



ECONOMIC AND SOCIAL COUNCIL

FORTY-NINTH SESSION

OFFICIAL RECORDS

Wednesday, 8 July 1970

at 3.20 p.m.

PALAIS DES NATIONS, GENEVA

CONTENTS

Agenda items 2 and 3:

General discussion of international economic and social policy (*continued*)Second United Nations Development Decade (*continued*)

Speakers:

Mr. Martin (United Nations Economic and Social Office in Beirut)	39
Mr. S. Singh (India)	40
Mr. Touzani (Tunisia)	42
Mr. Wells (FAO)	43
Mr. Heyer (ICFTU)	45

President: Mr. MARAMIS (Indonesia).

AGENDA ITEMS 2 AND 3

General discussion of international economic and social policy (E/4776 and Corr.1, E/4833, E/4839, E/4841 and Add.1-2, E/4855, E/4856, E/4866 and Corr.1, E/4872, E/4876) (*continued*)

Second United Nations Development Decade (E/4776 and Corr.1, E/4841 and Add.1-2, E/4876, E/CN.5/445 and Corr.1) (*continued*)

1. Mr. MARTIN (Director, United Nations Economic and Social Office in Beirut) said that in the Middle East the uncertainties caused by the war greatly affected the validity of the conclusions which economists, sociologists and statisticians could draw from their recent studies. Those studies, of which some idea was given by the summary before the Economic and Social Council (E/4839), could, however, yield certain indications which deserved to be considered by those responsible for development policies.

2. Research into investment and growth, although not yet very advanced, already showed that it would be increasingly difficult for the non-industrialized countries of the Middle East to accelerate or even maintain their present rate of growth. A levelling-off in the principal growth sectors of light industry, construction work and services would have to be offset by a more rapid increase in agriculture and heavy industry. However, the ratio of output to capital employed was much less favourable in the last sector; investment must therefore be increased, but it seemed unlikely that the inflow of foreign capital, in the form of either public aid or private capital investments, would reach the same level in years to come as in the recent past. The outlook for industry was the more uncertain because it was closely linked to agricultural growth. The growth rate of agriculture had been disappointing in the 1960s, especially

in Iraq and Syria, where land reforms had been carried out which, although bold, involved complex subsidiary measures and were therefore slow to bring about improved productivity.

3. During the Second United Nations Development Decade the maximum advantage must be drawn from the exploitation of natural resources, especially oil. Even the 8 or 9 per cent growth rate currently achieved by Saudi Arabia and Kuwait would not be satisfactory in the future unless those countries took steps to diversify their national productive capacity. How the growth rate of the whole Middle Eastern group would compare with the global objective envisaged for the Second Development Decade would depend on whether means could be found of encouraging the oil-producing countries in the group to invest in the non-oil-producing countries, notably Yemen and Southern Yemen. In any event the national markets of the Middle Eastern countries were so limited that their industrial development could not continue for long within a strictly national framework. Especially important for those countries, therefore, was the proposed Arab Common Market; the first stage in its formation, to be completed early in 1971, would be the establishment of a free trade area. The level of trade among Arab countries, at present low, could benefit greatly from the co-ordination of investment programmes and concerted action to harness unused productive capacity.

4. The countries in question were not concerned about over-population and showed little interest in birth control. Their population might therefore be expected to continue growing at the high rate of about 3 per cent per annum. Thus, if they could attain a growth rate of 5 per cent in agriculture and 9 to 10 per cent in industry and mining, their *per capita* GNP would increase annually by 4 to 5 per cent.

