

raw materials, energy and capital equipment; between the two lay a middle group of States (average annual *per capita* income of \$400) which had no earnings from petroleum, but which had nevertheless succeeded in developing at a rate corresponding to the initial objectives of the Second Development Decade.

71. The gap between those three groups of countries was tending to widen, but the concept of interdependence and solidarity, which was being more and more clearly grasped, had recently produced, if not progress towards formal integration, at any rate a very appreciable growth in the transfer of resources from surplus to deficit countries, even if the volume and form of those transfers were not fully adequate and were not sufficiently development-oriented. However, the establishment of development agencies and funds in Kuwait and the Arab Emirates and the setting up of the Arab Fund for Economic and Social Development were steps in the right direction and were being matched by national planning efforts which would strengthen the absorptive capacity of the States in the region.

72. That solidarity had reached a point where it went beyond regional boundaries, and the rapidly expanding co-operation between Western Asia and other regions, particularly Africa, would undoubtedly be consolidated in the future, in keeping with the recommendations concerning co-operation among developing countries made in the General Assembly's resolution on the Programme of Action.

73. The States of Western Asia pinned great faith in industrialization as a means of increasing their absorptive capacity. The industrial sector had expanded rapidly during recent years, but as yet accounted for only 8 per cent of GNP and was basically geared to meeting domestic market requirements. However, far-reaching projects were contemplated, and the new, predominantly petroleum-based industries constituted an enormous investment and should be export-oriented – a process which would, of course, present western Asia with the problem of diversifying production.

74. That region, which had accounted for 26.5 per cent of world petroleum production in 1973, had accumulated vast financial resources. According to a number of esti-

mates, the region's petroleum revenues would amount to \$40 million in 1974. The States concerned were aware of the difficulties involved in utilizing that mass of capital for development purposes and were cognizant of the fact that, well before the growth in petroleum income, the world economy had been experiencing a period of monetary crisis and unprecedented inflation.

75. The States of Western Asia wished to participate in any efforts to devise over-all solutions for the closely inter-woven economic problems of the modern world and had followed with great interest the discussions at the sixth special session of the General Assembly, which had in fact attempted to link those problems in an effort to work out a short- and, more particularly, long-term response to them.

76. While all aspects of the Programme of Action were of great interest to the Western Asian countries, they were mainly concerned by the question of the food shortage. Although the agricultural sector in the region had gradually declined in importance in recent years, it still accounted for an average of 20 per cent of GDP and represented the major source of employment. However, the inadequacy of water resources was hampering agricultural development and, since no attempt had yet been made to increase those resources at the regional level, Western Asia would soon be faced with a serious problem with regard to the supply of water for human, industrial and agricultural use. Agricultural production had declined in 1973 because of the drought which had affected the region and other parts of the world in the same latitude, and the food shortage, which had steadily grown more acute during the previous decade, had suddenly assumed alarming proportions. That crisis would doubtless have served to draw the attention of Governments – which had in fact already begun to appreciate the gravity of the problem – to the need for rapid corrective action, which would entail a special effort to expand fertilizer production. The countries of the region were resolved to make a positive contribution to the World Food Conference to be held at Rome in the autumn of the current year and were also bent on playing their full role in the new international co-operation, an area in which the present redistribution of economic power increased their responsibilities to a very marked degree.

*The meeting rose at 5.10 p.m.*

## 1907th meeting

Tuesday, 9 July 1974, at 10.20 a.m.

*President:* Mr. A. KARHILO (Finland)

E/SR.1907

### AGENDA ITEM 3

**General discussion of international economic and social policy, including regional and sectoral developments (continued)** (E/5479, E/5486, E/5490, E/5502, E/5517, E/5521 and Add. 1-3, E/5532 and Corr.1)

1. Mr. MWANGAGUHUNGA (Uganda) said that the sixth special session of the General Assembly, devoted exclusively to economic matters, had been a recognition of the failure of the old economic order. The present session of the Economic and Social Council had the important task of working out proposals to implement the Programme of

Action on the Establishment of a New International Economic Order adopted by the General Assembly at the special session in an attempt to inaugurate a new era. Hitherto, despite the efforts of UNCTAD and other bodies, the developed countries had made only token concessions towards the liberalization of trade. Uganda was dependent upon exports of raw materials such as coffee and cotton, the prices of which had for many years been depressed owing to collusion between the developed countries. Faced with the failure of the world economic order to produce a commodity agreement that would guarantee an adequate price, Uganda had joined other producers to form a coffee producers' club to protect their interests. Uganda had always been in favour of international commodity agreements and hoped that the relevant United Nations bodies, particularly the United Nations Conference on Trade and Development at its fourth session, to be held in 1976, would, with the co-operation of the developed countries, work within the spirit of the Declaration and the Programme of Action with regard to commodities. Developed countries which had expressed reservations about those resolutions should not consider that they had thereby acquired the right to veto the establishment of a new economic order.

