



ECONOMIC AND SOCIAL COUNCIL

Forty-third session

OFFICIAL RECORDS

1480th (opening) meeting

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at 11.15 a.m.

PALAIS DES NATIONS, GENEVA

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President: Mr. M. KLUSAK (Czechoslovakia).

Present:

Representatives of the following States: Belgium, Cameroon, Canada, Czechoslovakia, France, Guatemala, India, Iran, Kuwait, Libya, Mexico, Pakistan, Panama, Peru, Philippines, Romania, Sierra Leone, Sweden, Turkey, Union of Soviet Socialist Republics, United Kingdom of Great Britain and Northern Ireland, United Republic of Tanzania, United States of America, Venezuela.

Observers for the following Member States: Argentina, Australia, Brazil, China, Ireland, Italy, Portugal, United Arab Republic.

Observers for the following non-member States: Federal Republic of Germany, Holy See.

Representatives of the following specialized agencies: International Labour Organisation, Food and Agriculture Organization of the United Nations, United Nations Educational, Scientific and Cultural Organization, International Civil Aviation Organization, International Bank for Reconstruction and Development, International Monetary Fund, World Health Organization, Universal Postal Union, International Telecommunication Union, World Meteorological Organization, Inter-Governmental Maritime Consultative Organization.

The representative of the International Atomic Energy Agency.

The representative of the General Agreement on Tariffs and Trade.

Opening of the session

1. The PRESIDENT declared open the forty-third session of the Economic and Social Council.

AGENDA ITEM 1

Adoption of the agenda (E/4380)

2. The PRESIDENT announced that he had just received a letter from the USSR delegation requesting the inclusion in the Council's agenda, as a separate and urgent item, of the "Responsibility of Israel for the economic damage caused to Arab and other peace-loving States by its aggression against the United Arab Republic, Syria and Jordan". The letter would be circulated as a Council document.¹

3. Mr. ZAKHAROV (Union of Soviet Socialist Republics) said that his delegation supported the provisional agenda contained in document E/4380 on the understanding that the item proposed by his delegation would be considered for inclusion in accordance with rule 13 of the Council's rules of procedure.

4. The PRESIDENT suggested that the Council might adopt the provisional agenda as set forth in document E/4380, and that the item proposed by the USSR delegation could be considered when its letter had been distributed.

It was so agreed.

On that understanding, the provisional agenda (E/4380) was adopted.

Organization of work (E/L.1160/Rev.1)

5. The PRESIDENT drew attention to the footnote relating to item 3 (E/L.1160/Rev.1, para. 7) which stated that the Council might wish to refer to the Economic Committee some aspects of item 3 which concerned the United Nations Development Decade. He suggested that the Council might agree to request the Economic Committee to consider those aspects of the Secretary-General's progress report on the Development Decade which were of concern to it. When it took up item 3 in the plenary towards the close of the session, the Council would have before it the reports of both the Economic Committee and the Co-ordination Committee on the subject.

It was so agreed.

6. In reply to a question by Mr. ANGER (Sweden), Mr. KASSUM (Secretary of the Council) said that a summary of the work accomplished by the Council each day would be included in the Bulletin issued the following day.

¹ Subsequently issued as document E/4409.

7. Mr. ATTIGA (Libya) recalled that, at the forty-second session, a number of delegations, including his own, had asked whether arrangements could be made for the Council to hear at its present session a summary of the work accomplished by the International Bank for Reconstruction and Development and the International Monetary Fund during the period up to April 30, i.e. to the end of their fiscal years.

8. Mr. WILLIAMS (International Monetary Fund) said that the Managing Director of the International Monetary Fund would address the Council on 12 July.

9. Mr. CONSOLO (International Bank for Reconstruction and Development) said that the Economic Adviser to the President of the International Bank for Reconstruction and Development would make a statement describing the Bank's activities, probably on 13 July.