5. Information was needed about the changes taking place in the age and geographical distribution of the population. During the coming decades not only educational systems, but also housing, urban facilities and social services would be put to a severe test by the increase in the proportion of young people and by migration from the country to the towns, which was making the already serious unemployment problem even more threatening. Those circumstances made it even more necessary for Governments to adopt policies and development strategies designed not only to accelerate growth but also to help improve the lot of those who were badly housed and lacking adequate employment. The Governments with which the United Nations Economic and Social Office in Beirut was mainly concerned were all trying to chart their future course as effectively as possible. There could be no coherent and effective planning, however, without competent administrators and thorough analysis of the problems involved. At the present stage a

sustained effort was needed to train personnel and improve statistical services, the latter being largely dependent on the former. In carrying out those difficult tasks, Governments should be able to count on generous assistance. The ability of a Government to influence the course of economic and social development depended very much on the number of people it had who were capable of formulating analyses, projections and evaluations. It was necessary that the political will should be not only asserted but also sustained, and that the man in the street should be led to think of development as a venture in which he had his part to play as well as his advantage to seek. That was true for all nations, not least for those of the Middle East.

6. Mr. S. SINGH (India) said that after a quarter of a century it was appropriate to review the past performance of the United Nations and consider long-term plans for the future, particularly in the context of the strategy for the Second United Nations Development Decade. During the past twenty-five years, the international community had made significant progress in defining the nature and objectives of development and in evolving institutional machinery to deal with the varied and complex problems involved. Through the work of the United Nations the problems and aspirations of the developing countries had come to be more widely understood, and the entire concept of international co-operation and human solidarity had thus gained a new dimension.

7. As for the future, the continued buoyancy of the world economy offered fairly encouraging prospects. In India the national income had increased during the past three years by slightly over 5 per cent per annum, and export earnings by 7 per cent per annum. What was more important, food production and industrial production had also shown marked increases.

8. Despite improvements in economic performance over the past two years, however, the *per capita* income of the developing countries had remained stagnant or shown only marginal improvement. Thus there had been hardly any reduction in human misery, and the process of development had served only to aggravate the crisis of rising expectations, India was both setting its sights high for the future and trying to mitigate the present suffering of the weaker sections of its population. To mobilize resources for investment in future growth and at the same time find resources to meet pressing current needs was by no means an easy task, particularly at a time when international economic co-operation was at a relatively low ebb. There had been very little progress in the implementation of the recommendations of the first and second sessions of the United Nations Conference on Trade and Development, and only marginal fulfilment of the aspirations of the developing countries set out in the Charter of Algiers.¹ In the past few years the flow of official aid from developed to developing countries had stagnated, the terms of trade for developing countries had continued to deteriorate and there

had been virtually no progress in the removal of barriers against imports from developing countries into developed countries. The know-how and technology needed by the developing countries continued to be difficult and expensive to obtain and not always suited to development needs. A shortage of foreign exchange had prevented the level of imports into many developing countries from rising. The developed countries, although they could well afford it, seemed reluctant to give even the relatively small amount of aid needed by a number of developing countries which were at the most critical stage of development.

9. Thus the total picture was far from reassuring. The efforts made during the Second Development Decade would determine the quality of life for all peoples during the decades to come. Any complacency or half-hearted response to the problems facing the developing countries could lead to massive unrest in large areas of the world, threatening peace and security everywhere.

10. Certain developed countries were attaching increasing importance to assistance through multilateral channels. The developing countries had been the first to advocate that form of aid, but they were concerned at the fact that it was being emphasized at a time when both bilateral official assistance and the volume of resources made available to multilateral agencies were declining. That trend must be reversed.

11. The most important matter on the Council's agenda at the present session was the draft of an international development strategy for the Second United Nations Development Decade, set forth in paragraph 16 of the report of the Preparatory Committee for the Second United Nations Development Decade on its sixth session.² Although the draft was still incomplete, he wished to record his appreciation of the work done by the Preparatory Committee. The Secretary-General (1696th meeting, para. 19) had referred to the need for a time-table for action and commitment. Unfortunately, however, almost all the provisions of the draft strategy relating to the establishment of target dates for the implementation of the agreed measures were still in brackets, and so far no commitments had been made on some of the measures which were vital to the success of the Decade. What good were goals without the means to achieve them? Unless the developed countries exercised the necessary political will and assumed additional responsibilities, it would not be worth while for developing countries to plan their future course of development within the framework of a global strategy. His delegation especially urged all advanced countries to transfer at least 1 per cent of their annual GNP as aid to developing countries, at least three quarters of it in the form of official aid. As the ability of the developing countries to undertake a number of other measures outlined in the strategy largely depended upon the fulfilment of that target, it was important that it should be reached early in the Decade. It was gratifying to note that some developed countries had achieved the 1 per cent target since the second session of the Conference and that