2. His delegation was concerned about the world food shortage and the fact that food production had not kept pace with the increase in world population. The current food crisis in the drought-stricken areas of Africa was a sad reminder of the world's inability to cope with food emergencies and famine. Uganda therefore whole-heartedly supported the convening of the World Food Conference and looked forward to the co-operation of the developed countries in increasing world food production and in the transfer of relevant technology.

3. It was disheartening to observe that, at a time when his country was endeavouring to increase food production and implement other development projects, some developed countries had withdrawn their development aid and technical assistance because they disagreed with some aspects of the Ugandan Government's policies. His country had also experienced difficulties with some international financial organizations, which had succumbed to political pressure from their more influential members, although developing countries, including his own, were contributors to the funds of such organizations.

4. Uganda strongly believed in co-operation and dynamic relationships among all nations without any discrimination, which was the basis of the new economic order. It attached particular importance to sovereignty over its natural resources and its economic and social development. It was for that reason that it had decided to put its economy into the hands of indigenous Ugandans, who had for a long time been exploited by non-Ugandans.

5. With regard to the Programme of Action, the Economic and Social Council had not only to put forward specific proposals with regard to its implementation, but also to re-examine the methods of working by committee in the United Nations agencies with a view to curtailing discussions, redeploying personnel and avoiding duplication so that they could more effectively meet the new challenges. In view of the additional duties assigned to the

Council by the General Assembly at the sixth special session, it might prove necessary for the Council to remain in continuous session, as suggested in the Programme of Action.

6. His delegation welcomed the offers of assistance already received from some countries for the short-term measures in favour of developing countries which had been hard hit in the recent economic crisis and appealed for contributions from countries which had not yet responded. His delegation hoped that if such emergency assistance was channelled through the World Bank rather than through regional institutions, it would be disbursed generously and without regard to political considerations.

7. The Council should be undertaking preparatory work, including that of drawing up a concise agenda, for the next special session of the General Assembly to be devoted to development and international economic co-operation. The conclusions of the World Food Conference and the World Population Conference would prove valuable, since problems of economic development could not be considered in isolation. His delegation trusted that, if decisions at the next special session were adopted by consensus, the developed countries would not make reservations which nullified their effectiveness.

8. There had been much discussion in the Council on the subject of collective economic security; consideration should now be given to setting up a body, on the lines of a United Nations task force which could intervene when economic catastrophe befell a Member State. It had to be emphasized, however, that it would be impossible to attain collective economic security without the establishment of a new economic order.

9. Although multinational corporations had made a significant contribution towards world economic development, their political and other activities had caused concern, particularly in the less wealthy developing countries. His delegation appreciated the work done by the Group of Eminent Persons convened to study the role of those corporations on development and on international relations and trusted that, on the basis of its report (E/5500/Add.1), the Council would be able to formulate an international code of conduct to regulate the activities of multinational corporations and take action to set up the institutional machinery recommended by the Group.

10. His delegation considered that due preparation should be made for the evaluation of the Second United Nations Development Decade which was due to take place in 1975. It appeared that the targets for the Decade were unlikely to be achieved unless a substantial contribution was made by the establishment of the new economic order. In particular, very little real assistance had been afforded to the least developed and land-locked countries, such as Uganda. Under its new mandate, the Council should devote special attention to the following matters: the establishment of an equitable relationship between the prices of raw materials from developing countries and manufactured goods imported by them from developed countries; free access to markets in developed countries for all exports of developing countries; the removal of all trade barriers, including tariff

and non-tariff barriers; the elimination of all restrictive trade practices; special measures to increase the export capacity of the least developed countries; improvement in the transfer of technology to the developing countries; the formulation of a code of international conduct to regulate the activities of multinational corporations; the strengthening of the United Nations and all its agencies to meet the challenges of the new economic order; the establishment of a World Food Bank; and the development of a sliding index to minimize the effects of inflation on the developing countries.

11. Mr. KEGEL (German Democratic Republic) said that the continuation of the *détente* had produced a climate favourable to the extension of international economic relations. The principle of peaceful co-existence between States with different social systems, based on mutual respect for their independence and sovereignty, was an essential prerequisite for large-scale economic, scientific and technical co-operation. Such co-operation was in its turn an essential factor in the further political stabilization of international relations. His delegation reiterated its call to all Member States to unite their efforts for the implementation of General Assembly resolution 3093 (XXVIII), which proposed a reduction of 10 per cent in the military budgets of the permanent members of the Security Council in order to devote some of the resources thus freed to the assistance of the developing countries. Such a step would ensure that there was no possibility of reversing the political *détente*.

12. The completion of the second phase of the Conference on Security and Co-operation in Europe and the accelerated achievement of its third and final phase would constitute an essential element for the attainment of the goals set out in the Declaration and Programme of Action adopted at the sixth special session of the General Assembly. The results of the recent conversations between the USSR and the United States of America were of great importance in reducing the danger of war and promoting *détente*.