10. The PRESIDENT said that, in the absence of further comment, he would suggest that the Council should agree to the proposed organization of work set forth in document E/L.1160/Rev.1, and establish an Economic Committee and a Co-ordination Committee of the Whole for the duration of the session. As had been decided at its previous session, Mr. Varela of Panama would be Chairman of the Economic Committee and Mr. Rahnama of Iran would be Chairman of the Co-ordination Committee.

It was so decided.

11. The PRESIDENT requested all non-governmental organizations in categories A and B desiring to be consulted on various agenda items to submit their requests in writing within forty-eight hours, in accordance with rule 85 of the rules of procedure.

AGENDA ITEM 2

General discussion of international economic and social policy (E/4332, E/4343, E/4352 and Corr.1 and Add.1, E/4353 and Add.1 and Add.1/Corr.1, E/4361, E/4362 and Corr.1, E/4363 and Add.1-2, E/4370, E/4378, E/4392, E/4396 and Add.1-3 and Add.1/Corr.1; E/C.N.11/L.184, E/CN.11/L.185/Rev.1; E/CN.12/767, E/CN.12/768; E/CN.14/370, E/CN.14/397; E/ECE/656)

12. The PRESIDENT invited the Under-Secretary for Economic and Social Affairs to open the general discussion.

13. Mr. DE SEYNES (Under-Secretary for Economic and Social Affairs) said he would first convey to the Council the sincere regrets of the Secretary-General at being unable to attend the opening meeting in accordance with his usual custom. The accumulation of events had compelled him to abandon his plans, much to his disappointment; in his absence, he (Mr. de Seynes) had been asked to read the following message on his behalf:

(1) "At times when political crises test to the utmost the capacity of the United Nations system to carry out its primary function of keeping the peace, it is heartening to turn to its activities in the field of economic and social development through international co-operation and to see that these activities have

a solidity, a continuity and a momentum of evolution that are too strong to have been, so far, seriously or lastingly disturbed by disputes between States. It is true that all such disputes, whether expressed in open hostility or in active or passive differences of policy and action, in some degree prevent our system of international organization from contributing all that it could to the common good. But all of us, and the world as a whole, have cause to be thankful and to be encouraged by the fact that, as attested by the business before this session of the Economic and Social Council and by the past achievements and the new initiatives with which the Council is associated, the international community as at present organized is seriously committed to the belief that peace and security depend no less upon constructive and far-ranging co-operation for economic and social development than upon the settlement of political disputes, and that the one cannot be allowed to wait for the other.

(2) "If there is one factor which is common to the peace-making and peace-building functions of the United Nations, it is the need for patience and perseverance. These are the qualities which give meaning to our concept of a development decade. The nineteen-sixties were designated as such not because we believed that development could be achieved in a mere ten-year span, but because we needed a focus for sustained and concerted action. Now, as we enter the last quarter of the decade, the results so far obtained confirm the need for patience in matters of development. They also confirm, and perhaps more strikingly, the need for perseverance.

(3) "In designating the nineteen-sixties as the United Nations Development Decade, the General Assembly expressed the hope that, through combined national and international action, the developing countries would be able to achieve an annual rate of economic growth of 5 per cent. That target, as I and others have said many times, was and remains a modest one. Yet our efforts so far give no assurance that it will be attained. The concern which I expressed in my appraisal of the Development Decade at its mid-point has been unfortunately confirmed by the disappointing trends of the past two years. The inadequate expansion of agricultural production, even though agriculture is a dominant element in the economic activity of a large majority of developing countries, casts a dark shadow in many parts of the world—a shadow that warns us of a risk of widespread famine, as well as of a lag in economic growth. The over-all situation suggested by the figures at our disposal is that the average rate of growth in the developing countries in the first half of the present decade has been a little over 4 per cent. This is short of the objective set by the General Assembly. It is not materially different from that achieved in the nineteen-fifties.

(4) "The current decade is three-quarters of the way through. The remaining years give us little time for confidence that the gains which can still be made will be large enough to offset the shortfalls of the preceding years. But they do give us time for more vigorous and dedicated efforts to increase the momentum of development. If there is a steadfast vision matched by appropriate action, it should be possible, before the decade comes to an end, to give impetus to the forces seeking a stronger and more diversified world economy.

