

# 1956th meeting

Friday, 4 July 1975, at 10.35 a.m.

President: Mr. I. A. AKHUND (Pakistan)

E/SR.1956

## AGENDA ITEM 3

General discussion of international economic and social policy, including regional and sectoral developments (*continued*) (E/5654, E/5665, E/5681 and Add.1-4, E/5682, E/5692, E/5699, E/5713)

1. Mr. NESTERENKO (Union of Soviet Socialist Republics) said that the pursuit of social and economic progress by all nations set the United Nations and the Council a number of new and important tasks. World-wide problems such as the rational use of energy resources and the elimination of the threat of starvation, which the state of the world economy had made more urgent, could be solved only by the concerted efforts of all countries, widespread international co-operation and efficient use of the advantages of the international division of labour for the benefit of the people. Favourable conditions were being created for that co-operation. Political tensions were easing and the principle of peaceful co-existence was gaining wider acceptance in international relations. The political situation in Asia was improving with the elimination of a dangerous threat to peace in Indochina, while the Conference on Security and Co-operation in Europe, now in its final stage, would provide the political basis for fuller, mutually beneficial relations between European countries. Such political developments stimulated economic co-operation between countries irrespective of their social structure, thereby strengthening world peace. The progress made in that direction was a source of great satisfaction to the USSR Government, which, with the active support of other socialist countries, had made enormous efforts to achieve those objectives. His Government was also glad to note the increasingly realistic attitude of a number of other States, which had made possible a not insignificant *rapprochement* in international relations.

2. Nevertheless, many politically explosive issues remained unresolved. Determined efforts were being made in certain quarters to discredit peace moves and to revive the policy of coercion and blackmail. The pursuit of such a policy by hitlerite fascism had brought the world to the brink of catastrophe. In commemorating the thirtieth anniversary of the defeat of fascism, the Soviet Union had appealed to nations, parliaments and governments to strive for lasting peace and to foster an atmosphere of confidence in mankind's peaceful future. The Soviet Union people believed that all States were interested in averting the threat of a world nuclear war. It was the duty of all Governments and of the United Nations and its various bodies to continue to promote the relaxation of international tension.

3. The disarmament problem was of crucial importance in that respect. Despite the conclusion of agreements limiting

certain armaments, the race to expand the war potential continued. The Soviet Union was an ardent advocate of reductions in military budgets, of reductions in armament and of disarmament. It would continue its efforts in that direction, believing that the time had come for effective measures to halt the arms race, reduce armaments, obtain the adherence of all States to existing disarmament agreements and hold a world disarmament conference. The Soviet Union had already proposed an agreement prohibiting new types of weapons of mass destruction, whose production must be effectively prevented. The problem of freeing the world's nations from the burden of the arms race and of diverting the immense resources squandered on it to peaceful purposes must be solved without delay. The United Nations, whose principal objectives were the promotion of world peace and security and social and economic progress, had a growing responsibility in that regard; the Council, as one of its principal organs, should press for reductions in armaments and for disarmament and take appropriate action to achieve that aim. All those tasks had become urgent, not only for political reasons, but because of the state of the world economy.

4. The *World Economic Survey, 1974*, in part two (E/5681 and Add.1-4), gave eloquent proof of the deep economic crisis in the so-called market-economy countries, which were hit by falling production, runaway inflation, rising unemployment, budget deficits, energy and raw material problems, and rising prices. The situation in 1975 so far gave no grounds for optimism. The plight of the western economy was adversely affecting the economic development of the third world countries, which were increasingly critical of the unfair division of labour in the capitalist world and rightly condemned the rapacious policy of monopolies and multinational corporations. They were demanding changes in the price-fixing mechanism, established in the days of colonial exploitation, and sovereign rights over their natural resources. Their legitimate demands were still stubbornly opposed by those who clung to the old order in international economic relations. The Soviet Union and other socialist countries supported the developing countries in that conflict and were pressing for the re-organization of international economic relations on a fair, democratic basis.

5. Although recent rises in the world prices of certain commodities had helped some third world countries to improve their economies, most developing countries were still in serious economic difficulties. The scientific and technological revolution had largely by-passed them or had even increased their economic backwardness. The Soviet Union shared their apprehensions about the implementation of the International Development Strategy for the Second United Nations Development Decade, the Programme of Action on the Establishment of a new Inter-

national Economic Order and the Charter<sup>1</sup> of Economic Rights and Duties of States. They must be protected from the interference of imperialist monopolies, and discrimination and other manifestations of neo-colonialism must be eliminated from international economic relations. The Soviet Union continued to apply these progressive principles in developing its economic relations with Asian, African and Latin-American countries. Its trade with those countries had almost doubled between 1971 and 1974, when it had totalled 6,000 million roubles. By the beginning of 1975 the Soviet Union had provided economic and technical assistance for about 900 economic projects in those countries. The expansion of such economic relations was based on the continuing expansion of the Soviet Union's own economy. In the first four years of its ninth five-year plan, the Soviet Union's industrial production had increased by more than a third and its national income by almost 30 per cent. Its foreign trade had also increased substantially. The economies of the CMEA countries as a whole had continued to expand and their foreign trade had increased by almost 30 per cent in 1974 alone.

