

2064th meeting

Friday, 8 July 1977, at 3.30 p.m.

President: Mr. L. ŠMÍD (Czechoslovakia)

E/SR.2064

AGENDA ITEM 3

General discussion of international economic and social policy, including regional and sectoral developments (*continued*) (E/5937 and Corr.1, E/5937/Add.1 and Add.1/Corr.1 and 2, E/5937/Add.2 and 3, E/5937/Add.4 and Add.4/Corr.1, E/5977-5980, E/5995, E/5996, E/CEPAL/1027)

AGENDA ITEM 11

Assessment of the progress made in the implementation of General Assembly resolutions 2626 (XXV) entitled "International Development Strategy for the Second United Nations Development Decade", 3202 (S-VI) entitled "Programme of Action on the Establishment of a New International Economic Order", 3281 (XXIX) entitled "Development and international economic co-operation" (*continued*) (E/5939 and Corr.1, E/5942, E/5970, E/5974, E/5981, E/5985, E/5991, E/5992, E/5994, E/5999, E/6001, E/6016)

1. Mr. M'BOW (Director-General, United Nations Educational, Scientific and Cultural Organization) said that the Economic and Social Council was, with the General Assembly, one of the places in which forward planning for the United Nations system as a whole could take place. In under three years' time, it would be necessary to work out a strategy for the third development decade which took fully into account the new guidelines for international action laid down in the resolutions adopted by the General Assembly at its sixth and seventh special sessions and in the Charter of Economic Rights and Duties of States. UNESCO already had a basis which would enable it to make a useful contribution to the discussion leading to a development strategy in line with the international community's aspirations. At its twenty-ninth session, the General Conference had unanimously approved a medium-term plan to serve as the framework for UNESCO activities up to 1982, which also contained guidance for the longer term. The member States had recognized, on the one hand, their common preoccupation with respect to major world problems where interdependence had become manifest and, on the other hand, the variety of specific viewpoints resulting from the

wish of every society to have its own identity. The objectives of the plan, therefore, were universal in character and development was seen as being the business of all and not a problem of concern solely to those societies which were below a certain standard defined in economic terms. In formulating the plan, account was taken of individual proposals of the member States of UNESCO, the guidelines given to United Nations system as a whole by the General Assembly and the Economic and Social Council and the conclusions reached in the discussion at the General Conference on the mid-term review and appraisal of the Second United Nations Development Decade in the sphere of competence of UNESCO.

2. The General Conference had confirmed the basic idea that development was not a synonym for economic growth alone but was inseparable from over-all social development and constituted a multidimensional process focusing on man himself. That conception of development could also be found in documents other than those of UNESCO. Furthermore, development should be world-wide. The interdependence which henceforth linked all nations was undeniable, but interdependence did not necessarily mean solidarity or equality. Lasting development could only be the development of all in a world united in solidarity in which everyone freely assumed his share of responsibility. Even within individual countries, there could be no true development if growth merely served to heighten social inequality. Development must grow from within; in order to develop, a society must remain true to itself, draw its strength from its culture and set itself goals which took account of its values, needs and resources. Those dominant characteristics of development might well be borne in mind in other United Nations forums in which forward planning was being discussed.

3. He stressed the importance of culture in development and pointed out that the affirmation of cultural identity had been a striking feature of the recent past, going hand in hand with the extensive decolonization process. It was the culture of the colonial peoples that had inspired their struggle for national independence. A nation could regain its true identity only by shaking off foreign domination and could affirm it only by refusing to copy foreign models; only deeply-felt values could command that sense of belonging without which there could be no true progress. Nevertheless, every culture needed all other cultures and every culture in peril made the cultural heritage of mankind that much the poorer. The wisdom of the non-industrialized world, for example, should find expression and UNESCO for its part was continuing its efforts to establish and intensify the dialogue between cultures and civilizations. It was only now coming to be realized that certain countries, in which most of the world's information and communication potential was concentrated, exercised a *de facto* hegemony in that field. As information of necessity reflected the characteristics of the surroundings which produced it, efforts to achieve a better balance in the production, dissemination and circulation of information were fully justified. The importance of that issue had been stressed by the General Assembly in its resolution 31/139 on co-operation and assistance in the application and improvement of national information and mass communication systems for social progress and development, and by