(5) "In the remarks that follow, I shall address myself to the role of this Council, the United Nations and its family of agencies in dealing with only some of the problems before us. If I make only occasional specific reference to the specialized agencies it is because many of their executive heads will be addressing the Council in the course of this general debate. Their attendance and participation in the Council's work attests to the facts that their organizations are associated, in some cases very directly, with all the major tasks facing the Council and that the achievement of the Council's objectives depends in large measure on their active co-operation.

(6) "In the circumstances we must watch for every glimmer of hope and encouragement. One of these is the change of attitudes in respect of the population problem. A highlight—indeed, I would hope, a symbol—of the new outlook on the population question is the remarkable statement of twelve Heads of State, with which I was glad to express my concurrence and which was published in December 1966 as part of the Human Rights Day celebration. The context, of course, was in itself significant because one of the most interesting features of the change which we see taking place is the desire to look at the population problem not simply in its strict economic aspects, more or less linked to the Malthusian dilemma, but rather in the broad perspective of human progress in modern societies, which increasingly recognizes the need to provide the citizen with the means of controlling the size of his family. The psychological breakthrough has rapidly followed the technological breakthrough which, thanks to the provision of cheap devices, promises to make the means of family planning accessible to all.

(7) "On the strength of a historic General Assembly resolution, the United Nations can now embark on a bolder and more effective programme of action in this field. With its Population Commission, its Population Division and its regional units, with the demographic centres closely linked to the Organization, and with the co-operation of WHO, UNICEF, and other interested agencies, the United Nations has now at its disposal an institutional infrastructure which, given some additional means, could be put to much more effective use in support of large-scale programmes.

(8) "I am glad to say that the Secretariat has already prepared a minimum plan of five years, and I intend to ask the General Assembly for gradually increased budgetary appropriations in this field in the years to come. Meanwhile I have decided to establish a trust fund to which I hope Governments and institutions will pledge voluntary contributions. This would help us to lay the ground for training centres as well as for pilot experiments which will assist the countries in establishing or expanding their own administration and programmes.

(9) "Although the situation of international aid remains unsatisfactory, I am inclined to find a reason for hope in the Agreed Statement recently adopted unanimously in the UNCTAD Committee on Invisibles and Financing related to Trade.* May I quote one sentence from this important document: 'It is a matter of concern that the flow of financial resources from developed countries in support of the developing countries' efforts has failed in recent years to keep pace with the growth in the national incomes of the developed countries even though most developing countries could immediately put into effective use a greater volume of external assistance'. I welcome the fact that so many Governments have been able to agree on this simple diagnosis. It is an effective response to the view so frequently heard that aid programmes are not succeeding in their purpose. Such a view cannot seriously be sustained if we recognize that the development problem does not lend itself to quick solutions and that we must make persistent efforts for a very long period in order to overcome the obstacles left by centuries of economic backwardness.

(10) "I was also impressed by the clear recognition in the Agreed Statement that the terms of aid remain too hard and that the mounting debt-service obligations of developing countries are threatening to lead to a significant diminution of the net transfer of resources. We should, I believe, base upon this Agreed Statement fresh efforts to improve the situation and make adequate provision for foreseeing and forestalling the onset of debt-service crises.

(11) "More generally, the consensus achieved should help us to bridge the intellectual gulf which we have seen growing dangerously between those who are directly involved in the administration of aid programmes and those who are called upon to vote the requisite appropriations.

(12) "Another important recent event was the conclusion a few weeks ago, in this very city, of one of the most noteworthy post-war negotiations in the economic field. Limited though it was in certain respects, the success of the Kennedy Round marked a vital step forward in international co-operation. Had the negotiations failed, a relapse of the world into protectionist trading blocs could scarcely have been avoided. It would be too much to say that this danger has been now completely eliminated, but there certainly has been a major move in the right direction. As a result we may look forward to a further period of sustained growth in world trade. Growth will be particularly marked in the trade of the developed countries with one another and, in so far as this leads to a more rapid rate of business expansion in the industrially developed parts of the world, it will of course tend to generate a more rapid growth of demand for imports from developing countries as well. It is also noteworthy that some of the socialist countries participated in the Kennedy Round, even though these countries have ordinarily sought and will presumably continue to seek the expansion of trade between themselves and market economies mainly through other initiatives, both multilateral and bilateral.

