

# 1592nd meeting

Tuesday, 1 October 1974, at 5.05 p.m.

Chairman: Mr. Jihad KARAM (Iraq).

A/C.2/SR.1592

*In the absence of the Chairman, Mr. Hamid (Sudan) took the Chair.*

## GENERAL DEBATE (continued)

1. Mr. MWANGAGUHUNGA (Uganda) said he shared the cautious pessimism about the world economic outlook expressed by the Under-Secretary-General for Economic and Social Affairs in his analysis at the 1587th meeting; the general economic situation might be even worse than the Under-Secretary-General assumed.

2. Although the old economic order had been proved unequal to dealing with current economic crises, the world was continuing to use the traditional conservative instruments of economic analysis. The cumulative effect of a deteriorating world economy had alerted the international community to the malaise affecting economic relations between nations; the sixth special session of the General Assembly had been convened as a result. Despite difficulties and obstacles, at that session, the Assembly had started to lay the foundation for a new economic relationship between the developed and developing countries.

3. No group of countries should enjoy most of the world's wealth at the expense of the developing countries. The dialogue begun at the sixth special session on the establishment of an equitable relationship between the prices of raw materials and commodities exported by the developing countries and manufactured goods imported by them from the developed countries should be completed.

4. He hoped that, as a product of the changed economic order, there would be more co-operation in trade; that would require the dismantling of tariff and other barriers against exports from developing countries, and new criteria for aid which reflected the sovereign equality of nations and their mutual interdependence and advantage. There had been instances of certain developed countries cutting aid to deserving countries and persuading other countries to do likewise, simply because they disagreed with their policies. Even some financial institutions had succumbed to such pressures. His own country had experienced such difficulties. Uganda was one of the least developed of the developing countries and a land-locked country. It was therefore disheartening to note that it had not been included in the list of most seriously affected countries<sup>1</sup> which were to benefit from the Special Fund established by the General Assembly (resolution 3202 (S-VI)).

5. The famine in the Sudano-Sahelian region had shown the inability of the world community to deal with such a crisis expeditiously. Serious consideration should be given to the establishment of a world food bank and regional

food storage centres. His country had strongly supported the convening in 1974 of the World Food Conference and would take an active interest in the Conference's report when it was discussed at the seventh special session of the Assembly to be held in 1975. Uganda was prepared to co-operate with other countries in increasing the world's food supply. It had already instituted domestic measures to double food production and to establish food storage centres all over the country. Those measures would be more successful if the developed countries increased their aid and technical assistance rather than withdrawing it because of political considerations.

6. The population issue could not be considered in isolation from the world's general economic problems. The problem was one of development and the allocation and use of resources. The recommendations of the World Population Conference, which was held at Bucharest from 19 to 30 August 1974, should be given due consideration by the Economic and Social Council and the General Assembly. If equilibrium between the world's population and its resources was to be reached, the developed countries had to stop wasting the world's limited resources: it was not enough for them to insist that developing countries reduce their rate of population growth.

7. Uganda had supported the idea of drawing up a charter of economic rights and duties of States at the third session of UNCTAD (13 April-21 May 1972). His delegation would co-operate with others in settling any issues on which agreement still had to be reached, in the hope that the charter would be adopted at the current session.

8. He reiterated his delegation's belief in economic co-operation between developing countries. Nevertheless, those countries could not be oblivious to the danger of outside attempts to frustrate co-operation efforts.

9. Uganda had already stated her full commitment to the Declaration and the Programme of Action on the Establishment of a New International Economic Order adopted at the sixth special session (General Assembly resolutions 3201 (S-VI) and 3202 (S-VI)). It was aware of difficulties that had led certain countries to make reservations when the Programme of Action was adopted. Since it was clear that the world economic situation would never be the same again after the sixth special session, he hoped the countries that had expressed reservations would reconsider their position. Their reservations, in any event, should not be deemed to give them a right to veto the implementation of the Programme. The Programme of Action extended to the whole world economy; all United Nations agencies had to operate within that context. The Economic and Social Council had been given the job of co-ordinating the work of the United Nations and its agencies in implementing the Programme and, in view of the importance and volume of

<sup>1</sup> See A/AC.168/6/Add.1.

its work, should meet in continuous session. He proposed that the Second Committee should recommend to the Assembly that the Economic and Social Council be given that mandate.

