an operative paragraph providing for the establishment, as an

organ of the Council, of a committee such as that suggested in the report of the Enlarged Committee.

65. Mr. ORIC (Yugoslavia) said that his delegation could support a purely procedural draft resolution such as that suggested by the President. It would, however, have difficulty in supporting, without further discussion, a text containing an operative paragraph along the lines suggested by the United States representative.

66. Mr. BLAU (United States of America) suggested that the following operative paragraph should be added to the text read out by the President:

*"Endorses in general the recommendations of the Committee contained in chapter III, section A, of its report and agrees to reconstitute the Committee for Programme and Co-ordination along the general lines there proposed after the report has been examined by the General Assembly."*

67. Mr. AHMED (Pakistan) said that the members of the Council could not be expected to endorse, without fuller discussion, all the recommendations of the Enlarged Committee. Nevertheless, the Council was entitled to express its views on the recommendation concerning the establishment of one of its subsidiary bodies. However, it should be noted that the general review of operational and research activities of the United Nations system in the field of economic and social development had been made at the request of the General Assembly, not the Council, and that the General Assembly was therefore the body which would pronounce on the Enlarged Committee's recommendations. His delegation could support the operative paragraph proposed by the United States provided that the words "in general" after the word "Endorses" were replaced by the words "in particular".

68. Mr. HALL (Jamaica) suggested that a decision on the matter should be taken at a later date. The paragraph proposed by the United States representative prejudged the decision of the General Assembly in the matter and was therefore not entirely acceptable.

69. The PRESIDENT proposed that the Secretary of the Council should discuss the matter with the representatives of those delegations which had taken part in the debate and prepare the text of a revised draft resolution for submission to the Council at a later date.

*It was so decided.*

*The meeting rose at 6.10 p.m.*