6. In 1971-1974 the Soviet Union's trade with developed western countries had almost trebled, testifying to the growing material basis of its policy of peaceful co-existence. Co-operation between States, however, was a two-way process, depending on the will and efforts of both sides, and could only be based on equal rights, non-discrimination and non-interference in each other's affairs. The seventh special session of the General Assembly could do much to ensure the application of those principles and eliminate inequities in international economic relations. It was most important to agree now on appropriate guidelines and a practical procedure for the discussion.

7. The proposed discussion on the restructuring of the economic and social sectors of the United Nations system might also have a bearing on the problem. As one of the founder Members of the United Nations, the Soviet Union was anxious to improve its work in all fields and would support the re-organization measures which were most likely to further the attainment of the objectives of the United Nations Charter and increase the effectiveness and progressive orientation of the Organization's social and economic activities. As in the past, the Soviet Union would wish any restructuring measures to strengthen the co-ordinating role of the Council, which should and could help to ensure that the efforts of the entire United Nations system would be constructive, effective and in accordance with the spirit of the Charter. It was indeed appropriate to emphasize observance of the Charter in 1975, the Organization's thirtieth year. The United Nations and its Member States had helped to avert a world war for 30 years and had adopted useful decisions to combat colonialism and racism and to promote democratic rules of international law. The United Nations was helping developing countries to speed up their economic and social development and to establish new equitable economic relations between all countries. The Soviet Union had a positive opinion of the Organization's contribution to the solution of all those problems. The Economic and Social Council could and should do

more to promote peace and security, uphold the ideals of peaceful co-existence, build up confidence between nations, further social and economic progress throughout the world and help to solve development problems. The Soviet delegation was prepared to discuss any practical measures to achieve those aims.

8. Mr. PETRIĆ (Yugoslavia) said he expected the Council to focus its attention once again on achieving agreement on the implementation of the Declaration and Programme of Action on the Establishment of a New International Economic Order and of the Charter of Economic Rights and Duties of States. As President Tito had said recently to *Le Monde* in an interview, the establishment of more equitable economic relations was a historic task, the implementation of which called for patient and constructive deliberations to find generally acceptable solutions conducive to the building of equitable international economic relations.

9. The past year had confirmed his delegation's conviction that conditions were improving for the introduction of the changes called for by the General Assembly at its sixth special session. So far, neither the Declaration nor the Programme of Action had been fully implemented. Moreover, at various meetings there had been strong resistance to measures for implementing the new order and some of the basic principles on which the new system should rest had even been challenged. It had been said that the present system had served the world well and needed only to be strengthened at points where weaknesses had been demonstrated. Tendencies on the part of developed countries to take unilateral action, nationally or internationally, particularly with regard to oil and energy, did not reflect a willingness to hold a constructive dialogue. Nor had agreement been reached on convening a conference on oil, raw materials and development.

10. His delegation did not underrate the difficulties and was aware that they would continue to prevail in different forms and in varying degrees of intensity. Nevertheless, it felt that 1974 had shown certain trends which offered encouragement to the efforts of all those who had taken a positive stand on the struggle for the new system. For instance, a number of developed countries continued to regard with sympathy and extend support to many proposals in the Programme of Action and to the concept of more equitable international economic relations generally. Moreover, while a certain degree of resistance persisted, some of the major industrialized countries had begun to assume a somewhat more realistic attitude and had demonstrated an inclination to re-examine certain approaches that had been repudiated in the past.

11. Another encouraging sign was that the intensity of activities initiated by the General Assembly at its sixth special session had not abated. In addition, at several important international conferences held under United Nations auspices, the world community had discussed and formulated solutions for problems such as food, industrial development, population, etc. Initiatives had been resumed with a view to solving the problems relating to oil, raw materials and development.

<sup>1</sup> General Assembly resolution 3281 (XXIX), of 12 December 1974.

12. The role of public opinion should not be disregarded. Although outside the scope of policy-making, it could constitute an important contribution to the positive efforts made by Governments. There had been a number of authoritative gatherings of eminent academics, policy-makers, representatives of parliaments, business men and civic leaders generally, who had declared themselves in favour of a new system that would safeguard the interests of all countries. Lastly, the forthcoming seventh special session of the General Assembly was arousing the interest of countries that had usually shown a preference for other, more exclusive and narrower forums for discussing world economic problems.

13. The various indications of a more flexible approach were a consequence of actual changes that had occurred in the world economy and international economic and political relations. No matter what the changes and processes through which the world was passing might be termed, there could be no dispute about the fact that the world monetary system had collapsed in 1971, that the world trading system was in crisis and that the classic arsenal of anti-recessionist and anti-inflationary measures and policies no longer produced the desired results. The crisis was neither a passing phenomenon nor a stage along the way towards achieving a new equilibrium or steady progress.