(13) "On the other hand, there can be only disappointment on the part of the developing countries that the benefits for them are likely to be much less than for developed countries. In negotiations depending so largely upon the confrontation of major economic blocs, the developing countries have suffered from a lack of bargaining power. In fact, many of them were not even represented in the negotiations. It was also inevitable that any negotiations concerned primarily with tariffs would tend to leave untouched the many forms of non-tariff restrictions that impede the exports from the developing countries of primary products and manufactures. It must be appreciated, moreover, that non-tariff restrictions of various kinds probably operate with greater vigour against the trade of developing countries than against that of developed countries.

(14) "Now that the Kennedy Round is over, our efforts must be bent towards creating a more favourable trade and aid environment for the developing countries. We can begin to do this at this session, in preparation for the second United Nations Conference on Trade and Development which will assemble in New Delhi in February of next year. It is my fervent hope that the Kennedy Round will be followed by a 'New Delhi Round' which will begin to complete the work that remains unfinished. In this respect it was particularly encouraging that, at the Meeting of American Chiefs of State recently held at Punta del Este in Uruguay, the President of the United States declared the readiness of his country to explore with other industrialized countries the possibilities of temporary preferential tariff advantages for all developing countries in the markets of all developed countries. I need hardly emphasize how important it is that the general thought reflected in the President's statement should, in some form, find an adequate response. The best formula to give life to a concept already so thoroughly discussed in the United Nations should be actively sought between now and the opening of the New Delhi Conference.

(15) "The Kennedy Round also began to break new ground in one of the areas of major importance to the developing countries, that of food aid. This is also one of the items which has been suggested for special consideration at the present session of the Council, and rightly so. In the past two years, our awareness of the seriousness of the food crisis has been heightened by the acute shortages of food which have appeared in India and other developing countries. The Indian problem has, it is true, been seriously

* See *Official Records of the Trade and Development Board, Fifth Session, Supplement No. 3* (TD/B/118/Rev. 1), annex II.

aggravated by the exceptional misfortune of drought in successive years. Yet the problem of food supply, not only in India but in other developing countries, is not merely the result of the failure of the monsoon. Such unforeseen events have only served to aggravate the already profound problem of persistently inadequate food supply.

(16) "The report which, at the request of the General Assembly, I have prepared in co-operation with the Director-General of the Food and Agriculture Organization and in consultation with other interested agencies (E/4352 and Corr.1 and Add.1) shows that the domestic food production in developing countries grew at an annual rate of 3 per cent between 1953 and 1963; this rate has slightly slackened in more recent years. Pressure on available food supplies has resulted from rapid growth in population (at an average rate of 2.5 per cent annually) and also from rising incomes causing food demand to increase rapidly. These factors have combined to bring about steadily growing food deficits in developing countries.

(17) "Looking to the future, the report on this subject depicts a bleak prospect. A population projected to grow on the average by 56 million annually in the nineteen-seventies would bring about a rise in the consumption of cereals of 9 million tons per year, even assuming that the per capita consumption remains at the 1964 level. There is also a need for adequate standby reserves to meet unforeseen contingencies arising out of droughts and other natural calamities. And, finally, substantial additional supplies are needed if nutritional deficiencies are to be corrected.

(18) "I hope that the Council will address itself to all the aspects of the world food problem. These include the longer-range problems of assisting undernourished and malnourished populations to feed themselves or to earn the wherewithal to purchase the food they need. To make headway in these directions requires an attack on a very broad front encompassing such elements as population policies, increased use of fertilizers, better seeds and better methods of cultivation. It clearly must also include the improvement of nutritional standards, particularly through the provision of proteins. On this subject you have before you the remarkable report produced under the aegis of the Advisory Committee on the Application of Science and Technology to Development, whose very practical recommendations I commend to your attention.