10. Mr. PERCY (United States of America) said that no individual, nation or race could be an island unto itself. Economic and social issues were universal. The great difficulty was to translate a philosophical commitment to improving the economic and social welfare of humanity into political reality. The major issues facing the twenty-ninth session of the General Assembly were economic and would be part of virtually every topic discussed. Without economic resources there was no realistic way to solve the vast social problems besetting the planet. Many of the solutions to the economic problem of increasing the wealth of the world were closely tied to social conditions.

11. An essential factor in all the issues before the twenty-ninth session was the lowering of the price of international crude oil through open discussion and negotiation. The price of international crude oil was the most destabilizing element in the world economy. It denied the developing countries adequate energy supplies to run their economies, and fertilizer to grow their crops; the most seriously affected nations had to take the rise in price directly out of the low standard of living of their population. The developed countries could not stand the drain of funds for a long period. No matter how effective the recycling of dollars from oil exporters to oil importers might be, regional and national balance-of-payments disparities would drive many developed countries into international insolvency, thereby bringing about the collapse of the trade and monetary system that had been so painfully constructed since the end of the Second World War. That, in turn, might well lead to economic catastrophe, first for the lesser developed nations of the world, then for oil-dependent countries, and last for such countries as the USSR and the United States of America which had oil resources of their own. In that event, it would not be possible, in the long run, to satisfy the rising expectations of the oil-producing nations; no one could benefit from a world-wide depression. There was no rational alternative to working together on social and economic interests. Economic nationalism should not bring down the world economic system, or social and political systems, nor should that system be operated for the benefit of a few.

12. Another solution to the problem of oil prices was the development of alternative energy sources. All nations should work co-operatively to harness new sources of energy and to develop existing sources. That, however, was a long-term solution; most nations would continue to be heavily reliant on oil for the time being. That was why the policy of unilateral price-fixing on a non-economic basis by certain oil-producing nations posed such severe economic problems to the world. Such practices could be ruinous. Like retaliatory tariff barriers and competitive devaluation, economic nationalism could infect the world economy and eventually destroy it. The world had come too far to return to barter. Moreover, such practices were contrary to the principles and objectives of GATT: they were monopolistic and anti-competitive, they distorted flows of resources and they threatened the international payments system itself. If they continued, those shouldering the brunt of them,

particularly in the developing countries, could bear only so much. Masses of unemployed and starving would bring about a powerful political and economic reaction against those causing the problem. All members of the Committee should therefore urge their Governments to abandon the monopolistic economic practices that were the main cause of distortion in the world economy, to return to and reaffirm the open trade and free payments principles of the United Nations, GATT, IMF, and the World Bank Group, to understand that the long-term prosperity of each nation depended on the prosperity of all nations, and to understand that not to correct those problems was to threaten universal economic disruption.

13. His country acknowledged its responsibility to help to achieve those ends. Less developed countries needed more access to the markets of developed nations. While his country's trading system was built on the idea of comparative advantage, the realities of economics were such that it was difficult to penetrate major markets and risky to move against established competition. The trade reform bill being considered by the United States Senate established the principle of trade preferences for less developed countries. Although it was not enough, it was a start, but it might be politically difficult to get more.

14. The economic problems facing the world had been further aggravated by world social problems, a demonstration of the need to view economic and social questions as inextricably related. As the Committee for Development Planning had stated in its 1970 report, "the distinction often made between economic and social objectives is often not a very meaningful one to draw."<sup>2</sup> A rational balance had to be found between people and resources, so that the quality of human life throughout the world might be enhanced. If the basic problems of human and national survival were to be solved, new solutions were needed.

15. Education was central to the creative and innovative processes needed to produce those new solutions. It was education which would produce the breakthroughs necessary to expand agricultural, industrial and technological productivity, since it alone could provide the new skills and resources required. Education, however, was also the basis for personal development. The more education people got, the more dissatisfied they became if their rising expectations were not met. They would become a destabilizing force within each nation if they were faced only with despair.

16. The ultimate purpose of economic growth, stability and well-being was a better life for all people. In that context, the elimination of mass poverty and social injustice was particularly important. One of the most common economic mistakes and social injustices was the assignment of women to a second-class role in society. The real contribution of women to social and economic development and their potential role in that area had generally gone unrecognized, and action must be taken to remedy that situation. The requirement that women should be involved as far as possible in the implementation of United States foreign aid programmes had become law in his

<sup>2</sup> See *Official Records of the Economic and Social Council, Forty-ninth Session, Supplement No. 7*, para. 15.

country, but efforts were still needed to ensure full application of the relevant legislative provisions. Similar steps should be taken by the international community to ensure that the principle of equality for women embodied in the Charter of the United Nations was fully upheld in the nations of the world and in the United Nations system itself. The development of programmes to utilize more effectively one half of the world's human resources should not be delayed until 1975, which had been designated by the General Assembly in its resolution 3010 (XXVII) as International Women's Year. His delegation fully supported the objective of the Year and of an international conference on the status of women to be convened, in Colombia, at the request of the Economic and Social Council (Council resolution 1851 (LVI)).