14. Consequently, in the efforts to establish the new international economic order, the adjective "new" meant in particular that the system should differ essentially from that which had served the world throughout the post-war period. The long years of effort to solve development problems had shown that the orientation towards palliative measures in the present system had not been able to improve the position of the developing countries, because the effects generated by the system's main elements were far stronger than those of peripheral rectifications. Nothing touching the core of those main elements had been accepted, while the so-called market mechanism had been defined as being synonymous with certain "natural" economic laws and principles, the changing of which would allegedly create world-wide chaos in all facets of economic relations. The fact was, however, that those rules had been imposed for the purpose of promoting certain interests and were not the reflection of any neutral functioning of a rational system. It had become patently obvious that it was precisely those rules that needed changing, in the interests not only of developing countries but also of the developed world.

15. The Fourth Conference of Heads of State or Government of Non-Aligned Countries had indicated with the utmost clarity the causes of economic stagnation and the forces of resistance to the economic advancement of developing countries. It had played a decisive role in charting action and formulating principles which, in effect, had led to the crystallizing and adoption of the concepts underlying the new international economic order. The Conference had put forward a proposal for the establishment of a new economic order based on equality and respect for the interests of all countries. Subsequently, the General Assembly had approved the proposal and had decided to hold a special session in September 1975 for

that purpose. To achieve the objectives, constructive co-operation was required by all parties.

16. The year 1974 had been characterized by a growing perception, especially on the part of the developed countries, of the interdependence of economies and of world economic problems, and therefore also by greater awareness of the need for constructive dialogue and co-operation.

17. His delegation wished to stress that the concept of the new system offered solutions not only for the developing countries but for the entire international community, including all developed countries. Accordingly, the legitimate interests of all countries should be observed in the negotiations to be undertaken or already under way. While the developing countries were ready to engage in constructive dialogue and patient negotiations, they would remain firm in defending the principles that were crucial for their independence and sovereignty and for the achievement of equitable economic world relations; they would resist all attempts at outside interference, pressure or intervention.

18. The developing countries had been guided by those considerations in preparing a provisional list of questions for the forthcoming special session. Those questions could not be interpreted or treated as matters of interest to developing countries only, for they concerned the whole international community. They were, indeed, among the key elements of the new international order and were of essential importance to all countries. The fact that many significant matters included in the Declaration and the Programme of Action were not on the list did not mean that they had been removed from the agenda, because those instruments, together with the Charter of Economic Rights and Duties of States, provided the basis for all decisions and negotiations.

19. His delegation felt that at the seventh special session the General Assembly should take a real step forward in the establishment of a new economic order; it could only do so by adopting decisions that were not confined to the mere planning of further negotiations and action or the achievement of agreements in principle. Firm decisions for solving the various problems were needed and it was important to create confidence in all countries that the negotiating process had really started and would open up vistas of a historic break with the past.

20. Having submitted their own proposals in informal talks, the developing countries would not doubt welcome ideas and suggestions from all other countries in accordance with the mandate of the special session as agreed upon at the twenty-eighth session of the General Assembly (resolution 3172 (XXVIII)). It was obvious that comprehensive negotiations of vital importance to all countries should be conducted within the United Nations framework.

21. In addition to dealing with substantive questions, the General Assembly should at the seventh special session initiate the process of structural changes in the United Nations system. There was some basis for the argument that certain structural improvements in the system could exert a positive influence on the endeavours to establish a new

economic order, but his delegation felt that it would be wrong to pay too much attention to institutional matters, particularly since some of the recommendations of the Group of Experts on the Structure of the United Nations System (E/AC.62/9) were rather complex and would need a number of years for implementation. Moreover, the recommendations would no doubt be supplemented by proposals from various countries and groups of countries and would need to be discussed carefully. His delegation considered that the Group of Experts had performed a pioneering task and had analysed many practical questions. His delegation had made a positive assessment of some of the recommendations but felt that others needed further study because of the far-reaching implications they might have.

22. The International Development Strategy was undoubtedly a question that was closely linked with the preparations for the special session. He agreed with the conclusion reached by CDP that the implementation of the Strategy had been disappointing and with the view expressed by developing countries in the Committee on Review and Appraisal that what had been achieved was the result of their own efforts and of favourable marked conditions in the developed countries rather than of policy measures laid down in the Strategy. The problem was not merely that the Strategy was not being implemented but that large parts of it were out of date. Rather than rejecting it, however, the international community should consider it a valuable instrument of co-operation and adapt it to the new conditions and needs, so that it might serve the requirements of the new international economic order. That, indeed, had been the aim of the developing countries when they had presented their proposal for a revised text of the Strategy (E/5693, annex IX).

23. He stressed the historic significance of the victory of the peoples of Viet-Nam and Cambodia, who after a long and arduous struggle had finally won freedom and independence. The peoples of Indochina, as also those of African countries who had recently won independence and of others who were on the road to achieving freedom, deserved the full support and assistance of the entire international community. They were confronted by grave economic difficulties and the Council should do its utmost to encourage the international community to give them assistance.