(19) "The more immediate problem is that of avoiding and alleviating hunger by means of food aid in the narrower sense of the term. The nature of this problem is quite simple in essence, though it has some technical aspects that may pose difficulties, and some institutional and administrative elements for which alternative solutions are possible and may have to be negotiated. Food aid has been one of the important components of international assistance, particularly since 1954, but a change in the over-all situation has occurred: the United States of America, the country which provided most of the foodstuffs for transfer to developing countries, has managed to stabilize its production and, for several years now, has grown only enough food to meet the requirements of regular markets, domestic and foreign. The food surpluses which were the source of the great bulk of the earlier transfers have ceased to accumulate. In the new relationship between demand and supply it will be necessary to take specific decisions to produce foodstuffs for the developing countries with food deficiencies. If food aid is not made available on acceptable terms, deficit countries will have to divert their foreign exchange resources away from the acquisition of development goods to the more pressing purpose of closing the food gap. There can be little doubt that it should be considered a current responsibility of the international community as a whole to see to it that the requisite supplies of foodstuffs are available when needed.

(20) "The problem will not, of course, be fully solved by the proposal made during the Kennedy Round, first of all because the

action required by the circumstances goes beyond an agreement on grains, but also because the participation in the Kennedy Round was too limited; for example, the Soviet Union, one of the large grain-growing countries, was not represented. It will now be necessary to make the most effective arrangements for deploying the resources available; it will be necessary to determine eligibilities and priorities in a situation of general scarcity. It will also be necessary to safeguard domestic food production from any unfavourable disruption of regular trade in the foodstuffs concerned.

(21) "I understand that a conference meeting in Rome tomorrow will discuss some of these questions, but I would like to submit that in response to General Assembly resolution 2096 (XX) the longer-range problems, as well as the immediate one, are squarely within the responsibility of this Council and of the General Assembly, in co-operation with FAO and other agencies. It seems to me to be essential that, at this session, some decision should be made as to the best procedure to be followed for initiating concrete action. The establishment of the World Food Programme has, since 1961, enabled a relatively small but significant multilateral element to enter the picture. I venture to suggest that in any new large-scale programme, such as that outlined in the Kennedy Round, envisaging contributions both in cash and in kind, a multilateral approach is almost inevitable and that the United Nations system could be adapted without much difficulty to the tasks involved.

(22) "Whatever its effect may be on the shape of the world economy of the nineteen-sixties, the present Development Decade is necessarily only a stepping-stone for the design and implementation of more vigorous action in the decade, or perhaps the decades, to follow. Indeed, it was in this spirit that last year both the Council and the General Assembly called for the preparatory work concerning the next Decade. The wishes expressed last year by those organs are now being given a concrete response. The Committee for Development Planning, at its session in April this year, gave some new and stimulating thought to the question of preparing guidelines, targets and proposals for the second Decade. As a body of eminent experts bringing their professional experience and skill to bear on the shortcomings of the first Decade and the possibilities of the second, the Committee placed much emphasis on the need for specific targets by Governments. It suggested that the United Nations might adopt a 'charter' for the second Development Decade which could, *inter alia*, identify certain targets to be attained by combined international and national action. It felt that the target for the over-all growth of the economy needed to be more concrete and elaborate than was the target set for the present Decade, and that minimum targets might also be set for other economic and social magnitudes, such as per capita food consumption, standards of health and education, and employment.

(23) "The delineation of targets or objectives is an important task, for it helps to give a sense of direction and to define the activities that have to be undertaken. Even more essential, however, is the definition and the vigorous pursuit of the best means of achieving those objectives. As has been repeatedly emphasized in this and other forums, some of these means are to be found in international action—the measures which depend upon and flow from wholehearted co-operation by the world community towards the expansion of international trade and aid. However, while this hospitable international environment is necessary, it must also be repeated that by far the largest part of the drive for economic betterment has to take place on the domestic front. Developing countries have to do their utmost to mobilize domestic resources for growth through dynamic fiscal and financial policies and to improve, often quite drastically, the social and institutional structures upon which development equally depends. Targets or objectives are meaningless if they are not matched by a systematic array of measures for attaining them.