13. The *Economic Survey of Europe in 1973* (E/5479) and the *World Economic Survey, 1973*, Part Two (E/5521 and Add.1-3) showed the continued and accelerated economic growth and the constant expansion of the foreign trade of the socialist countries of Europe. The national income of those countries had increased much more rapidly in 1973 than in the previous year, despite the state of permanent crisis which had developed in the world capitalist markets in 1973. The German Democratic Republic had followed the general pattern: the proportion of its national income devoted to raising material and cultural levels of living was now six times greater than in 1948. Industry contributed 81 per cent of the national income and agriculture 14 per cent. The dynamic and stable development of the national economy of the German Democratic Republic was based on the common ownership of the means of production and a planned socialist economy in close co-operation with the USSR and other members of CMEA.

14. The Secretariat's studies on recent economic trends confirmed the fact that CMEA was the most stable and dynamic of the international economic associations. In the

developed industrialized capitalist States the trend was towards the stagnation of industrial production and other crisis phenomena which, as in the past, could not fail to worsen the position of workers in those countries and to aggravate the economic and social difficulties of less developed countries. It was noteworthy that whereas the recent economic crisis had caused considerable financial damage to a large number of developing countries, it had resulted in record profits for the multinational corporations and other capitalist monopolies. It was important that responsibility for the present situation of many developing countries should be clearly established. It was unrealistic to imagine that there could be any fundamental changes in the present structure of world capitalism and the resultant economic relations if the power of multinational corporations and the influence of neo-colonialism continued in the developing countries.

15. His delegation considered that the report submitted by the Group of Eminent Persons on the role of multinational corporations was an important contribution to the analysis of the negative effects of international monopolies in developing countries. It constituted a useful starting point for effective international measures against such neo-colonialist practices, which served only to widen the gap between the industrialized capitalist countries and developing countries. One of the prerequisites for a country's real economic and social progress was the power to dispose freely of its natural resources, a power which was often hampered by monopolistic capitalist policies. His delegation would collaborate in working out measures to ensure that States could make full use of their natural resources to attain accelerated economic development. It also supported measures to eliminate the negative effects of the current crisis and appealed particularly to the imperialist Powers responsible for the situation to support those measures.

16. In considering the draft resolutions which would be submitted to the Council on various agenda items, his delegation would have regard to the extent to which the proposals furthered the ultimate restructuring of the international situation and the organization of equitable and mutually advantageous forms of co-operation.

17. At its sixth special session, the General Assembly had reaffirmed its recognition of those principles and the need to apply them. The principles embodied in the resolutions adopted at that session could serve as a basis for the normalization and expansion of international economic relations between States with different social systems. The Council should not only be guided by those principles, but should use them as a means of contributing more effectively to the promotion of economic co-operation and development. The application of those principles would also contribute to the process of *détente*. His country's foreign economic relations were in conformity with the democratic, anti-imperialist and anti-colonialist principles and objectives laid down in the resolutions in question. His Government had studied the texts with a view to assisting the developing countries most seriously affected by the crises in the capitalist economic system. It was still considering what action to take. As his country's Minister for Foreign Affairs had stated at the special session (2212th

plenary meeting), the German Democratic Republic intended to extend its commercial, scientific and technical relations with developing countries, for it considered mutually-beneficial long-term co-operation to be the most effective way of helping the developing countries to overcome their economic difficulties. It would continue to develop the forms of co-operation it had extended to African, Asian and Latin American countries. Such methods had proved satisfactory in practice and ensured respect for the sovereignty and right to self-determination of all the participating countries.

18. His country had nothing to gain by preserving the economic and social backwardness which had been imposed on certain developing countries. It was in favour of radical social and economic reforms that would enable the developing countries to make full use of their material and human resources and develop an independent national economy.

19. Believing that long-term trade and co-operation agreements provided a proper basis for stable, mutually beneficial relations, the German Democratic Republic had concluded trade agreements with 31 developing countries, payments agreements with 12 countries, economic and technical co-operation agreements with 12 countries and scientific and technical co-operation agreements with 19 countries. It regarded equality and mutual benefit as essential principles in its trade relations and was prepared to engage in balanced trade with developing countries provided that the national economies of those countries and of the German Democratic Republic made such trade possible. His Government's foreign policy with regard to the developing countries was designed to sustain their economic development through increasing imports of manufactured and semi-manufactured goods, as well as primary commodities, from those countries. Imports from developing countries were not subject to customs duty or other tariff charges.

20. In fixing targets for its long-term economic plans, the German Democratic Republic would continue to take into account the commercial needs of developing countries, especially their production and export potential, with a view to increasing its trade with them in the future. It intended to continue its scientific and technical relations with those countries on the basis of governmental agreements and to extend them as much as possible. It would send more advisers, experts and vocational training instructors to those countries and would accept their nationals for training in its own institutions and enterprises. It would continue to establish, equip and man training and research centres in those countries.

21. The problem appearing on the Council's agenda and the urgent economic and technical co-operation problems mentioned during the general discussion showed clearly that the Council's effectiveness and authority needed to be increased. It had shown its ability to deal with the tasks entrusted to it by the United Nations Charter, but the experience of previous years indicated that it was time to consider and to implement the USSR's proposals for improving the organization of the Council's work. The German Democratic Republic was prepared to co-operate fully in that important task.