24. His delegation attached great significance to the further development of activities by the regional commissions. It was confident that ECE would continue its activities even more vigorously with the impetus of the successful termination of the Conference on Security and Co-operation in Europe. The Commission should pay special attention to harmonizing the European and world dimensions of its activities in view of the role of its member countries in world economic affairs. The time had come for the Commission to start adapting its programme of work to the new conditions and requirements, especially in view of the new tasks of the United Nations system in connexion with the establishment of the new order.

25. In conclusion, his delegation pointed out that, because of the role assigned to it in the United Nations

Charter and the tasks imposed on it by the changed international economic conditions, the Economic and Social Council should increase in stature so that it might become an effective forum for tackling problems of international co-operation and thus making the best possible contribution to world peace and security.

26. Mr. VINCI (Italy) said that the inspiring message conveyed to the Council by the President in his comprehensive opening statement (1953rd meeting) augured well for the success of the session. His delegation fully supported the Secretary-General's statement on the Council's role in the present world economic situation. There was no denying that the present session was taking place at a time when Governments and the international community were confronted with the most difficult economic situation since the end of the Second World War.

27. World-wide inflation, a deep recession in production, trade and finance affecting many major countries, massive imbalances in international payments and rapid fluctuations in exchange rates had given rise to serious problems for all members of the international community. Although the growth rate in the OECD area was expected to be 3 per cent over the coming four months, compared with zero growth over the past year, the recession had already resulted in 14 million unemployed in the 24 OECD countries, while the growth of GNP in Western Europe in 1975 was likely to be no more than 1 or 2 per cent — an even smaller growth rate than in 1974.

28. As an immediate consequence of the slump in the economies of the industrialized countries, most developing countries were threatened by deteriorating terms of trade and a slow-down in the expansion of their export earnings. While many of them could possibly maintain their import expansion for a year or two by using the foreign exchange reserves built up in the first half of the decade, the rate of investments was already beginning to suffer from the diminished demand for raw materials on the international market. Only if there were a major recovery in agriculture and an upsurge in industry, based largely on their own markets, could the developing countries maintain for a further five years the 6 per cent growth rate they had achieved in the first half of the decade. The urgent need for a greater flow of grants and capital on concessional terms to the numerous developing countries which had been severely affected by the increased prices of oil and other commodities and of the manufactures imported from developed countries was therefore becoming increasingly evident. In the rapidly growing interdependence of countries, however, the necessary means could become available only through general economic expansion.

29. Fortunately, some positive trends had been noticed recently in several countries, including Italy, whose economic system was overcoming some of the critical imbalances which had reached their climax in 1974. There was a unique opportunity for taking decisive co-ordinated action to promote sustained expansion, rebuild confidence and indicate the main lines of action for recovery. Such action called for a common will and a common effort. Industrialized countries no doubt had a special responsibility, accounting as they did for 65 per cent of the world's



output and 70 per cent of its trade. In May 1975, the OECD ministerial meeting had adopted a declaration on relations with developing countries, recognizing the special responsibility of Governments of industrialized countries in promoting a new structure of international co-operation in which the developing countries should participate on an equal footing.

30. The present session of the Council should be the final round of the preparatory work for the seventh special session of the General Assembly, which would offer all countries a unique forum in which to lay down the main guidelines and take the first well-defined steps towards the common goal of closer co-operation and accelerated development. In the Preparatory Committee's two sessions and in the informal consultations with the contact group of the Group of 77, his delegation had repeatedly expressed its willingness to contribute fully to the preparations for and the success of the special session.

31. As a country with direct and continuing development experience, Italy had been considering what it could do to assist developing countries in the lights of its resources and its knowledge of the problems. While it did not wish to make promises which were beyond its power to fulfil, it was aware of the urgent need for further steps to establish a better world in which there must be a more equitable division of wealth on the basis of justice and human brotherhood.

32. Italy's attention was naturally turned towards developing countries. Its history, the fact that millions of Italians were working in and contributing to the economic and social progress of many developing countries, and the structure of its economy should leave no doubt about its conviction that economic growth in the third world was an essential component of its policy and met its own objectives. Partnership with the developing countries was for Italy a partnership with the future.

33. His delegation fully appreciated the constructive approach recently adopted by the Group of 77 in the preparatory work for the seventh special session of the General Assembly. The provisional list of topics submitted by that group in informal talks was selective, yet its structure was flexible enough to permit the possible inclusion of other issues in the agenda and the identification of more specific, well-defined questions on which agreement would be particularly significant. Among the areas listed, his delegation's attention was focused in particular on international trade as the field in which progress could continue. The steps recently taken by some major producing and consuming countries to conclude new agreements on specific commodities or to bring existing agreements up to date were a recognition of the essential importance of stabilizing markets through stable prices and guaranteed supplies. New types of action could now be explored for stabilizing raw material markets, *inter alia* at the production stage. The EEC had opened the way for such action with the ACP-EEC Convention of Lomé.<sup>2</sup>

34. The question of the transfer of resources was another issue on the list adopted by the Group of 77. His Government had from the outset taken a favourable attitude to the question of the link between the creation of SDRs and development financing, and had in fact advocated such a link in 1968. The question of "automatic mechanisms" required more detailed explanation before his delegation could take a position on it. Such explanation might help to overcome the difficulties about indexation, whose technical feasibility and convenience for the developing countries still gave rise to serious doubts on the part of his delegation. More effective and practical stabilization schemes might now be envisaged.