17. By designating 1974 as World Population Year and by sponsoring the World Population Conference which had just been held at Bucharest (19-30 August 1974), the United Nations had played a leading role in stressing the value of a unified approach to development and its related problems. The population issue could no longer be separated from the problems encountered in agriculture, resources, land use, health, education and women's rights. The global approach to solving such problems had, in his view, been very successful at Bucharest. Although widely divergent views had been expressed, there had been a real desire among the participating nations to reach agreement on how population problems should be approached. The World Population Plan of Action adopted by the Conference<sup>3</sup> was an outline which could be put to good use by all nations and which could serve as the basis for further action by the United Nations and its Member States. It was only an outline, however, and only a foundation for continuing efforts. The United Nations should urge all nations to implement the Plan's far-reaching recommendations with a view to ensuring a higher quality of life for all people.

18. No problem had greater economic and social repercussions or was in greater need of immediate United Nations attention than the current world food situation. If food production merely kept abreast of demand, it would be impossible to improve the diet of the hundreds of millions of people throughout the world who were undernourished or malnourished. Moreover, if production failed to reach expected levels for any reason, those people would starve. There were, in fact, two separate but related problems: the short-term problem of providing food aid to meet existing and possible future food emergencies, and the long-term problem of increasing world food production, particularly in developing countries. The United States, for its part, would increase the amount of money it spent on food aid in 1974. Long-term relief, however, could only be obtained through increased agricultural production in developing countries, which should receive assistance from developed nations in expanding their production of fertilizers and acquiring the necessary agricultural technology. The fact that the United States and the non-aligned States worked together at the twenty-eighth session of the General Assembly and in the Economic and Social Council to bring to fruition the idea of a United Nations World Food Conference was an encouraging sign. As with the World Population Conference, however, the United Nations would

have the responsibility of ensuring that the World Food Conference to be held in Rome in November, was followed by sustained efforts to improve world food production, storage and distribution.

19. In short, there were a certain number of steps that the world community should take and that the United Nations should actively encourage. The price of international crude oil must be lowered. The development of alternative sources of energy must be encouraged. Economic nationalism should be discouraged in favour of open trade and free payments systems and of a monetary system adapted to the changing world. Both educational opportunities and opportunities for economic fulfilment must be expanded. Women must be given a greater role in economic development. The United Nations must encourage countries to deal with population problems by drawing up plans to eliminate unrestrained population growth. The world's food problems must be solved through an international system of nationally-held food reserves and through increased investment in research, fertilizer production and development assistance.

20. If no effort was made to solve those problems, all the nations of the world would eventually run the risk of downfall. If, on the other hand, co-operative action was undertaken in the self-interest of all, it should be possible to find solutions that were worthy of the objective of the United Nations.

21. Mr. AWANG HASSAN (Malaysia) thanked the Under-Secretary-General for Economic and Social Affairs for his lucid and thorough analysis of the current international economic situation and future trends. The most important problem facing the world was that of spiralling inflation and its pernicious effect on the economies of all countries, particularly those which were weak and poor. The stability of the world economic and financial system was also at stake, and the developed countries had a special responsibility to ensure that no measure they took would add to the difficulties of the developing countries. What was required was greater statesmanship and courage, and a firmer commitment to the cause of development and progress in the third world.

22. Among the other important issues requiring urgent action was the implementation of the Programme of Action on the Establishment of a New International Economic Order. The sixth special session, at which the General Assembly had for the first time concentrated on economic and social questions of particular interest to the developing countries, had marked the end of the old economic order that had been established long before the majority of the Member States became independent and had taken no account of those countries' interests or welfare. That order had been firmly rejected at the special session, and it was the duty of all to ensure that the Declaration was respected and the Programme of Action implemented.

23. The response so far had been poor, and the short-term measures adopted to alleviate the sufferings of those countries most seriously affected by the current economic crisis and by the acute food and fertilizer shortages had fallen short of expectations. The contributions so far made were well below the figure needed to meet the needs of those countries in the first 12 months of the Programme of

<sup>3</sup> For the draft Plan, see E/CONF.60/7.