22. Mr. LONGERSTAEY (Belgium) said that the *World Economic Survey, 1973* revealed the gravity and urgency of the economic problems facing the international community. The Declaration on the Establishment of a New International Economic Order adopted at the sixth special session of the General Assembly and the Charter of Economic Rights and Duties of States drafted by UNCTAD would be of great importance in meeting that challenge. Nevertheless, the present course of events should not deter the Council from giving due priority to the consideration of ideas and principles.

23. The concept of collective economic security was most important, in his opinion, and should be included among the primary objectives of international co-operation. The report of the Secretary-General on the subject (E/5529) seemed at first sight inconclusive and sometimes vague, although more careful perusal showed that the rather complex subject had been approached with commendable caution. It brought into question certain basic aspects of State practice, such as the exercise of sovereignty and the limitation of sovereignty that all countries would do well to accept. The concept of collective economic security brought out the importance of equality among nations and the solidarity which should unite them, as opposed to the pursuit of purely national gain, which resulted in a maze of national policies operating at cross purposes without increasing the independence of individual States. The report represented a preliminary attempt to clear the ground and made certain points which might later be developed into useful principles.

24. Paragraph 13, for example, made the interesting point that the increasing importance of economic power did not necessarily herald a return to balance-of-power politics and that Governments were more concerned with the improvement of internal conditions than with competition with other countries for the sake of status and autonomy. That would seem to diminish the importance that should be attached to the disparity between national incomes which was so often cited as if it was the central problem and its reduction a major objective. The crux of the problem of collective economic security was how to reconcile national sovereignty with economic interdependence. Such interdependence should not be regarded as involving a loss of status but should be based on equality and mutual respect for vital interests, which were to a large extent common interests. Indeed there appeared to be no alternative to interdependence, since the choice lay between greater solidarity and confrontation. The degree of interdependence accepted by a country would have to be in accordance with its economic welfare priorities and would therefore vary from country to country. The report wisely recommended a gradual approach to such interdependence through consultation and discussion between countries, with a view to the development of appropriate methods and rules. Such a process would be more productive than any attempt to establish the whole system at once, even on the basis of past discussions and recommendations. Basic rules and codes of conduct would undoubtedly be necessary, as indicated in paragraph 32, but it would be unwise to try to lay down detailed and unduly restrictive rules. The essential subject for negotiation would be guarantees of mutual good faith and effective procedures enabling the international



community to avoid being faced with a *fait accompli* by individual States seeking to solve their own problems to the detriment of other States. Procedures would also have to be developed for speedily resolving differences between States. Paragraph 33 did not, unfortunately, specify what measures could ensure that gains in economic welfare reached all countries and all levels of society. It was indeed difficult to see how to ensure that more or less equal progress was made throughout the world, or to persuade Governments to arrange for a more equitable internal distribution of the gains of economic progress if they did not wish to.

25. In his opinion, environment should have been included among the current problems mentioned at the end of the report, since it had a direct bearing on future collective security. He was also surprised that no mention was made of population growth, which could constitute a threat to economic security. Multinational corporations had quite rightly been mentioned, although the study of that problem was still in the preliminary stage and the recommendations made by the study group and the Secretary-General (E/5500) had yet to be examined in detail.

26. The principle enunciated in paragraph 37 of the Secretary-General's report on collective economic security that, in raw material supply and demand, economic issues should be isolated from political complications was of much more general application. It should be interpreted, however, not as denying the political character of economic decisions but as requiring economic problems and the decisions needed to solve them to be considered without prejudice and without the introduction of ideological or other extraneous factors. In the case of raw materials, application of that rule should lead to the replacement of narrowly national policies on the part of both producers and consumers by policies based on convergence of interests. Security of supply would then be combined with security of demand and become a matter of concern for both producers and consumers. Abrupt changes in the flow or prices of raw materials could have detrimental effects on economic welfare and ultimately benefited practically no one.

27. If countries were prepared to go beyond the narrow concept of national sovereignty and enter into a more realistic economic interdependence, international organizations would certainly have a role to play in the commodity field. That role should be tailored to needs, and the most obvious need was to prevent crises and to remedy those which could not be prevented. That would only be possible if systematic action was taken in regard to all factors affecting the balance between supply and demand. Producers and consumers of commodities must jointly study the quantitative and qualitative data for the major commodities at all stages, from production to consumption. Equity lay not so much in demands or concessions as in the trading of supply policies for price and access policies. Only the regular supply of markets with raw materials priced at levels conducive to social, economic and financial development could promote the general welfare. Conflicting policies, even if they brought temporary gains for some, could lead only to confrontation, protective and retaliatory measures and greater autarchy – the opposite of collective economic security.