the General Conference of UNESCO, which had decided to intensify its efforts to promote a free and balanced circulation of information and to assist member States to establish and strengthen their own information systems tailored to their requirements. Furthermore, at the request of the UNESCO General Conference, he was undertaking an immediate study of the whole problem of communication in modern society. That project, which was reminiscent in some respects of the study that had led to the publication in 1972 of the report of the International Committee on the Development of Education,⁷ was at the same time very different and very audacious, in view of the international dimensions of the issue of communication. It was a problem which affected national sovereignty as well as individual rights, and economic power as well as cultural expression. It therefore seemed necessary to begin by clarifying and deepening the concept in order to identify universally recognized principles on the basis of which an international strategy could be developed to bring about what had been called a new communication order. He had noted with satisfaction that some ideas about the complementarity of the principle of freedom of information and that of balance between information flows were currently better understood than they had been a few years earlier. That development should make it easier to implement the decisions of the General Conference of UNESCO and the General Assembly. However, it was essential that all United Nations agencies engaged in the field of information should be closely associated with the efforts and action of UNESCO. That joint action, in conjunction with more effective co-operation with other intergovernmental and non-governmental organizations, would make it possible to advance in step with the aspirations of the international community.

4. Turning to the question of science and technology, he said that it had assumed a new dimension since United Nations bodies had embarked on preparations for the United Nations Conference on Science and Technology for Development, to be held in 1979, in other words on the eve of the third development decade. The interaction of science, technology and development was more complex than a simple cause-and-effect reaction. Not only was science indissolubly linked with development, it was also, by its very nature, one of mankind's most universal endeavours, and for that reason scientific thought had always acted as a valuable link between different civilizations. For the first time in human history, men were in a position to establish the conditions for scientific ventures on a world scale. But progress in science was linked with a wider participation of all countries. It would be illusory and even dangerous for any country to put off supporting science until the country had achieved a minimum of development to justify such support and make it worth while. Science was not a luxury article available only to the wealthy but neither could science and technology of themselves bring about development. The real take-off of a country's science and technology would occur only when the nation as a whole provided its scientists with a suitable intellectual climate and adequate material resources. Such an investment was costly but, by creating an indigenous

⁷ UNESCO, *Learning to Be: The World of Education Today and Tomorrow* (Paris, UNESCO, and London, Harrap, 1972).

scientific capacity, countries could better adapt technologies developed elsewhere to their particular needs and limitations, and stimulate local technology, without which there could be no independent domestic industrial development. On the other hand, science could achieve its true vocation, which was to be universal, only when all nations could make a contribution to its advancement.

5. One of the aims of the United Nations Conference on Science and Technology for Development coincided closely with the task of UNESCO, which was to equip every State with the essential infrastructure forming the basis of scientific and technological progress and to give every State the means of harnessing those disciplines in the service of its development by making science and technology part of the national development effort. At its twenty-ninth session, the General Conference of UNESCO had therefore paid particular attention to the main lines of the scientific and technological programmes of UNESCO and to its contribution to the preparations for the 1979 Conference. Referring to the main points of resolution 2.01, adopted by the General Conference at its nineteenth session,⁸ he explained how UNESCO would be participating in those preparations. UNESCO was ready to assist member States in drawing up national documents on which preparations could be based. It was ready to act as a clearing house to enable the different countries to consult with each other and determine what they wanted the 1979 Conference to do, which was an essential preliminary to achieving a consensus on common objectives so that the Conference did not result in a confrontation of divergent views. UNESCO was also ready to help with the holding of any preparatory regional meetings and with the preparation of any studies or documents which the Conference secretariat deemed necessary. Members of the UNESCO secretariat could participate directly in that work, either by being placed at the disposal of the Secretary-General of the Conference for varying periods or by working under his instructions in Paris, thus having available the direct support of all the resources of the secretariat. The UNESCO machinery, particularly the regional bureaux for science and technology, could also be used for preparatory work, in addition to the machinery afforded by the major inter-governmental and international programmes. Lastly, UNESCO was ready to assemble other resources, such as the experience of the world scientific and technological community and material assistance which would enable a more adequate response to be made to the requests for assistance by member States. In that spirit, the General Conference had proposed the designation of an International Year for Science and Technology. The various activities which could take place within that framework would make it possible to mobilize considerable resources to implement the decisions of the 1979 Conference.