35. With regard to science and technology, Italy had already taken action, in its bilateral technical assistance programmes to many developing countries, to engage in forms of co-operation designed to encourage the transfer of technological expertise in a manner satisfactory to both suppliers and recipients. Some success had already been achieved in devising formulas for joint triangular ventures which combined surplus financial resources available in a number of countries with the technology of industrialized or developing countries for the development of poorer countries.

36. Agricultural and food problems, which had been omitted from the list, should be included, particularly in the light of the impressive report submitted by the Director-General of FAO at the 1954th meeting.

37. His delegation was somewhat disappointed at the slow pace of negotiations in preparation for the seventh special session of the General Assembly, the brevity of which made preparatory work all the more important if results were to be achieved. His delegation supported the President's proposal (1953rd meeting) that services should be made available for delegation to continue the informal consultations which had been started in New York and which should be open to all interested delegations. Some of the agenda items entrusted to the Economic Committee might then have to be postponed to a later date.

38. Referring to agenda item 9 (Mid-term review and appraisal...), he said that his delegation had been encouraged by the statements made at the third session of the Committee on Review and Appraisal (E/5693). Despite the shortcomings of the International Development Strategy, developed and developing countries alike had recognized its validity. All sides had participated constructively in the Committee's work and a number of conference room papers had been submitted on various sections of the Strategy, but the Committee had unfortunately been unable to discuss them. If the Council was to concentrate its work on the preparations for the special session of the General Assembly, agenda item 9 would have to be postponed. Review and appraisal of the Strategy called for detailed examination of all the problems involved. Such examination should be possible at the thirtieth session of the General Assembly, which would have the benefit of the results of the seventh special session.

39. On his return to the Council after a certain lapse of time, he had been impressed by its greater awareness of the

<sup>2</sup> Convention between the European Economic Community and 46 African, Caribbean and Pacific States, signed at Lomé on 28 February 1975.

increased interdependence of nations, of the impact on all Governments of the scientific and technological revolution, and of the world-wide issues which required global solutions. That assessment led him to the conclusion that confrontation could help no-one to face the present challenge and that the only hope for the survival of mankind lay in a better understanding of what united developed and developing countries rather than of what separated them. Both sides had to set aside parochial views in order to establish a system of co-operation which would make it possible to solve their global problems. That was a challenge to the entire international community: all would be winners or losers according to the choice made and it was therefore imperative to make the right choice.

40. Speaking on behalf of EEC, of which Italy at present held the chairmanship, he said that the Community's commitment to development and economic co-operation, which was one of the features of the Treaty of Rome, had developed through important agreements which had proved to be major achievements in international co-operation. The Yaoundé,<sup>3</sup> "Arusha"<sup>4</sup> and Lomé Conventions had shown the Community's determination to move forward in its partnership with developing countries. The ACP-EEC Convention of Lomé, in particular, had indicated new ways of economic co-operation, including the STABEX scheme for safeguarding the export earnings of 46 developing countries.

41. In addition, a constantly increasing number of association and trade agreements, both preferential and non-preferential, were being concluded between the Community and the countries of the Mediterranean area, Latin America and Asia.

42. The Community had been the first to apply, on 1 July 1971, a scheme of generalized preferences in favour of a large number of third world countries. The importance of the scheme for over 100 developing countries was shown by the figures for preferential imports. The ceilings and tariff quotas opened under the GSP for industrial manufactures and semi-manufactures other than textiles had amounted to 780 million units of account in 1972 and had risen to approximately 2,300 million in 1975. Those for textiles had been increased from 39,000 tons in 1972 to 71,500 tons in 1975, while preferential imports of processed agricultural products had risen from 45 million units of account in 1972 to an estimated 600 million in 1975.

43. Those figures showed the extent to which the EEC generalized preferences were favouring a speedy increase in the developing countries' export earnings and the acceleration of their industrialization and economic development. The Community would continue its efforts to make the developing countries aware of the advantages to be drawn from the fullest possible use of its GSP scheme. It was considering the extension of the scheme beyond 1980. In

the present difficult economic situation, the nine member Governments of the Community wished to reiterate their conviction that the major problems of economic development could be solved only through constructive co-operation with the developing countries in all appropriate international forums, in particular the seventh special session of the General Assembly.