28. As was pointed out in the section dealing with food scarcity, international institutions could do more, with the assistance of Governments, through better assessments and forecasts of the food situation. The later the alarm was given, the costlier and less effective the remedies would be. He hoped that progress would be made in that respect at the World Food Conference and in FAO in general. Security of food supply was a vital challenge and a problem which could be overcome. The international organizations had an important part to play in fostering the will to act speedily and effectively. In that field, as in all other sectors of economic interdependence, progress was only possible in so far as Governments desired it.

29. Mr. PU Ming (China) said that the current session of the Council was entrusted with the task of implementing the Declaration and Programme of Action adopted at the sixth special session of the General Assembly. In essence, that meant changing the system of international economic relations based on super-Power bullying, control and plunder of other countries, and establishing a new, fair and reasonable international economic order.

30. Since the Council's fifty-fifth session, the international situation had become increasingly favourable for the people of all countries. The countries of the third world were playing an ever greater role in international affairs and were the force combating colonialism, imperialism and hegemonism. The peoples of the Arab countries had broken away from the control of the super-Powers and had won a victory against Zionism. Their use of oil as a weapon against imperialism had inspired the peoples of the third world. The African people were winning victories against imperialism, colonialism, neo-colonialism and racism. The Latin-American peoples had made further progress in their efforts to safeguard their sovereignty, national resources and maritime rights. The Asian peoples, particularly in Indo-China, were triumphing against aggression, interference and hegemonism.

31. The efforts of the peoples of the third world to strengthen their unity, win and safeguard national independence and develop their national economies had acquired new impetus. The two super-Powers, the biggest international exploiters and oppressors, endangered the security of all countries of the world. They constantly subjected the third world and other countries to aggression, subversion, control, interference and plunder. At the same time they were bitter rivals. While talking of disarmament, they were expanding their arms production. While talking of *détente*, they created tension. Their actions were widely condemned throughout the world. The sixth special session of the General Assembly had demonstrated the unity of the third-world countries in their victorious struggle against hegemonism. They were growing in strength, while the super-Powers were becoming increasingly isolated and were declining.

32. The third world had realized from first-hand experience that political independence was inseparable from, and the first prerequisite for, economic independence. Without economic independence, a country's independence was incomplete and insecure. The wealth of the developed countries and the poverty of the developing countries were the result of the colonialist and imperialist policy of

plunder. Under the present economic order, based on coercion, control and plunder by the imperialists, especially the super-Powers, the gap between the poor and rich countries continued to widen. Through monopolistic organizations such as transnational corporations and joint enterprises, the super-Powers were plundering the resources and controlling the economic life-lines of other countries, interfering in their affairs, and organizing subversion in them. They applied unfair rates of exchange and charged exorbitant interest. Taking advantage of its special position in international finance, one of the super-Powers was transferring its economic and monetary crises to other countries.

33. The other super-Power, which claimed to be a socialist country, plundered and exploited others even more viciously. It acted as the overlord in its so-called "family" and imposed a so-called "international division of labour" and "integration" on other countries, turning them into its processing plants, sources of raw materials and suppliers of commodities. It used its so-called "aid" to extort privileges and to subject other countries to its control. Using coercion, it sold obsolete and low-quality equipment to "recipient countries" at high prices and made them supply large quantities of raw materials and finished products at low prices in repayment of debts. It made large profits by obtaining raw materials and manufactures from developing countries cheaply and selling them at high prices on the international market. It was socialist in word and imperialist in deed.

34. The present economic order was unjust and outdated and the developing countries were rightly demanding a fair new international economic order. The super-Powers, however, were doing their utmost to preserve the old order, which served their interests. They were trying to sow dissension among the developing countries to undermine their unity. The super-Power which claimed to be the natural and surest ally of the developing countries openly opposed the establishment of a new international economic order. At the sixth special session of the General Assembly, however, the third world countries had overcome the opposition of the super-Powers and had obtained the adoption of the Declaration and Programme of Action, which laid down fundamental principles for the establishment of new international economic relations based on equality and respect for sovereignty. Those principles would have a profound impact on the efforts of peoples in many countries to win and safeguard their national independence, defend their national resources and develop their economies.

35. China, as a developing socialist country, belonged to the third world and resolutely supported the other third world countries against the power politics, hegemonism and economic monopoly of the super-Powers. It supported the developing countries' efforts to defend their national independence and permanent sovereignty over their national resources. They were entitled to bring all foreign capital, and especially transnational corporations, under their control and management, and in fact to nationalize them. China supported the developing countries' efforts to establish organizations of raw-material producers and to improve their terms of trade by obtaining a fair relationship

between the prices of their exports to and imports from developed countries. It supported their demand for reform of the international monetary and financial system; they should be entitled to participate in all decision-making in such matters with equal status. They should be allowed to develop their economies in accordance with their circumstances, on the basis of individual or collective self-reliance. The developing countries would never allow their economies to be reduced to dependence on or subordination to any other country. Economic aid to them must strictly respect their sovereignty and must not be accompanied by political or military conditions, or the extortion of special privileges. Loans to developing countries should be interest-free or carry low interest, with provision for delayed repayment of principal and interest in cases of necessity.