6. In his view, the examples of communication and of science and technology demonstrated that the concept of a new international order should be beyond economic questions and embrace cultural and social aspects as well. In that multi-dimensional strategy, concepts such as "basic needs" or "poorest sectors" could have their place. Never-

theless, like the sectoral strategy adopted by various international conferences, they should supplement, not replace, the central plan for a new international economic order. However, there should be no underestimation of the difficulties, within a system such as the United Nations, of defining basic needs which were conceived differently by every nation. It was for each sovereign country to define what was basic and what was not. To developing countries in their current situation, all needs appeared basic. In the view of UNESCO, the new order not only expressed the aspiration to see radical changes in the present economic relations and in the distribution of the advantages of development; it was also an urgent appeal to put an end to the threat of economic catastrophe hanging over mankind as a result of under-development and the senseless exploitation of the resources of the planet earth. The new international economic order should mark the inauguration on a global scale of a new set of values as a pledge of a world that was more just and in which all men were brothers.

7. Mr. AN Chih-yuan (China) said that, at its present session, the Council would mainly review the implementation of the Programme of Action on the Establishment of a New International Economic Order, the Charter of Economic Rights and Duties of States, General Assembly resolution 3362 (S-VII) and the International Development Strategy for the Second United Nations Development Decade. To China, those instruments were all products of an over-all situation in which the anti-imperialist, anti-colonialist and anti-hegemonic struggle of the peoples of the world, especially those of the third world, was steadily expanding. That struggle was the expression of an irreversible historical trend: the desire for independence, liberation and revolution.

8. China was glad to see that more and more third-world countries were relying on their own efforts to develop their national economies and were becoming increasingly aware of the importance of collective self-reliance. Following the example of the members of OPEC, third-world countries were setting up new organizations of producers of raw materials to oppose super-Power monopoly. Economic co-operation, in particular regional economic co-operation, was developing rapidly among those countries, particularly among oil-exporting and other developing countries, as was shown by the positive result of the first Afro-Arab Summit Conference, held in March 1977 at Cairo. The countries of the third world had put forward legitimate proposals for setting up an integrated programme for commodities and a common fund, establishing a fair parity between the export prices of developing and developed countries, the reduction, postponement or cancellation of developing countries' debts, the reform of the international monetary system and other matters. Those proposals had been gaining increasing support in the world community.

9. None the less, in the three years since the sixth special session of the General Assembly, the implementation of the Declaration and the Programme of Action on the Establishment of a New International Economic Order had been unsatisfactory. The two super-Powers had systematically boycotted the principles laid down in those texts, as well as the proposals made by the developing countries for

⁸ UNESCO, *Records of the General Conference, Nineteenth Session*, vol. 1, *Resolutions* (Paris, 1976), p. 33.

implementing them. In particular, no agreement had been reached on the establishment of a common fund under the Integrated Programme for Commodities. One super-Power, which advocated "interdependence" and a "system of free trade", was doing its utmost to keep the developing countries chained to the old order of exploitation and plunder, and to retain its monopolies over markets. The other super-Power, which professed to be the "natural ally" of the developing countries, was sparing no effort to sabotage those countries' efforts. Under the banner of "international division of labour", that super-Power was urging developing countries to sign long-term agreements and establish ties with it. Those were mere pretexts to extend to the developing countries its system of social-imperialist exploitation. That same super-Power was also trying, by hook or by crook, to place the establishment of a new international economic order in the framework of "disarmament" and "détente". That was clearly a hoax, for the two super-Powers were stepping up their arms race and their rivalry for world hegemony was increasing.

10. However, the third-world countries and peoples would surely win one victory after another, for their awareness and unity were increasing day by day. The Council, at its sixty-third session, should make it quite clear that obstruction by the super-Powers was the cause of the failure to implement the Declaration and the Programme of Action, and the International Development Strategy. The Council should also identify effective measures to overcome those obstacles.

11. China believed that, if a new international development strategy was to be formulated, the most important point at present was to persevere in the struggle for a new international economic order. Any new instrument must therefore make it clear that the objective and the task was the resolute changing of the old international economic order based on exploitation, plunder and control and the building of a new order guided by the fundamental principles of safeguarding State sovereignty, independence, self-reliance, equality and mutual benefit. His delegation hoped that the Council would advance on that path and it would make every effort to assist it.