44. The EEC member States were completing their preparations for the special session of the General Assembly with the aim of achieving specific objectives. They had accepted the informal proposals submitted by the Group of 77 within the Preparatory Committee as a useful basis for the discussions to define the questions which were to be dealt with at the seventh special session and which, it was hoped, would be decided by consensus; the selective approach adopted was the only one that could lead to practical results. The spirit of mutual understanding which had guided the informal consultations in New York between the Community and the contact group of the Group of 77 was encouraging. The Community hoped that the consultations would be continued at Geneva and would establish a fruitful basis for the work of the seventh special session.

45. Mr. FERGUSON (United States of America) said that it was appropriate that the fifty-ninth session of the Economic and Social Council should be the first major United Nations meeting since the recent celebration of the thirtieth anniversary of the founding of the United Nations. That fortuitous circumstance underlined the fundamental importance of global economic and social health to the well-being of mankind, which the founders of the United Nations had recognized in defining one of its purposes as the achievement of "international co-operation in solving international problems of an economic, social, cultural or humanitarian character". For many reasons, United Nations deliberations had centred on political and security problems which, while still serious, were not isolated from the problems of the human condition. The United States Secretary of State had recently said that, while the paramount necessity at the present time was the preservation of peace, history had shown that international political stability required international economic stability and that order could not survive if economic arrangements were constantly buffeted by crisis or failed to meet the aspirations of nations and peoples for progress.

46. The present session was also an important link in a series of past and future conferences concerned with urgent economic problems, particularly those of the developing countries. It was being held at a critical time when there was evidence that the world's economy might be turning from slowdown and contraction to new growth and expansion, when countries which had experienced the most severe economic strains were reviewing long-held economic policies and seeking new openings for economic and social co-operation and when it was possible to see more clearly the shortfalls of the global economy and to sense more keenly the need for economic justice rather than condemnation of real or imagined past deeds.

47. It was just over a year since the General Assembly had devoted itself at its sixth special session to the over-

<sup>3</sup> Convention of Association between the European Economic Community and the African and Malagasy States associated with that Community, signed at Yaoundé on 29 July 1969.

<sup>4</sup> Agreement establishing an Association between the European Economic Community and the United Republic of Tanzania, the Republic of Uganda and the Republic of Kenya, signed at Arusha on 24 September 1969.

whelming issue of the nature and shape of global economic independence. Despite many decisive issues, that session had marked the beginning of a preoccupation with the global economic crisis. The present occasion might well be the first opportunity to work out the implications of global interdependence in the full realization that interdependence was the organizing principle of the Council's work.

48. A central concern over the past year had been to decide whether efforts were to be concerned with the design of a new international economic order or a fundamental reform of the existing order. The United States Secretary of State had called for an end to that theoretical confrontation and the Government was trying to make it clear that the question should be set aside in the interest of resolving some of the crucial issues which needed the urgent attention of the Council and the entire United Nations system.

49. The United States recognized the Declaration and the Programme of Action as the stated policy goals of a substantial number of States in the United Nations. Many of those goals were genuinely radical but he hoped that mutual respect for differing opinions would extend to his Government's views, which were based on national beliefs and experience. There was no need to overcome theoretical differences before addressing what were generally recognized as problems that had to be tackled urgently to avoid irreparable injury to the human condition in a generation of economic warfare. His Government had therefore sought co-operation rather than confrontation in the Council and elsewhere in approaching the issues which appeared ripe for resolution.

50. The first implication of global economic interdependence was that it involved and affected everyone on the globe and that consequently every one had the right and duty to share in the process of identifying and resolving the problems so urgently requiring solution. It was no longer possible to accept that any single State or bloc of States could arrogate to itself all wisdom and power in ordering the economic system, or to forget that judgements and opinions could be wrong as well as right. His Government associated itself with all other Governments which held that true consensus was the only viable outcome of the Council's deliberations.

51. The forthcoming seventh special session of the General Assembly and the preparations for it were of over-riding concern at the present Council session. The seventh special session was on the Council's formal agenda, but would also be the subject of informal consultations in accordance with the recommendation of the Preparatory Committee at its second session (E/5702, para. 11). Although most of the important decisions regarding the seventh special session were still to be taken, a general consensus seemed to be emerging that the Council would concentrate on a limited number of high priority items, which should serve as a basis for agreement on an agenda and possibly a general outline of the form of action to be taken at the seventh special session.

52. It might be helpful to review the roles that the General Assembly, the specialized agencies and other bodies

in the international system could best play in making progress towards real achievement. The General Assembly as constituted, and given its history over the past 30 years, did not seem to be the institution best designed to formulate the necessary remedies, negotiate commitments and administer the resulting processes. Those tasks had to be performed elsewhere and by representatives of a different type from those at the General Assembly. On the other hand, in the present dawning era of global economic interdependence, only the General Assembly came near to the idea of a body representative of the entire globe. In the view of his Government the General Assembly's true role was to give expression to the broad consensus on priorities, to give general guidance and to keep itself informed on developments in the global economy. No-one would expect the General Assembly itself to negotiate commodity arrangements, trade reform or monetary reform or to make the necessary arrangements to assure the feeding of the world. Its basic responsibilities were clear: to observe and keep under review the international economic and social condition and the state of international co-operation and to draw the attention of Member States to conditions requiring international co-operation in the solution of problems. The seventh special session might be envisaged as identifying areas of priority concern, establishing guidelines for international co-operation in those areas and continuing its normal process for monitoring the activities of the various bodies charged with actual negotiations.