36. The difficulties of developing countries most seriously affected by economic crises or natural calamities and the special problems of the least-developed, land-locked and island developing countries should be the common concern of the world community. China was in favour of urgent and effective action to help those countries to overcome their difficulties. In accordance with the Programme of Action, the developed countries should cancel or defer the repayment of those countries' debts and should contribute a major share of the Special Fund to provide them with assistance. The developing countries themselves could enter into mutual assistance and co-operation arrangements on a voluntary basis. The Chinese Government and people would continue to give all the assistance they could through appropriate channels.

37. The Programme of Action made the Council responsible for defining the policy framework and co-ordinating the activities of all organizations in the United Nations systems implementing the Programme. The Council's discussions on all the agenda items at the present session should therefore be guided by the purposes and principles embodied in the Programme of Action and the Declaration. The Chinese delegation would work with the other delegations in carrying out the task entrusted to the Council.

38. Mr. HÉLOU (International Association of French-Speaking Parliamentarians), speaking at the invitation of the President, said that he wished first to express his faith in the virtue of dialogue, which made it possible to bring human beings closer together and to synthesize ideas. He also wished to affirm the urgent need for action to secure the well-being of all.

39. The establishment of a new international economic order, which had been entrusted to the Council by the General Assembly at its sixth special session, was an immense task. It was not, nor could it be, an impossible mission, since the fate of humanity depended on it.

40. The main theme of the present session of the Council accorded with the aspirations of the peoples of the world, which IAFP was called upon to express and to satisfy. As parliamentarians, its members were the representatives and guides of public opinion in their respective countries, elected to direct assemblies and Governments towards that progress which the Council itself was seeking.

41. The application of Council resolutions, which had no force of law but which were usually the result of a consensus, called for the mobilization of good will across national frontiers, to which IAFP could contribute. The fact of his attending the Council's session would give the Association's branches in all parts of the world the feeling of a more effective participation in the Council's work.

42. Spread as it was over the five continents, the Association belonged to developed and developing countries alike and furnished a proof and an example of co-operation without frontiers. It would continue to make its contribution, both in information and in action, as it was already doing in connexion with the tragic drought which was decimating the Sudano-Sahelian population. It had transmitted to the Council at its fifty-fifth session the first conclusions of a parliamentary mission to that area and had heard from the Secretary-General that its message had been read out at one of the Council's public meetings. It intended to organize a seminar on the same subject, for which it would appreciate any suggestions or co-operation the Council was able to offer.

43. It would be able and willing to go even further in its very varied fields of competence. The Council could, if it so desired, associate itself more closely with the Association's assemblies, requesting it to study any questions which it considered particularly important or proposing any methods for making its collaboration closer and more effective.

44. As French-speaking parliamentarians, the Association's members believed that cultures were able to complement each other in achieving an integral humanism. The exchanges throughout the centuries among French and Arab cultures, for example, had been such that he, a Lebanese, was now able to preside over the French-speaking Association, proud of Lebanon's participation in the Arab renaissance and desirous to safeguard and propagate the values which French culture exemplified and defended.

45. The initiative for the present discussion had largely been taken by Arab countries, particularly Algeria, in co-ordination with the non-aligned countries. The values of liberty, equality, fraternity and justice were inseparable from the physical needs for food, housing, health and well-being. The solution of economic problems could not be a mere question of figures, of addition, division or distribution, since it presupposed sentiments of interdependence and solidarity and a desire for loyal co-operation at both the national and the international level. Efforts to promote development and a new economic order should be made on behalf of all mankind. Economy comprised not only economics but a policy of *détente*, peace and, above all, justice, since peace itself was a work of justice.

46. Only such a policy could replace the evils of antagonism and confrontation by the benefits of understanding or make it possible to devote an increasing share of the resources and efforts at present devoted to war and armaments to the attainment of well-being and development. Only such a policy would enable countries to meet and reach agreement in order to survive and to raise the level and quality of life. That was affirmed decisively in the General Assembly's Declaration on the Establishment of a New International Economic Order.

47. The General Assembly had entrusted the Council with a mission of public salvation, a programme whose ways and means were as imperative as its objectives. In the prevailing climate of anxiety and enthusiasm, it was not only a misfortune but also a privilege to have to confront the great perils together and to know that they could not be eliminated by force or flight but only by the honest and rigorous application of the principles which the General Assembly had solemnly proclaimed and that since prosperity, like peace, was indivisible, since economic security was one of the forms of general security, there was no choice at the economic level, any more than at the political or military level, between fraternity and death.

48. For a number of years, the world had been witnessing the progressive disintegration of the old economic régime characterized by monetary stability and expansion of international trade. The collapse of the Bretton Woods system had undoubtedly been the first symptom and one of the causes of the tremors which in recent years had constantly disturbed and undermined international relations. Growing inflation, the movement of immense masses of capital for speculation or for purely conservative transfers, the rising price of commodities naturally followed by the increased price of oil, the difficulties experienced by developing countries which lacked important natural resources, the dramatic change in the balance-of-payments position of the industrialized countries and market irregularity had served to aggravate the existing disorder, compounded of irregularities and growing injustice, which, for two thirds of humanity, meant malnutrition and disease of all kinds.