12. Mr. STOLTENBERG (Norway) said that in adopting the International Development Strategy for the Second United Nations Development the world community had made the first serious attempt to solve the problem of mass poverty in a systematic and comprehensive way. Norway had looked forward to the 1970s with great expectations. But the report of the Committee on Development Planning on its thirteenth session (E/5939 and Corr.1) presented a dismal picture; over-all progress in developing countries had been disappointing, growth had been poorly balanced between countries, and in many developing countries the fruits of whatever development there had been had failed to reach the lower strata of society. Instead of being bridged, the gap between developed and developing countries and also between groups of people within developing countries had widened. The failure of the industrialized countries to make their contribution to the development process was, however, the most disappointing aspect of all.

13. The shortcomings of the Strategy, which had failed to attack the fundamental imbalance in economic and

political power between developed and developing countries, had become obvious at an early stage. The decisions of the General Assembly on the establishment of a new international economic order and the Charter of Economic Rights and Duties of States were therefore perfectly justified. Those decisions did not make the Strategy obsolete, but they introduced the necessary adjustments, in that traditional development assistance had been given a new dimension in the context of a new international economic order.

14. It was already clear that the Strategy would not eradicate poverty, as had been hoped when it had been adopted. Perhaps even if the Strategy had been implemented it would not have proved adequate, but the results would certainly have been substantially different. For example, if the official development assistance target of 0.7 per cent of GNP had been maintained as foreseen in the Strategy, investment in the developing countries could have increased by 40 per cent.

15. The last three years of the Second Development Decade should be utilized to redress the situation and in particular to seek to attain the official development assistance target. Norway had in fact already attained that target. In 1978, its official development assistance would be 1 per cent of its GNP. Other Governments could do the same; it was merely a question of political will.

16. Although the failure was largely due to the passivity of the developed countries, the developing countries themselves were primarily responsible for their own development and had to establish their national priorities. Norway tried to harmonize its bilateral programmes of co-operation with the priorities established by the recipient countries, but it was deeply attached to the ideal of an egalitarian society. It would be impossible to rally public support in Norway for development programmes which, in the process of eliminating existing inequalities, tolerated the growth of new ones. Norway therefore supported the idea of a strategy built round basic needs which had been adopted by the Tripartite World Conference on Employment Income Distribution, Social Progress and the International Division of Labour in June 1976. That idea should guide all international co-operation for development. The call for a new international economic order would be irresistible if it was supplemented by a call for new national economic orders designed to meet those essential needs.

17. Since the beginning of the 1970s, a great many international meetings on development problems had been held by the international community. Norway preferred to see the United Nations play the central role in negotiating, formulating and carrying out development policies, but its position was not inflexible and it recognized that the Conference on International Economic Co-operation, which had just ended in Paris, outside the framework of the United Nations, seemed to have achieved certain results. Now that it was again the turn of the United Nations to play a role, the results of that Conference should be considered as points of departure rather than as conclusions. The dialogue must continue and it was essential to mobilize political will to achieve practical results.

18. Political will was clearly essential, but it was also essential that the United Nations should offer the institutional framework necessary for a constructive dialogue, and in that regard the role of the Economic and Social Council and of UNCTAD needed close consideration. That was why the Norwegian Government was deeply interested in the restructuring of the economic and social sectors of the United Nations system.

19. One of the lessons to be drawn from the operation of the institutions in question was that the consensus reached in the United Nations was often undermined by the many reservations which made important resolutions null and void. In future, the aim must be to agree on more binding commitments. The new development strategy would be no more successful than the last if Governments did not make such a consensus morally, even if not legally, binding.

20. At the end of 1977, Norway would no longer be a member of the Economic and Social Council, but it still wished to see the Council playing a prominent role. The Council should give guidance to the General Assembly and see to it that the policy guidelines laid down by the latter were duly followed throughout the United Nations system. The Council should henceforth demonstrate that it could live up to its responsibilities.

21. Mr. PETRIĆ (Yugoslavia) said that there was the beginning of a more comprehensive understanding, not only of interdependence in the world economy, but also of the impact of economic problems on the fate of millions of human beings. Another positive feature was that the developing countries had gained recognition of their right to take part in decision-making as a result, in particular, of the increasing solidarity and unity of the Group of 77, which had resisted all attempts to divide it.