(24) "It was, in fact, this reasoning which led the Committee for Development Planning to characterize planning as 'an instrument for the formulation and implementation of coherent development policies'. The forceful manner in which the Committee justified this definition is worth repeating. It stated that '... a failure of planning is a failure in the design and execution of effective policies. Planning viewed as a social technique is not a substitute for development policy. This truism, however, seems to be widely forgotten. There is a tendency to assume that planning could supersede or even replace the framing of sound policies for economic and social development. Nothing could be further from the truth, and any notion that difficult policy decisions can be evaded by recourse to development planning should be promptly dismissed'. The extent to which the goals and objectives of the current Development Decade, and those that should be established for the next Decade, are realized will therefore be largely conditioned by success or failure in the implementation of national plans. Too often in the past, such plans have remained declarations of aspiration, instead of proving to be programmes of action.

(25) "The activities relating to the next Development Decade will have to encompass many economic and social facets; and their successful completion will require a better co-ordinated use than ever before of the experience, knowledge and facilities of the family of United Nations organizations. It should soon be possible to define much more precisely the scope and content of the preparatory work that should be undertaken. Let me add, however, that the preparatory work to be done for the second Development Decade cannot be confined to the projections and planning of Governments and intergovernmental organizations. Whatever objectives are established, their successful attainment will hinge critically upon the support and co-operation of the people at large. It will be necessary, therefore, to make the public aware of the aims and purposes of the Decade, of the nature and objectives of all the activities directed towards their fulfilment, and of the crucial part the people must play in bringing about their economic and social betterment. The Council has before it reports on the question of improving public information which are relevant to this problem. In the final analysis, it is the uplift of the common man that is our goal. It has, at last, become fashionable for economists to say this. It rests for the common man also to be persuaded that this is the real purpose of development plans and programmes, and to be convinced also that his role in their fulfilment is critical. Moreover, it is only in this way that we will begin to overcome that fear of commitment which has so far plagued our efforts in international action and deprived them of so much of the needed force. It is quite significant that the Committee for Development Planning, approaching the notion of the Development Decade with a fresh mind, has thought it fit to use the word 'charter'—a charter of development which carries the idea of specific commitments to specific objectives, a series of undertakings more binding than we have known up to now. The present session of the Council and the forthcoming session of the General Assembly may be too early to make clear how far it will be possible to go in this direction. But these sessions do not, I submit, provide too early an occasion for the most serious thought to be given to, and views expressed upon, the concept of stronger commitment by Governments, individually and collectively, to the actions required for development.

(26) "It will also be necessary, in the course of preparing the next Development Decade, to give close attention to the institutions and arrangements which govern international relations in the economic and social field. The present system has developed so rapidly that it may well contain anomalies and shortcomings, and events such as the launching of a new Development Decade are the logical occasion for a careful reappraisal and, if need be, for initiating certain changes.

(27) "The most recent development in the institutional field is the establishment of the United Nations Industrial Development Organization (UNIDO) as a central machinery within the United Nations system, located in the heart of Europe, thanks to the generosity of the Government of Austria. It is a most auspicious development, and one which, I think, demonstrates the capacity of the United Nations to provide initiative as well as machinery for helping to meet the evolving needs of its Members. It has, perhaps, taken longer than it should have to establish an international entity essentially concerned with the development of industries. It is of course true that only in recent years has the need for developing countries to establish, within their own economies, modern industrial sectors of sufficient scope to provide their people with a measure of autonomous productive capacity and with adequate sources of employment and income been clearly recognized, let alone emphasized. At the same time, sweeping generalizations to the effect that private enterprise would do the job have proved fallacious and tended to provide a false rationale for avoiding international action in this field. There may also have been difficulties inherent in organizing international action in the specific area of manufacturing industries. Other spheres of development activity such as education, health, agriculture, infrastructure for transport and energy and even mining, benefited from a long tradition of governmental intervention at the national level, and the extension of this to the international level has been more readily acceptable than in the case of manufacturing industries.