49. In the face of those crises, the action which had been taken in various parts of the world by national, regional and international organizations should be continued and strengthened with a view to containing as far as possible the fluctuations in monetary parities, developing machinery for readjusting balances of payments, consolidating the role of SDRs and throwing more light on the multinational corporations which could represent the contribution of the private sector to the search for the necessary solutions.

50. The growing difficulties of understanding the true nature of certain phenomena and of distinguishing between national and international phenomena was contributing to the confusion in all areas. The difference between the growth of phenomena and the stagnation of structures, and between the reality of international life and the methods and approaches of Governments, parliaments and certain international organizations, based on outmoded ideas, was increasing.

51. All that was taking place under the increasing pressure of technical progress, mass media, population renewal and the access of new countries and new social classes to the benefits of material progress and education. It was therefore not surprising that the traditional economic régime had been subjected to such trials or that the developing countries which, already weighed down by debt, had to face new and more serious problems, had been the most affected. In the complexity of problems and solutions, attention and sympathy should naturally go first and foremost to the least privileged peoples.

52. The action to be undertaken should be not only reformist but truly creative of a new order. The General Assembly had entrusted to the Council the immense task of defining the conceptual structure and co-ordinating the activities of all the organizations, institutions and subsidiary bodies responsible for applying the Programme of Action. The concern for speed, control and effectiveness could not but inspire confidence.

53. Among all the measures envisaged, the one with which his Association was most concerned was that of the education of mankind, since man was the beginning and end of development. Stress had long been placed on the importance of human investment and present-day planners were unanimous in their conviction that that form of investment yielded high returns. International assistance in education was therefore called upon to play a considerable role in the developing countries. Consideration should also be given to the problem of the outflow of trained personnel to the developed economies, for, if it continued, education would become merely the royal road to individual comfort and satisfaction instead of being a factor of development and the initiation of the individual into his responsibilities to society. It would mean that progress would continue to depend on borrowed time, techniques, advice and expertise, would undermine the doctrine of UNESCO of endogenous development and would lead to a growing dependence of the developing countries, obliging them to accept foreign aid for an indefinite period and serving to widen the gap between the levels of development of the different countries.

54. Training should be designed to produce men capable of transforming the vision of their leaders into reality. They should understand what was meant by development and should be taught to distinguish between public and private assistance, between aid to development and aid for armaments, and to recognize exploitation as the antithesis of aid.

55. It was also necessary to overcome a number of myths and prejudices, including the Malthusian theory that the population explosion was the main cause of underdevelopment. It was becoming increasingly evident that, on the contrary, it was underdevelopment that was responsible for the population explosion and that family planning programmes could only be carried out above a certain level of development. The green revolution had shown that it was not impossible to provide for mankind's subsistence needs; it was in fact the threat of famine which had led to the green revolution. Food production had never been limited by the lack of cultivable land or of the necessary techniques but rather by the lack of adequate economic organization. What was needed was a change in the world economic and financial system.

56. Another myth to be destroyed was that of the *status quo* and zero growth, backed up by arguments about the environment and technical impossibilities. While the lack of resources and the question of pollution were real enough, those realities justified neither over-generalization nor the errors arising out of it.

57. Twelve years after the adoption of General Assembly resolution 1837 (XVII) on the conversion to peaceful needs

of the resources released by disarmament, ways and means of putting it into effect were still being discussed. If the discussion continued for another two decades, the amount devoted to armaments would exceed the value of the total production of goods and services. He hoped that the resolutions adopted at the sixth special session would not meet the same fate as that resolution and many others which had remained no more than pious wishes.

58. Possibly for the first time in history, the United Nations was establishing and speeding up the execution of a comprehensive plan and taking a number of exceptional steps such as that enabling the Council to meet, if necessary, on a permanent basis. Such measures, together with the international conferences taking place in various parts of the world, showed the urgent response of the United Nations to world problems. For the first time in history, the breath of panic had spared neither the rich nor the powerful and for the first time the international community had found real evidence of the fact that the salvation of each of its members depended on the salvation of all.

59. His Association hoped to go still further. It might be wondered why the great scientific achievements of recent decades had been accompanied by so slow an advance along the road to mutual understanding which was the essential condition for human progress. All must work together to build the future.

60. Mr. de ANGELI (World Federation of Trade Unions), speaking at the invitation of the President, said that the topics on the agenda of the Council's present session brought into relief some of the major economic, financial, social and political problems faced by the international community in preparing for the 1975 review and appraisal of the International Development Strategy. Continued inflation in the capitalist economies, problems of international economic relations, contradictions between accelerated demographic growth and the utilization of natural resources and energy, and the serious developments resulting from the activities of multilateral corporations were all at the centre of the struggles and concerns of hundreds of millions of workers.