22. However, when the results of the International Development Strategy or the implementation of the decisions of the General Assembly at its sixth and seventh special sessions were assessed, the general impression was rather discouraging. The Conference on International Economic Co-operation had made no contribution towards the establishment of a new international economic order and had failed to meet the expectations of the developing countries. The negotiations within the framework of the United Nations and other international bodies must be pursued with greater political will. The developing countries were now in a very unfavourable position owing to various factors, *inter alia*, external debt, balance-of-payments difficulties, deterioration of the terms of trade, and low rate of growth of agricultural and industrial production and *per capita* GNP.

23. Furthermore, continuing colonial or neo-colonial exploitation, *apartheid*, aggression, and the occupation of territories had had a negative impact on the development of some countries. For that reason, the Yugoslav Government had actively participated in United Nations decisions in favour of the "front-line States"—Zambia, Botswana, Lesotho and Mozambique—to help them to resist attacks and destruction from the racist régimes of Vorster and Smith. The Economic and Social Council should take steps to ensure implementation of those decisions.

24. It was often asserted that the achievements of the International Development Strategy were not so disappointing after all, in view of the fact that the growth rate and other indicators were close to the target. What the statistics did not show was that those achievements were primarily the result of the efforts and sacrifices made by the developing countries themselves, in line with one of the objectives of the Strategy. But the Strategy also provided for a contribution from the developed countries towards the realization of the national plans and programmes of the developing countries. It was essentially in that area that the greatest deficiencies were to be found.

25. It was argued that general averages did not mean much because the situation differed greatly from one developing country to another. In fact, those differences, although very real were simply the consequence of varying historical, economic or political circumstances, and had resulted in a greater or lesser dependence on the developed countries. The least developed countries should certainly receive special and urgent attention. But it must be noted that such an approach to the allocation of assistance weakened the concept of a new international economic order and tended to perpetuate dependence and inequality.

26. Yugoslavia attached great importance to economic co-operation among developing countries, in accordance with the aspirations of the non-aligned and other developing countries. That called for a more active involvement of the developing countries possessing greater technical, human and especially financial resources. Co-operation among developing countries was an essential element of the new international economic order; it offered benefits to all and therefore required all countries to make a contribution to its realization.

27. Turning to the problem of the restructuring of the economic and social sectors of the United Nations, he said it was necessary in the first place to strengthen the negotiating role of the United Nations system and ensure more adequate support by the Secretariat. He doubted whether the *Ad Hoc* Committee on the Restructuring of the Economic and Social Sectors of the United Nations System would be able to submit concrete proposals to the General Assembly, because of the obstructive tactics apparently employed by some members. Nevertheless, efforts should be made to achieve progress.

28. On the other hand, significant results had been achieved by the regional commissions and particularly by ECE since the Conference on Security and Co-operation in Europe, held at Helsinki. However, he would like to see ECE devote more attention to the current negotiations within the United Nations and to relations with developing countries. The meeting to be held at Belgrade in autumn 1977 by the States represented at the Helsinki Conference would give special attention to the latter question.

29. While he considered that the United Nations on Science and Technology for Development to be held in 1979 would be very useful, he regretted the so-called "thematic" approach advocated by the developed countries, which would prevent the Conference from taking practical decisions. He hoped that the combined efforts of

the Preparatory Committee for the Conference, the Secretary-General and the secretariat of the Conference would ensure its success.

30. The Yugoslav delegation shared the Secretary-General's views on the importance of the energy problem. But it considered that that problem was an integral part of the negotiations on the establishment of a new international economic order and could not be treated in isolation.

31. Preparations for a new development strategy could be successful only if the decisions previously adopted by the United Nations were fully implemented. The new strategy should be elaborated within the framework of the new international economic order. It should define more precisely the role of all countries, and of the developed countries in particular, in international co-operation for development. The Economic and Social Council must be convinced that the new international economic order was the only solution. He hoped that common sense would prevail and that, through bold initiatives, an international economic equilibrium would be achieved that would be founded on justice, co-operation and human dignity.

32. Mr. BARCELÓ (Mexico) said that, following the Economic Summit Meeting in London on 7 and 8 May 1977 attended by the heads of State and Government of seven industrialized countries, the developing countries had thought that the world's wealthy countries were determined to put into practice the major principles of economic co-operation as defined in recent years by the United Nations. Unfortunately, they had had to change their views after the disappointing results of the Conference on International Economic Co-operation.