53. His Government's general approach to the seventh special session, which had been stated in recent speeches by the Secretary of State, was based on a careful review of policies at the highest government levels. At the appropriate time it would be prepared to engage in discussions and negotiations but its effort at present was to identify policies which met the needs of developing countries, which were susceptible to fruitful co-operative action and to which his country could make a real contribution. As the Secretary of State had said, his country was preparing concrete, detailed and creative proposals and intended, while fully protecting the nation's interests, to deal with controversial issues with realism, imagination and understanding, hoping that others would show the same spirit.

54. His Government had circulated its proposals regarding the agenda for the seventh special session which, while differing in some respects, were in general in keeping with the proposals submitted by the Group of 77. His Government had suggested two additional topics "international food needs" and "the problems of the poorer developing countries", which it thought met the criteria of priority interest and suitability for effective international action. His delegation looked forward to consultations during the present session to refine the collective thinking, but stressed that it approached the question of the agenda in terms of identifying areas suitable for intensive consideration by the seventh special session, rather than of substantive agreement.

55. The formation of a sound global agricultural economy required effective action in a number of critical areas. In the first place, world food production must be increased significantly, with emphasis on raising average yields in developing countries, whose requirements would have to be

met meanwhile, at least in part, by dependable food aid programmes. His Government supported an international system of nationally held grain reserves at the best means of achieving world food security through increasing the assurance of adequate supplies. Long-range food needs called for further action on preliminary agreements reached at the World Food Conference. The General Assembly should take note of the resolutions of that Conference (E/5587, chap. V) and of progress made in their implementation, together with the report of the World Food Council on its first session (E/5708), and should request the latter to inform it periodically of its proceedings and recommendations.

56. The other items on the Council's agenda, all of which deserved serious attention, covered a wide range of genuine economic and social concerns. Both national and global economies had been through a trying period and most developing countries had been facing the multiple problems of international inflation and recession. With regard to his own country, most economists, both within and outside the Government, considered that the tide had turned and that a period of general economic recovery and a further reduction in the inflation rate could be anticipated. Two major conclusions could be drawn from that recent national experience: the interdependence of national economies, and the importance and effectiveness of co-operative action among nations in dealing with global economic problems.

57. Referring to the recent World Conference of the International Women's Year, he said that, while his Government's delegation had had reservations concerning some of the resolutions discussed, it fully supported the underlying purpose of the Conference, namely, to ensure that no woman would be consigned to a life of deprivation, or in some instances a life of misery, solely because of the accident of her sex.

58. Lastly, he wished to mention another anniversary - the 199th anniversary of the United States Declaration of Independence from a colonial yoke. As the present session would be his last as a representative on the Economic and Social Council, he would like to say how privileged he had been to take part in joint endeavours to better the human condition.

*Mr. Longerstaey (Belgium), Vice-President, took the Chair.*

59. Mr. RICHARD (United Kingdom) wished to convey his congratulations to the United States representative on the anniversary of his country's independence. The achievements of the United States of America since that time could be regarded as evidence of the beneficent policy pursued by the former administering Power.

60. Mr. SHINKOV (Observer for the Council for Mutual Economic Assistance), speaking at the invitation of the President, recalled that CMEA, which had been in existence for 26 years, had adopted in 1971, at its twenty-fifth session, a Comprehensive Programme for the Further Extension and Improvement of Co-operation and the Development of Socialist Economic Integration, which marked a further advance towards the achievement of its

objectives. The activities of CMEA bodies were at present mainly concerned with carrying out the tasks laid down in the Programme, and notable progress had already been made. Experience showed that the major prerequisites for success were a strengthening of the planning basis for co-operation, a wide use of multilateral approaches to the implementation of major projects and the organic incorporation of co-ordinated integration measures into the planning system of each member country.

61. Among important steps taken to strengthen machinery for co-operation had been the establishment in 1971 of a CMEA Committee for Co-operation in Planning, which had provided the organizational framework for the co-ordination of such major projects as the construction of a pulping and paper-manufacturing plant at Ust-Ilimsk and a dressing works at Kienvai. Committees for Scientific and Technological Co-operation and for Co-operation in Supplies of materials and machinery had also been set up and were functioning actively.

62. A qualitatively new stage in plan co-ordination had been the adoption at the twenty-ninth session of CMEA of a plan linking measures within the Comprehensive Programme to the national economic plans of member countries. The plan covered the major multilateral integrated measures decided on by the countries for the coming five-year period in relation to the construction of plant and the creation of new productive capacities to a total estimated cost of approximately 9,000 million transferable roubles. The resulting substantial increase in output would be used to meet the requirements of the participating countries for such materials as cellulose, asbestos, iron ore, ferro-alloys and nickel.