¹ See *Proceedings of the United Nations Conference on Trade and Development, Second Session*, vol. I, *Report and Annexes* (United Nations publication, Sales No.: E.68.II.D.14), annex IX, p. 431.

² A/7982, transmitted to the Council by a note by the Secretary-General (E/4876).

others had definite plans to do so. His delegation urged that the tying of aid should cease altogether from the beginning of the Decade and that terms of assistance should be further liberalized. India's experience had shown that the pressure on the balance of payments of a developing country caused by high rates of interest and short maturity periods posed a serious threat to further growth.

12. His delegation earnestly hoped that the policy measures for diversifying the commodity structures of international trade recommended in the draft international strategy would be fully and speedily implemented by the developed countries. The developing countries could reasonably ask for the implementation of a programme of action for the removal of barriers within a specified period. He expressed the hope that agreement on the broad outline of a generalized, non-discriminatory and non-reciprocal scheme of preferences would be reached before the opening of the twenty-fifth session of the General Assembly. It was also essential that steps should be taken to maintain prices and markets for primary products, including such items as iron ore and manganese ore, which were becoming increasingly important to the economies of several developing countries. The developing countries must not be exploited because they were compelled to export in order to sustain their development programmes. Even more important, they must not be allowed to suffer a double loss by being forced to buy their imports with tied resources and sell their exports in fiercely competitive world markets.

13. The developing countries of Asia, Africa and Latin America had been trying hard to help themselves by forging closer mutual links at the regional and sub-regional levels. The developed countries had pledged their support for such efforts, but so far very little progress had been made towards implementing the various resolutions adopted on the subject. He urged the Council to ensure that adequate financial and technical assistance was made available to regional economic commissions and other regional organizations, in order to enable the developing countries to undertake regional programmes of co-operation and also develop interregional contacts and activities.

14. His delegation was glad to know that agreement had been reached in the Preparatory Committee on the promising but relatively unexplored subject of the transfer of operative technology to developing countries. It was also crucially important for the success of the Second Development Decade that adjustments should be made in the economies of the developed countries to allow increased imports from developing countries and also to promote a new international division of labour. Surprisingly, although the weight of authoritative opinion was in favour of such measures, the relevant paragraphs in the draft strategy still remained in brackets. Most of the blanks and brackets in the draft strategy related to the time factor in the implementation of the agreed programme; thus the gap between promise and performance which had characterized the First United Nations Development Decade unfortunately still persisted. He suggested that since the Economic Committee, to which the draft strategy had rightly been referred, was burdened with a number of other complex items, a working group open to all members of the Council

should be appointed to make a supreme effort to remedy the critical deficiency in the strategy to which he had referred.

15. He expressed regret that the centrally-planned economy countries had not so far taken part in the formulation of the draft strategy for the Decade, which must have universal participation if it was to succeed. He hoped that they would be able to make their full contribution at the present session and participate fully in the implementation of the policy measures embodied in the strategy.

16. His delegation attached great importance to effective arrangements for reviewing and appraising the progress made in the implementation of the strategy. Such review and appraisal would now be carried out within the framework of concomitant and synchronized measures taken by both developed and developing countries, in line with the concept of continuous commitment and accountability to the will of the international community.