33. To those who claimed that the present immobility was due to the need to give greater definition to the new international economic order, he recalled the existence of the Declaration and the Programme of Action on the Establishment of a New International Economic Order, and pointed out that what was now needed was the implementation of those instruments. Rather than isolated gestures, the world now needed co-ordinated action to deal with the universal problems of developing countries and provide general solutions.

34. The Council's urgent task at its present session was to encourage the adoption of the fairer system needed by the developing countries, by devoting attention to the problems of commodity trade, the reform of the international monetary system, the transfer of technology, access to markets and machinery for the promotion and control of foreign investment.

35. At the national level, the developing countries should modify their production structures in accordance with their special needs. At the international level, any system of economic co-operation, in order to be viable, should respect national sovereignty and be consistent with two fundamental instruments, namely the Charter of Economic Rights and Duties of States and the Declaration and the Programme of Action on the Establishment of a New International Economic Order.

36. The world's rich countries had surplus financial resources. Appropriate machinery should be established so that those resources could be used, through international organizations or bilaterally, to expand the production of the developing countries.

37. Mexico was taking steps to adapt its economy, which had been affected by the recession in the rich countries. It was now reorganizing its mode of economic development by adopting measures designed to influence production factors in accordance with national development objectives based on social equilibrium and well-being. Its immediate aim was to increase production in order to control inflation and strengthen its balance of payments. It was, however, aware that measures to influence demand were not by themselves sufficient to solve the problems when there was under-employment and extreme poverty in some sectors of the population. For that reason, it had undertaken an administrative reform which made the programming of economic and social development an instrument of government. Its main objective was to make the programme and the budget coincide so as to ensure the timely execution of projects as planned, while respecting private enterprise, which should be able to play its role freely in accordance with the social compact. All productive sectors of the nation were giving their support to that policy of joint action and achievement by the people.

38. Mexico hoped that international co-operation would support its efforts. His Government was taking the necessary steps to stimulate internal saving and borrowed from abroad only within the limits of the country's real possibilities, and then only to complement domestic efforts. Such action on different levels was beginning to bear fruit, since the adverse balance of payments had fallen and inflation had been curbed. The Government had therefore attacked the most urgent problems, without overlooking other important problems such as the supply of foodstuffs. There, too, measures already taken would bring about an improvement, and the planned 7 per cent increase in agricultural production in the next crop year would constitute a record for recent years.

39. In the field of human settlements, Mexico had adopted the rules formulated by United Nations bodies and was willing to share its experience in that respect with countries which might be interested. A Secretariat of State responsible for human settlements and public works had been established and a National Plan for Urban Development, prepared with the participation of the economic and social sectors, would shortly be finalized.

40. The recession which had affected Mexico had had a negative effect throughout Latin America. Through economic co-operation and integration, the countries of the region should strengthen the latter's productive sectors, establish multinational co-operative enterprises, and organize themselves to protect exported products. The United Nations Conference on Technical Co-operation among Developing Countries, which was to take place in the region (at Buenos Aires) in March-April 1978, should improve the machinery and define a plan of action to facilitate regional co-operation and integration.

41. At its present session, the Council should examine the means for and the problems of establishing the new international economic order. It should propose to the General Assembly changes which seemed necessary if co-operation was to become a link between nations. In that connexion, his Government was concerned at the lack of publicity given by the United Nations to the Charter of Economic Rights and Duties of States and it hoped that the peoples of the whole world would very soon learn about that instrument and collaborate in its implementation.

42. Economic self-sufficiency was no longer possible; no action could isolate itself from the communal efforts of the United Nations. Human rights and economic rights were inseparably linked and peoples, like individuals, relied on genuine co-operation to free them from dependence. For that reason, the United Nations should acquire a structure enabling it to act effectively and achieve the results expected by the international community.

43. The Commission on Transnational Corporations was preparing a draft code of conduct to regulate the activities of those enterprises which, placing themselves above Governments, were increasing their wealth, their profits and their power. The code would be a highly important instrument in international economic relations and should be put into effect with urgency.

44. It was also urgently necessary to establish the common fund for the financing of international commodity stocks, as a main element on the Integrated Programme for Commodities. A great steps forward would be taken if the rich nations demonstrated their good will by following up the agreements they had reached at their Economic Summit meeting in London and granting proper treatment to the commodity trade on which many thousands depended for their livelihood.