Action. However, there were indications that the international community would rally to the cause of those countries, either bilaterally or multilaterally.

24. At the same time, scant progress had been made in tackling medium-range and long-range problems in areas such as trade liberalization, access to markets, buffer stocks, commodity agreements, producers' associations, transport and shipping, transnational corporations, industrialization and the transfer of science and technology. The time had come to move from consultations to earnest negotiations. Some of those issues were already being discussed in the multilateral trade negotiations, which were, however, being hampered by the refusal of the developed countries to accept even the basic principles on which the negotiations were to be conducted. The same could be said about the negotiations on reforming the international monetary system, in which several issues of concern to developing countries were still unresolved. It had also been impossible to adopt the Charter of Economic Rights and Duties of States owing to lack of agreement on a number of key issues. Furthermore, the goals and objectives of the International Development Strategy were not being attained, and official development assistance was well below the set target.

25. Everyone knew which steps were required to resolve those issues. What was needed was the necessary political will on the part of those countries which alone were in a position to ensure the success or failure of attempts to find fair and equitable solutions. There was nothing on which the developing countries could compromise, unless it was considered possible to compromise on hunger, poverty, disease and illiteracy, and they could not be blamed for wanting to protect their natural resources against outside exploitation. Progress could be made only if the developed countries showed a genuine concern for the interests of the developing countries and were prepared to negotiate seriously, recognizing that most developing countries needed special and preferential treatment.

26. In the meantime, it was imperative for the developing countries to help one another, and serious attempts were in fact being made to facilitate greater economic co-operation among them. The recent report (DP/69) of the Working Group on Technical Co-operation among Developing Countries, established by UNDP, clearly indicated that there was great potential advantage in fostering such co-operation, since the developing countries together possessed knowledge, experience and expertise in many fields. His delegation hoped that the Committee would encourage and support any move by the developing countries to facilitate co-operation among themselves. He was pleased to note that practical action to that end had been taken by the non-aligned States. Furthermore, the Secretary-General had recently signed an agreement under which the United Nations would be the executing agency for a \$2.5 million project in the field of trade, industry and transport to be undertaken pursuant to General Assembly resolution 3177 (XXVIII). His delegation hoped that the Committee would give further support to such activities, and thanked the Governments of the Netherlands and Sweden for the fine example they had set by making available more than half the funds required to carry out the project.

27. Significant progress had also been made at the Fifth Conference of Foreign Ministers of Islamic States held at Kuala Lumpur from 21 to 25 June 1974, at which a number of questions relating to the current economic crisis, science and technology, insurance, and shipping had been discussed. Such efforts were a practical manifestation of the developing countries' desire for greater self-reliance; it must, however, be emphasized that they were a supplement to, and not a substitute for, the efforts of the international community as a whole.

28. In 1975 attention would undoubtedly be focused mainly on the mid-term review and appraisal of the International Development Strategy for the Second United Nations Development Decade and on the seventh special session of the General Assembly, devoted to development and international economic co-operation. The adoption of the Declaration and the Programme of Action on the Establishment of a New International Economic Order had set the stage for decisive action by the international community through the United Nations. In that context, serious thought should be given to increasing the effectiveness of the Economic and Social Council as the central co-ordinating body in the economic and social fields. In the view of his delegation, the Council had become too deeply involved in details that were best left to other bodies; it also tended to be a "talking shop" rather than an action-oriented body. At the same time, action was needed to reduce overlapping and duplication of work in the specialized agencies and other related bodies, and those organizations which had outlived their usefulness should be phased out. Such steps were necessary if the United Nations system was to tackle effectively the tremendous tasks facing it in the second half of the current Decade.

29. He expressed his delegation's sympathy for and solidarity with the people of Honduras in the tragic situation caused by the recent hurricane. He also expressed the hope that the Committee would discuss the steps it could take to alleviate the suffering of the Honduran people.

30. He paid a tribute to the outgoing Under-Secretary-General for Economic and Social Affairs who, throughout his distinguished career in the United Nations, had done much to further the cause of the developing countries.