17. One of the Council's major preoccupations during the past three years had been the question of the application of science and technology to development and, in particular, the adaptation of United Nations institutional machinery in the field of science and technology. The establishment of effective machinery in that field was a matter of urgent concern. The problems were varied, complex and numerous, and priorities had of necessity to be established among them. With the aim of harnessing science and technology to increase production and productivity in the developing countries, the Indian delegation had advocated the creation of permanent machinery, under the aegis of UNCTAD, to deal with the question of the transfer of technology to those countries. However, each problem in the application of science and technology must be considered in all its aspects, and new institutional arrangements should be made only in response to individual problems as they arose and not in order to deal with all scientific and technological problems together.

18. There was no need to stress the importance of economic co-operation in the Second Development Decade. In the first Decade, the lack of genuine involvement in the development process on the part of many developed nations had led to a double disenchantment: nations in need of external capital inputs had found it difficult to reconcile external assistance with self-respect, while nations in a position to share their affluence had found capital transfers to the developing countries inconsistent with their short-term view of national self-interest. It was to be hoped that it had since been discovered that both developed and developing countries had a common stake in the development process.

19. The gravity of the problem of poverty could no longer be ignored. As the Prime Minister of India had stated in her inaugural address to the second session of the United Nations Conference on Trade and Development, the question before the advanced nations was not whether they could afford to help the developing nations but whether they could afford not to do so.³ There was so little time

³ See *Proceedings of the United Nations Conference on Trade and Development, Second Session*, vol. I, *Report and Annexes* (United Nations publication, Sales No.: E.68.II.D.14), annex IX, p. 411.

available to deal effectively with the problem of policy before it proved an irrevocable threat to peace and security that the world had no choice but to succeed.

20. Mr. TOUZANI (Tunisia) said the Council was beginning a pivotal session which marked the end of the First United Nations Development Decade, the beginning of the second quarter-century of existence of the United Nations and an emerging consensus that the time was ripe for a radical reform of the Council's working methods.

21. In order correctly to assess the achievements of the United Nations in the first twenty-five years of its existence, the Council must look to the future. That future held not only potential threats but also many promises and hopes that must be realized; it was therefore essential that the Council, without fear of over-ambition, should broaden its horizons to cover as much as possible of the world of tomorrow. Certain guiding concepts, which were set out in the development strategy for the second Decade, did, however, emerge from the balance-sheet of the past twenty-five years. He wished to make some comments on agriculture and education in connexion with the *World Economic Survey, 1969* (E/4841 and Add.1-2).

22. The reason why the average annual rate of increase of Tunisian agriculture (E/4841, table I-7) was negative – apart from the factor of human error – was the lack of rain over the past six years. That showed the importance of rainfall for regular agricultural growth rates, particularly in countries which were subject to fluctuations in that respect and consequently had to be cautious in their agricultural forecasts.

23. In education, it was essential not only to turn out greater numbers of educated and trained personnel but to find openings for them. In Tunisia, where 25 per cent of the total population were receiving education and 33 per cent of the regular budget resources were devoted to financing educational and vocational training establishments, the number of graduates from the Engineering School at Tunis would in ten years' time far exceed the capacity of the Tunisian market to absorb them. That would lead to an even more rapid "brain-drain", particularly to developed countries. The question therefore arose whether it was right that the Tunisian people should be subjected to great sacrifices which, in the final analysis, would go to provide skilled personnel for the developed countries. That problem could only be solved by concerted international efforts within the Second Development Decade.

24. Of the many documents relating to the Second Development Decade, the most important were the reports of the Preparatory Committee for the Second United Nations Development Decade on its fifth and sixth sessions.⁴ While regretting that some countries had not found it possible to take part in the Preparatory Committee's deliberations, his delegation believed the essential point was that the Council had before it, in the draft of an international development strategy, a document which it

could discuss and try to improve. The draft was the first attempt at an integrated concept of development, taking due account of social factors. Such an approach was in accordance with the requirements of modern economic science, for which the ultimate goal of development was the constant improvement of mankind's welfare. Economic development could only be meaningful in so far as it led to qualitative and structural social change.