45. Major efforts must be made in the area of science and technology, because without independence in that sphere there could be no real economic independence. That was the reason for Mexico's great interest in the United Nations Conference on Science and Technology for Development, for which it had offered to act as host in 1979. The world's wealth was the heritage of all mankind. Every effort to define a new development strategy must be made within the framework of the declarations and programmes of action relating to the establishment of the new international economic order. The Economic and Social Council must bear that in mind in preparing a viable and objective plan for submission to the General Assembly.

46. Mexico, like many other countries, needed international co-operation to support its own efforts. The recent disruption of the economies of the developing countries brought about by the defects in the international monetary system, the external financing machinery and foreign trade had compelled those countries to strengthen their national economic systems and to struggle for the establishment of a new, just, and equitable international economic order which would ensure the indispensable economic co-operation in support of national and regional efforts.

47. Mr. MARTÍNEZ (Argentina) said it was regrettable that the voluminous documentation submitted to the

Council for the consideration of issues of vital importance was generally circulated too late for it to be given careful study. He therefore wondered whether, for the future, the Council should not consider the nature and organization of its task and the relationship between the resources available and the objectives.

48. At the close of the sixth special session of the General Assembly, one might have thought that the international community had recognized the need for a global effort on all fronts, but when it had been necessary to take decisions on various aspects of the Charter of Economic Rights and Duties of States, negative attitudes had reappeared, as was shown by the serious reservations which had been expressed by one delegation at the 2063rd meeting. Subsequently, the Assembly's seventh special session, the fourth session of the United Nations Conference on Trade and Development and, recently, the Conference on International Economic Co-operation had given rise to new hopes, but unfortunately those hopes had not been realized. On the contrary, there was an increasing tendency towards a sterile *status quo*, a feature of which was the commercial protectionism which the principal wealthy countries continued to practise while proclaiming a free-trade philosophy. Sometimes, that *status quo* was not respected and the commercially strongest countries made abusive use of the exception and safeguard clauses offered by GATT.

49. With regard to financing, the target agreed upon for official development assistance had never been attained and the same could be said of the targets set in other sectors such as industrialization and the transfer of technology.

50. What had to be done was given clear expression in the International Development Strategy, the Programme of Action on the Establishment of a New International Economic Order and the Charter of Economic Rights and Duties of States; the rest was a question of political will.

51. At the present session, a new concept of development was proposed to the Council. It separated economic development from the struggle against poverty and sought increasingly to concentrate all efforts on the most disadvantaged countries. The Secretary-General himself had referred in his opening statement to that questionable concept, which the Argentine Government could not accept, since it could not replace a true development policy that would open up, on equitable terms, international markets to the commodities of the developing countries, ensure the fulfilment of commitments entered into with respect to official development assistance and translate into reality international co-operation for industrialization and the transfer of technology.

52. That new concept was perhaps prompted by praiseworthy intentions and would probably be attractive to a public opinion sensitive to the problems of hunger and poverty, but it could not be defended intellectually and could become an implicit instrument of a new kind of colonialism, whereby help to the developing countries would cease at a crucial moment of their economic "take-off", thereby condemning them never to achieve the level and conditions for self-sustaining growth.

53. The Secretary-General had also referred to the question of food, which was very important for Argentina, a major producer of foodstuffs. The Argentine Government believed that the true solution to that problem lay in an increase in the output and supply of the developing countries and in a reduction of artificial trade barriers, which nullified the efforts made to increase production. The Director-General of FAO, too, had indicated at the 2063rd meeting that that was the only valid and permanent solution.

54. The Argentine Government still regarded international economic co-operation as an effective means of achieving the objectives of the Charter of the United Nations. The success of such co-operation would depend on the realism with which its objectives and means were defined. The Secretary-General had referred to the need to take advantage of the up-turn in the economic situation to make progress along the path of a structural reform of the world economy. The industrialized countries knew what remained for them to do. Plans existed; the only missing element was the political will to implement them.

55. By fixing unattainable targets, such as the elimination of poverty by means of philanthropical attitudes and mechanisms, the cyclical problems would perhaps be resolved, but certainly not the structural ones. The developing countries, aware of the share of responsibility for the development effort which fell to them, considered that co-operation with the industrialized countries should be supplemented by intensive economic co-operation among the countries which were struggling to achieve development. Those two types of co-operation were complementary and the developed countries should not use them as a reason to restrain, still less to reduce, their North-South co-operation. The Argentine Government attached special importance to technical co-operation among developing countries. It hoped that the United Nations Conference on Technical Co-operation among Developing Countries, to be held at Buenos Aires in 1978, would make it possible to achieve significant progress in that regard.