(28) "To a large extent therefore, UNIDO, together with other institutions whose work is now to be intensified and co-ordinated, will be playing a pioneer role, and indeed, meeting a strong challenge to prove its usefulness and effectiveness. The Executive Director of UNIDO has often, and very rightly, stressed that the approach should not be only 'operational' but also 'promotional', which is a reasonable prescription for action in a field which requires such diverse and vast efforts. If all countries are to benefit from the proper use of their resources, from the proper application of modern technology and from the proper division of labour, a dialogue—a practical exchange of both skills and responsibilities—must be established between industries in different groups of countries. Such an exchange can be facilitated by the existence of UNIDO. But it will need new approaches and new flexibility in our action. It will require us to take yet another step beyond the traditional course of multilateral diplomacy on the basis of which our present institutions were shaped, and to show—in this and other fields—a greater readiness to adjust our structures, procedures and regulations in order to give them the flexibility needed.

(29) "The fact is that as we have come closer to the problem of development and tried to influence every aspect of it, there has been a natural tendency to develop not only new programmes, but also new entities to administer them. I feel bound to question whether this will continue to be the best way of doing the job and whether the multiplication of administrative entities is not close to reaching its reasonable limits. In this connexion, I would draw your attention to the constantly growing scope and flexibility which the United Nations Development Programme (UNDP) has proved capable of acquiring. This is one of the few international programmes which does not seem to have suffered from the disenchantment that has affected others and I have urged, and I continue to urge, that the annual resources of the UNDP should reach a level of \$350 million by 1970. An institution whose importance is attested by resources of that size clearly cannot indefinitely continue to function under criteria which were laid out for it when the total available funds were only a fraction of the present target or even of the current resources, which have grown to \$172 million for 1967. Indeed, the criteria and areas of activity, as well as the flexibility, of the UNDP have already been steadily enlarged as our knowledge of needs and our experience

in meeting them have developed. I would venture to say that some of the new funds and of the new programmes which are currently being discussed or contemplated could also best function under some suitable arrangements within the administration of the UNDP. With its present size and diversity, the UNDP cannot be considered just as a bank for pre-investment projects; rather, it should be viewed as a central development agency reaching in many directions, highly adaptable to emerging new requirements, and capable of linking its action closely with that of financial institutions such as the new regional banks.

(30) "At this point, I may mention the long-standing aspiration for a capital development fund, which is now formally embodied in a resolution for action of the General Assembly (resolution 2186 (XXI)). I hope that, when the practical implementation of this resolution is taken up, the recent evolution of the UNDP may be kept in mind, and with it the desirability and feasibility of a single administration for a plurality of funds.

(31) "If we view our institutional problems in the context of an international society which is striving towards greater integration, then we will perhaps more easily understand and accept the rigorous disciplines which have to be observed. It is a fact that criticism of some of our ways and of our approaches is widespread among Member Governments, not only among those with substantial financial means and traditions, but also among those most in need of international co-operation. There is some impatience with the increasing complexity of our machinery and procedures. There are misgivings about programmes and projects whose existence can sometimes be traced to individual initiatives which were not sufficiently questioned. There is concern about excessive separatism in our undertakings. There is a question of expenditures over which Governments feel they have lost control. All of us are aware that these are weaknesses which sometimes blur the image of the United Nations system and diminish confidence in it.

(32) "Our system has started to react in a number of ways to repair these deficiencies, more particularly through the *Ad Hoc* Committee of Experts to Examine the Finances of the United Nations and the Specialized Agencies, which prepared the ground for a considerable overhauling of the administrative and budgetary machinery of the United Nations family, through the newly established Committee for Programme and Co-ordination, and through the Administrative Committee on Co-ordination. I need say little about the Committee for Programme and Co-ordination, whose reports are before you, except that it has gone about its difficult task in a most practical and encouraging way and that I believe we can rely on it to undertake, in the years to come, a review that will be both comprehensive and useful of the United Nations programmes. This Committee, as well as the Advisory Committee on Administrative and Budgetary Questions, has also discussed one of the most important and original proposals of the *Ad Hoc* Committee of Experts, that for a joint inspection unit acting in full independence with a view to improving management and methods of achieving greater co-ordination. This is a real innovation in a system such as ours, with its large measure of functional decentralization, and it is not surprising that there has not yet been full agreement on such delicate matters of implementation as the manner of dealing with the inspectors' reports. I should like to express the hope, however, that this experiment, so full of promise, will be set in motion at the beginning of 1968, as planned.