*Mr. Massonet (Belgium) took the Chair.*

31. Mr. JABER (Jordan) said that the items allocated to the Committee for its consideration were of major concern to the entire international community. The 1970s were a turning-point in the international economic order, and solutions needed to be agreed upon speedily to cope with a complex situation. Policy-makers in Governments and international organizations had been dealing with a host of interrelated economic problems, including the collapse of the international monetary system, inflation, the increasing economic gap between developing and developed countries, terms of trade, access to markets of developed countries, transfer of technology, food shortages, and population growth. The Declaration and the Programme of Action on the Establishment of a New International Economic Order which had emerged from the sixth special session of the General Assembly were significant achievements, in that

their implementation would result in a just, equitable and remunerative international division of labour and a just redistribution of wealth. All countries and international organizations were facing one of the basic realities of the 1970s, namely, that the developing countries were struggling for economic independence which would lead to a redistribution of economic power. If the principles of the new international economic order were to be put into practice, reservations would ultimately have to be abandoned, the obligations of the International Development Strategy met, a co-operative approach followed and practical measures adopted. The forthcoming mid-term review and appraisal of the Strategy would provide an opportunity to assess the extent to which obligations had been met. It was to be hoped that the results would be favourable.

32. Efforts to restructure the international economic system would have an impact on the scope and contents of the Charter of Economic Rights and Duties of States and the concept of collective economic security. The Charter should envisage a much more encouraging environment for the development of the developing countries than that which had existed to date.

33. Economic development was no longer viewed as attainable solely through isolated measures, such as capital accumulation or land reform. It implied change in every aspect of society. Population and food problems had to be taken into account, if Malthus' prediction that population increases would outstrip the food supply was not to be fulfilled. The true objective of the World Population Conference and the World Food Conference was to improve the standard of living of mankind, and emphasis should be placed on higher food production, the equitable distribution of food and establishing a system of world food security.

34. Inflation appeared to be the most urgent economic problem. Recently, the average rate of inflation had been 12 per cent in the industrialized countries and even higher in the developing countries. Inflation raised the cost of imports to developing countries, jeopardized their balance of payments and created social instability. A spirit of co-operation and accommodation should prevail in efforts to fight inflation at the national and international levels.

35. Turning to developments in Jordan, he said that a three-year development plan had been launched in January 1973. Private investment so far had exceeded the plan estimates, particularly in industry, construction, trade and tourism. The confidence of private investors in economic stability and the profitability of their investments had been restored and strengthened. There had also been an encouraging inflow of foreign investments in banking, industry and hotel construction. The Government was giving priority to the enhancement of Jordan's productive capacity and, in addition to providing incentives to foreign investors, was establishing large projects which would utilize available natural resources, provide new job opportunities, increase industrial income and raise export earnings. In agriculture, an integrated development programme was under way in the fertile Jordan valley; a dam was under construction, irrigation canals were being extended to new areas and a seminar held recently had sought to establish priorities and policies in agriculture.

36. However, Jordan had been adversely affected by purported inflation affecting the prices of foods and manufactured goods, and it had not been possible to maintain relative price stability. The cost of implementing projects was rising and increasing inflationary pressures had caused the Central Bank to put restrictions on bank credit facilities.

37. The long-awaited Economic Commission for Western Asia had started its operations in January 1974, as provided for in Council resolution 1818 (LV). The Commission had held two sessions at which a programme of work had been approved, and Beirut had been selected as its site for the coming five years. If the Commission was to be successful in strengthening economic co-operation and co-ordination in the region, it should receive increased financial resources from the United Nations and appropriate co-operation from the specialized agencies, particularly in the preparation, planning, implementation and follow-up of regional projects. He hoped that those requirements would be met as soon as possible.

38. Mr. DRISS (Tunisia) said that during 1974 long-standing economic problems had grown more acute, generating new problems, the most visible of which was inflation. Inflation was a focus of international concern because it affected not only the developing countries but societies which had until recently considered themselves immune from the vicissitudes of the established international economic order. The Committee should move beyond futile recriminations and seek the real causes of the problem as well as just solutions, while not losing sight of the other aspects of the world economic situation discussed at the sixth special session of the General Assembly and by the Economic and Social Council during 1974. The situation had been ably analysed by the outgoing Under-Secretary-General for Economic and Social Affairs, to whom he paid tribute for his dedication to the cause of development and international co-operation.

39. In a world still divided into developed and developing countries, some of the latter that were producers of certain primary commodities had sought to establish, to their advantage, what was still a precarious balance within an unjust international economic order. Given the probable decline in the prices of those commodities, which were subject to the law of supply and demand, the desire of certain countries to preserve the value of their finite resources was understandable. Economic interdependence could find its true meaning only through the full implementation of and respect for the measures and principles defined in the documents adopted by consensus at the sixth special session of the General Assembly. The reservations expressed at that session concerning those documents represented a refusal which was all too familiar.