63. The entry into service of the major gas supply-line running from Orenburg to the western border of the Soviet Union would satisfy a major part of the gas requirements of member countries.

64. At the twenty-ninth session of CMEA, representatives of Bulgaria, Cuba, Czechoslovakia, the German Democratic Republic, Hungary, Poland, Romania and the Soviet Union had signed a general agreement on co-operation in the expansion of nickel and cobalt production in Cuba.

65. The countries members of CMEA attached great importance to the further development of co-operation in material production and the development of international specialization and co-operation in the production process. Since the adoption of the Comprehensive Programme a number of problems in co-ordinating the development of machine construction had been solved and 20 agreements had been concluded on multilateral specialization and co-operation covering nearly 2,000 products. Co-operation was also being strengthened in the automotive industry, the manufacture of road-building equipment, machine-tool manufacture, the production of textile machinery, the radio and electronic industry and other branches of the economy.

66. Scientific and technical co-operation played a major role in the implementation of the Programme. The countries members of CMEA could draw upon a scientific



potential representing a third of the world's scientists. Over a thousand research and design institutes in member countries were working in co-operation on more than 2,000 important problems.

67. The economies of all member countries showed rapid and sustained rates of growth. Between 1971 and 1974 national income in member countries had risen by percentages ranging from over 20 to over 50 and their gross industrial output had risen by percentages ranging from 30 to over 64. Over 80 per cent of the total rise in industrial output was due to increased productivity of labour, which was a reflection of the steady absorption of scientific and technical advances into the national economies of the countries concerned. Over the four years, *per capita* income had increased by 28 per cent in Bulgaria, 21 per cent in Hungary, 24 per cent in the German Democratic Republic, 10 per cent in Mongolia, 46 per cent in Poland, 31 per cent in Romania, 19 per cent in the Soviet Union and 22.5 per cent in Czechoslovakia.

68. Over the four years from 1970 to 1974 there had been an increase of approximately 81 per cent in the total

volume of the external trade of CMEA countries. They were also seeking to extend their economic relations not only with other socialist countries but also with the developed capitalist countries and the developing countries. Co-operation with Finland was developing successfully on the basis of an agreement signed in 1973 and a special fund had been established to provide credit for economic, scientific and technical assistance to developing countries. CMEA maintained relations with more than 60 international economic, scientific and technical organizations whose membership was drawn from countries with different socio-economic systems.

69. The achievements of CMEA over the 26 years of its existence and the progress made over the past four years in the implementation of the Comprehensive Programme showed that the member countries were successfully solving the problems confronting them.

*The meeting rose at 12.30 p.m.*

## 1957th meeting

Friday, 4 July 1975, at 3.15 p.m.

*President:* Mr. I. A. AKHUND (Pakistan)

E/SR.1957

### AGENDA ITEM 3

General discussion of international economic and social policy, including regional and sectoral developments (*continued*) E/5654, E/5665, E/5681 and Add.1-4, E/5682, E/5692, E/5699, E/5713)

1. Mr. DAVIES (Secretary-General, World Meteorological Organization) said that he would not repeat the information given in the analytical summary of the annual report of WMO for 1972 (E/5707) but would bring it up to date in the light of the recently concluded quadrennial Congress and stress the salient points relevant to the present debate.

2. In that document the major programmes of the organization were presented under five main headings, but the Congress had decided that a sixth and new major programme should be added, namely, the Hydrology and Water Resources Development Programme. Hitherto those activities had been included as part of another programme, but the increasing importance of water resources in relation to economic development had led the Congress to give a higher status to the subject and to follow the unusual course of amending the Convention of the organization to enable it to accept that responsibility.

3. As for the other programmes, the World Weather Watch Programme, which had been developed in response to a General Assembly resolution of 1961 (resolution 1721 (XVI)) for the benefit of all countries, was making great

progress. A new meteorological satellite system was in an advanced stage of planning and should be in operation in 1977 or 1978. It would include satellites, not only of the United States of America and the USSR as previously, but also of Japan and western European countries operating through the European Space Agency.

4. The Atlantic Tropical Experiment, which had taken place in 1974 as part of the Global Atmospheric Research Programme, had been an unqualified success and had produced vast quantities of data, which would both be of immediate benefit and serve as the basis for future research. It was believed that the 40 or so ocean-going scientific research ships from about 12 countries which had taken part had constituted the largest international fleet ever assembled for peaceful purposes. Many specially equipped aircraft and special satellites had taken part, and 4,000 scientists and technicians from many countries had been directly involved. The operational centre for the experiment had been Dakar, and thanks were due to the President of Senegal for his contribution to the success of the operation, which augured well for the global experiment to be held in 1978 and 1979.

5. The Seventh Congress had inaugurated the WMO Weather Modification Programme, in which, in view of the catastrophic droughts afflicting the world, first priority would be given to a precipitation enhancement project. It aimed at obtaining scientifically convincing evidence on the feasibility of significantly increasing rainfall under specified conditions and it was expected that its planning and