(33) "This ferment for reforms in our institutional system has already had its impact on the functioning of the Administrative Committee on Co-ordination. The ACC has long played a leading role in the whole process of co-ordination, although it could not by itself fulfil all the aspirations for a better institutional order which are current in this Council as well as in the General

Assembly. A number of steps have been taken, including the strengthening of the staff resources needed to intensify inter-agency co-ordination and to facilitate consideration of major policy issues at the level of the executive heads. The ACC has also endeavoured, as the documentation before this session demonstrates, to increase the scale and range of its work in order to respond to the call, in the words of one of the Council's Presidents, for a true 'partnership' between itself and the Council.

(34) "The success of such a partnership will do much to determine the whole future of this Council. It will require from the governing organs no less than from the executive heads of the agencies a very real willingness to co-operate and to make adjustments. It will need, from the Council, the acceptance of the fact that the specialized agencies have an autonomous status and that under existing constitutional arrangements their co-operation must be based on agreement rather than imposed. To encourage such mutual adjustments and understandings is the main purpose of another important innovation, the establishment of joint meetings of ACC with the officers of the Council and the Committee for Programme and Co-ordination. My colleagues on the ACC and I greatly regret that the plans for a three-day meeting in Bucharest last week had to be abandoned for reasons beyond the control of any of us. We look forward to such a meeting next year, the Romanian Government having generously renewed its invitation to our two Committees.

(35) "Painstaking and even tedious though our treatment of these institutional problems may at times appear, they must be viewed in the broad context of our responsibility to help the world community to progress and prosper. The shape and functioning of our mechanisms are as essential to the requirements of international life as are the size and content of our programmes. The perspectives within which the study and discussion of even the most minute and domestic matters take place in the United Nations are wide indeed. I have mentioned some of the tasks, in trade and aid and other familiar facets of development, that will help us to raise our sights during this present session, and the Council has on its agenda the important item of human resources. If we needed another such stimulus, it would be enough to remind ourselves of the role of the United Nations in the field of human rights.

(36) "As I had occasion previously to recall, in the United Nations philosophy respect for human rights is one of the main foundations of freedom, justice and peace in the world. Faith in the dignity and worth of the human person and in the equal rights of men and women is ultimately the basic reason for the determination of this Organization to promote social progress and better standards of life for all. The present accelerated pace of United Nations action in the field of human rights, whether by setting world-wide standards of observance or by focussing attention on specific situations deserving world-wide concern, is therefore most encouraging.

(37) "One of the outstanding achievements of the last session of the General Assembly, the adoption of the International Covenants on Human Rights, is of great significance to this Council. The world consensus on basic beliefs and rights shown in the unanimous vote of over one hundred Member States is particularly impressive. The Covenants are the culmination and the outcome of sustained preparatory work in which this Council had its share, and they reflect the General Assembly's wish that those aspirations of mankind which were proclaimed as standards of achievement in the Universal Declaration of Human Rights should become obligations legally binding on all members of the international community.

(38) "It is my hope that the many activities which will mark the International Human Rights Year in 1968, and of which the International Conference on Human Rights in Teheran will be

the most significant, will result in a further clarification of the issues. All efforts should be made to focus the world's attention during next year on the paramount importance of observing in practice the standards established by the international community and of acknowledging that such an end is worthy of attainment not only at some time in the future but in our own lifetime."

14. The PRESIDENT asked Mr. de Seynes to convey to the Secretary-General the Council's regret that he had been unable to come to Geneva and its best wishes for the success of the task he had undertaken.

The meeting rose at 12.30 p.m.