40. Economic and Social Council resolution 1911 (LVII), the so-called omnibus resolution, although not adopted by consensus, was significant in that it established a uniform framework for the preparations for the mid-term review and appraisal of the International Development Strategy and the special session of the General Assembly to be held in 1975. The Council had also clarified the concept of collective economic security by emphasizing the principles of respect for the sovereignty of States and international

co-operation. The ideas advanced by the representative of Brazil (1589th meeting) had strengthened his own conviction that the concept would inevitably become a major principle of the new international economic order, another component of which would be the Charter of Economic Rights and Duties of States. He hoped that that document would be finalized at the current session. Certain basic rights which were still disputed should be duly recognized in a spirit of conciliation and moderation. All those components should, in principle, be reflected in a new version of the International Development Strategy.

41. It was essential to avoid perpetuating a system of subdivision into levels of development and groups of developing countries. Nevertheless, his delegation welcomed the efforts to implement the recommendations and decisions of the sixth special session concerning the countries most seriously affected by the economic crisis. Although the list of those countries prepared by the Secretariat did not take into account all the criteria established by the Assembly, including the problems faced by certain countries as a result of aggression and foreign occupation, the response to calls for emergency assistance had been encouraging. The efforts of the European Economic Community and of several oil-producing countries were praiseworthy examples.

42. The oil-producing countries, while heeding the appeal for international co-operation in the broadest sense of the term, also wished to assume their national and regional responsibilities with regard to the provision of assistance. Moreover, their excess liquidity could appropriately be channelled in future into expanded regional, subregional and interregional co-operation. In that connexion, he welcomed the opening of the dialogue between European and Arab countries.

43. The dialogue between Arab and African States was already beginning to yield results in the political and economic spheres, and could become a perfect example of co-operation between developing countries—a process which was of great interest to the United Nations and the group of non-aligned countries. It was only through such dialogue that results which took into account the interests and needs of all could be attained. The role in that process of the international financial institutions—and indeed, of the United Nations, through the Special Fund established by the General Assembly at the sixth special session (resolution 3202 (S-VI))—was to be a channel for co-operation, while constantly observing the rule of equity and justice. The ultimate solution to economic problems, however, lay not in special measures but in global efforts to deal with trade, monetary and industrial problems, and measures to increase food production in regions lacking natural advantages, such as the arid zones.

44. Some progress had recently been made in the reform of the international monetary system. A further encouraging sign was Economic and Social Council resolution 1908 (LVII) by which it was decided in principle to establish permanent machinery to deal with the impact of transnational corporations on the development process, in order to protect the interests and sovereignty of host countries, and the Council's decisions concerning science and technology, particularly with regard to arid areas (resolution 1898 (LVII)), and convening a conference on science and technology (resolution 1897 (LVII)).

45. One valuable result of the World Population Conference was the recognition of the direct link between population and development, inasmuch as it paved the way for the co-ordination of demographic and economic policies. It was to be hoped that equally useful conclusions and recommendations would emerge from the World Food Conference. The announced intention of the United States to increase food aid was most welcome, particularly in view of the fertilizer crisis and the natural disasters which had struck some countries.

46. The forthcoming Second General Conference of the United Nations Industrial Development Organization, to be held at Lima in 1975, should create new opportunities for integrated industrial co-operation for the benefit of the developing countries, on the basis of a new international division of labour, the establishment of which should be facilitated by current economic and financial factors. The lack of enthusiasm for that Conference was regrettable; it was, in fact, a contributory cause of the widening gap between developed and developing countries. For the developing countries, it was essential to establish substitution industries and export-oriented industries so that they would not forever remain powerless importers of galloping inflation from the developed countries. The establishment of such industries could even help to alleviate inflation and enable developing countries to evolve national "social contracts", which guaranteed progress and political stability. Indeed, Tunisia, like several other developing countries, had entered into social contracts within its own borders with a view to closing the gap between social classes through a co-operative drive to create wealth and ensure its equitable distribution, with no exploitation or domination of one group by another. It was by encouraging such trends and dialogues within and among countries that the Committee, the General Assembly and the Economic and Social Council would best discharge their tasks during a period so rich in both risk and opportunity.

*The meeting rose at 6.35 p.m.*