61. The World Federation shared the view of the United Nations Secretary-General on the need to deal with economic and social questions in a truly innovating spirit and considered that a new method of analysis for economic and social development as an integrated concept of development was required. In particular, it considered that the social indicators should be better evaluated, and that consideration should be given not only to growth in production and *per capita* income but also to the terms of economic dynamics and the development of other parameters. He hoped that the annual study would go beyond quantitative comparisons to furnish social statistics which would make it possible to understand the role of democratic social measures in the acceleration of social progress and hence of the satisfaction of the growing needs of the broad masses of the people in the various countries.

62. Such an approach should form the basis of the discussion which it was hoped would take place at the twenty-ninth session of the General Assembly on the



realization of social and economic transformation for the achievement of social progress.

63. The eighth World Trade Union Congress, held in 1973, had adopted a Charter of rights of trade unions and claims of workers which defined thorough structural reforms as a means of ensuring social progress and economic development. The measures in question included agrarian reform in which all forms of colonial and feudal property would be eliminated, industrialization directed towards the expansion of domestic markets and the raising of the standard of living of the population, full employment, democratic tax systems directed towards the redistribution of income in society, and guarantees for the maintenance and improvement of the purchasing power of the workers.

64. The study on the present economic situation described the capitalist economy in 1973 as having been subjected to constraints which had brought about increasingly unacceptable anomalies and injustices. The World Federation had declared on a number of occasions that analysis of the problems of inflation should be undertaken in the worldwide framework of contradictions of the capitalist system. The continuing inflation of the 1970s affected all countries of the system. It resisted classical deflationary policies, went hand in hand with unemployment and economic deceleration and encouraged State economic intervention in favour of monopolies and owners. It continued to bring about the redistribution of income in favour of the rich, whose profits increased while the conditions of the workers and the purchasing power of wages continued to worsen.

65. The World Federation denounced the attempts to present the increase in the price of commodities and in wages as the causes of the present inflation when that increase was the direct consequence of inflationary tendencies for which the developed capitalist countries were largely responsible. Energy problems, and consequently those of sustained economic growth, called for the establishment of a democratic policy for the development of national energy resources of all kinds in order to ensure full employment and improved living conditions for the workers. Steps should be taken to end the domination of that sector by the large petroleum companies and monopolies, which were acting exclusively in their own interests. The steps taken by the oil-producing countries had been no more than the expression of their right to use their own resources and their desire to establish new relations on an equal footing. The World Federation reaffirmed its determination to stand shoulder to shoulder with the workers who desired to consolidate their independence through economic freedom in relation to the present international division of labour and the world capitalist system.

66. The eighth World Trade Union Congress had reaffirmed the need to establish a new international economic order which would end the present distorted and unbalanced structure of world economic and trade relations and ensure that all countries could benefit from the advantages offered by the international division of labour and international trade. The Statement submitted by the World Federation (E/NGO/16) set forth the principles of the action programme for the establishment of a new inter-

national economic order which should determine the basis of concerted world action to counteract the activities of the multinational corporations which were undermining the very foundations of international economic co-operation. The World Federation, which had drawn the attention of the Council at its fifty-fifth session to the economic, social, political and human rights problems to which such activities gave rise, welcomed the work carried out by the Group of Eminent Persons on the subject, despite the fact that the multinational corporations had hindered its work on a number of points. A better use of trade union sources would have made it possible to give a fuller account of a whole series of subversive activities carried out by the multinational corporations in various countries. The report of the Group of Eminent Persons had nevertheless placed the question of the multinational corporations in its true context, foreign private investment being one of the greatest threats to the developing countries. Some of its recommendations, such as those on trade union freedom, collective bargaining, national sovereignty, nationalization and application of national legislation, coincided with the main lines of action adopted by the eighth World Trade Union Congress and inscribed in the Charter he had mentioned, the text of which would be made available to members of the Council.

67. The World Federation supported the Secretary-General's proposals for the establishment of a commission and a research centre on multinational corporations. The international trade union movement could usefully participate in that activity.

68. With regard to the social aspects of economic development, the World Federation had already explained in documents it had submitted to the Council, its position on the question of non-interference in the choice of economic and social structures of countries. At the last session of the International Labour Conference, it had submitted a draft resolution concerning energy and commodities, employment, inflation, the redistribution of income and the convening of a world conference on social progress and international economic relations. The united action of international trade union organizations had secured the adoption of a resolution calling for the convening of a tripartite conference on employment, income distribution, social progress and the international division of labour.

69. The development of the concept of collective economic security could not be dissociated from the conditions of social and democratic progress without which there would be no such collective security. The experience of workers in socialist countries and of the people in the countries which were building a more just society after overthrowing imperialism and colonialism, and the action of the workers of the capitalist countries and their trade unions, showed the impossibility of achieving social and economic development while there was a widening gap between classes within countries and continued minority privilege. The World Federation hoped that the discussion on the question of collective economic security would take into account the social and democratic aspect. To fail to do so would be to betray the hungry, the unemployed, the sick, and the illiterate who were fighting for peace, social progress and democracy.

*The meeting rose at 12.45 p.m.*