56. Lastly, referring to another respect of economic co-operation among developing countries—regional integration—he said that, after the setbacks due to the different levels of development of the countries attempting integration and to the rigidity of the machinery provided, new opportunities for integration were now being offered to Latin America. However, it would be necessary to replace rigid principles by more pragmatic and flexible formulas.

57. Argentina was currently making great efforts to diversify its economy, as a point of departure for the modernization and expansion of its production structure. An increase in production would make it possible not only to expand and mobilize the national potential but also to gain access to international markets and to make the country less dependent on the external sector. To that end, his Government was endeavouring to create the necessary conditions for the progressive integration of the country in a system of international economic relations conducive to regional or world trade in goods, products and techniques. It hoped that the United Nations would be able to co-operate usefully in those efforts.

58. Mrs. de METZ NOBLAT (International Chamber of Commerce), speaking at the invitation of the President, said that the awareness of economic interdependence and the genuine determination of Governments to negotiate had led to a *rapprochement* of positions which should make it possible for dialogue to make progress in the United Nations. On the other hand, there were still some disquieting factors: in the industrialized countries, economic recovery was still uncertain, inflationary pressures were high and unemployment was at an intolerable level; in the developing countries, especially those which were not oil producers, external indebtedness was growing, despite the fact that the prices of certain raw materials were more stable.

59. In the North-South dialogue, the margin for manoeuvre of the Governments of the industrialized countries was narrow. In certain countries, there was a re-emergence of protectionist trends which were partly the result of the disorganization of some industrial markets. For its part, ICC considered that any possible safeguard measures should be established, not unilaterally, but within the framework of the GATT multilateral trade negotiations, in which the deadlock would have to be broken. It would thus be possible to obtain an orderly expansion of trade flows while taking account of the interests of the developing countries.

60. Governments should also co-operate in the monetary field, in order to wage a vigorous struggle against inflation and to eliminate the causes of sudden fluctuations in exchange rates. IMF should also be allowed to play its full role in co-ordinating national monetary policies and monitoring currency exchange practices.

61. However, world trade depended in the main on the initiatives of enterprises. Surveys recently conducted by ICC indicated that, in spite of current difficulties, businessmen remained relatively optimistic. Nevertheless, the creative and imaginative entrepreneurial spirit could be developed only if Governments established a framework which inspired confidence and encouraged economic circles to risk placing their capital in investments which were productive and generated employment. So far, however, the consensus had been concerned solely with the guiding principles of the new international economic order, whereas on such matters as commodity trade, the protection of international investments and the transfer of technology, no real progress had been recorded. To that end, it would have been necessary to associate in the dialogue an essential partner—the businessmen, who were quite prepared to assume their responsibilities. With regard to commodity trade, ICC was prepared to encourage consultations between the professional circles directly concerned with a given product, with the object of facilitating the discussion within the framework of the UNCTAD Integrated Programme for Commodities. Only close collaboration between producers, dealers and users, whether public or private, would make it possible to remedy the excessive fluctuation of commodity prices. The success or failure of the common fund for the financing of international commodity stocks would depend on the procedures that would govern the association in its management of those who would be participating in its financing.

62. All countries needed substantial investment, irrespective of their degree of development. At the national level, the low rate of investment often reflected the mistrust of potential investors more than a low level of savings. The situation was also disquieting with regard to direct international investment. While fully recognizing the need for foreign investors to respect the requirements of the economic and social policies of the host countries, ICC regretted that there were still no real guarantees for foreign investors. In that regard, it was surprising that such guarantees had so far not been negotiated on a multilateral basis, whereas there was a growing number of bilateral agreements for the protection of private investment.

63. A greater integration among developing countries, within the framework of regional co-operation, would

promote their growth and competitiveness on world markets. For enterprises, the establishment of broader markets would promote economies of scale. For example, within ASEAN, the efforts made by businessmen to work in close collaboration with Governments showed that regional co-operation was a course that held out considerable promise.

64. In order to ensure that the enterprise, whether public or private, could carry out its activities effectively, it was essential that its role and the conditions in which it could work should be clearly defined, in collaboration with the enterprises themselves, so that international economic aid could be given a realistic basis.

The meeting rose at 6.5 p.m.