25. The targets and some of the measures set out in the draft could be regarded as falling short of the developing countries' hopes, and it might also be felt that very few specific commitments had been undertaken by the developed countries, particularly with regard to the volume of their aid to developing countries. While that was true and regrettable, the strategy should be seen from a dynamic standpoint and should be supplemented regularly during the next ten years. That was why the machinery for review and appraisal was of prime importance. While the general scheme of that machinery contained in the draft strategy seemed acceptable, the General Assembly ought to be able to suggest necessary improvements or specific steps without being encumbered by excessive documentation; during the 1970s, therefore, the measures advocated should be defined in more precise and concrete terms. The whole of the United Nations system should be laid under contribution for that task, and UNCTAD would have a leading part to play in the process of permanent negotiation and consultation. For the moment, the Council should try to settle the problems which still remained unsolved. The question of aid, in particular, was of prime importance and affected all measures envisaged for the Second Development Decade, especially those relating to the mobilization of the developing countries' internal resources.

26. Another important question was the contribution of the planned-economy countries. It was to be hoped that they would inform the Council at the present session of the part which they intended to play in achieving the targets of the Second Development Decade. The extent of their development assistance in the past justified the belief that they would intensify their efforts in the future.

27. The Tunisian delegation hoped that the discussion of those problems in the Economic Committee would result in specific solutions, and that the Committee would be able to organize its work so as to reach those solutions in the best possible conditions. Whatever improvements were made in the draft strategy, however, it would always remain an indicative plan for action by individual countries; it could not cover the immense variety of specific and daily actions required by the development process. He wished to refer to some of those actions which affected the economic efficiency of the resources which ought to be available to the developing countries.

28. The total volume of external assistance available to the developing countries was often cut down because of unjustified price-increases resulting from agreements between manufacturers. Under agreements of that kind, which could be either permanent or for specific market transactions, the prices of products were sometimes even doubled. The developed countries should prevent such

⁴ A/7962 and A/7982, transmitted to the Council by a note by the Secretary-General (E/4876).

practices, which were an abnormal and amoral method of reducing the foreign exchange resources available to developing countries. They often occurred in connexion with bilateral aid tied to purchases in the donor country, and could be eliminated by allowing the beneficiary countries to make their purchases in the developing countries. Some steps were at present being taken in that direction and Tunisia had been able to benefit by them.

29. Another problem encountered in exporting some industrial products was protectionism disguised as standardization regulations. While such camouflaged protectionism had been initiated by the developed countries mainly to protect themselves against products from other developed countries it also affected developing countries by raising their production costs. There, too, long-term solutions had now emerged as a result of the standardization work carried out at various international levels.

30. Despite all their efforts to restrict consumption, the developing countries suffered from an insufficiency of local as well as foreign currency. Two solutions were already being applied: the establishment of counterpart funds obtained by selling on domestic markets consumer goods purchased through tied aid, and intergovernment financial loans corresponding to purchases of capital goods financed by tied aid. The first solution had often led to cost-of-living increases in the recipient countries. Such increases, and the chain reaction which they caused, reduced the economic efficiency of that approach. The second solution, on the other hand, was more flexible and effective, since it not only involved no price-increases but also enabled the central bank to hold counterpart currencies against the local currency it issued. It was to be hoped that the second approach, which was at present followed by only one developed country, would become more and more common. In addition, the developed countries should be asked not to apply any revaluation of their currencies to repayments of external loans granted to developing countries prior to such revaluation.

31. The Second Development Decade would be the first step taken by the United Nations in ushering in a new era in its existence. The developing countries were fully aware that they must assume the prime responsibility for their own development, and would only then be justified in asking the rich countries to show more understanding for their needs and to give greater support to their efforts. But no successful development effort was possible without lasting peace and an end to the insane armaments race, which was in fact a race towards suicide. The words peace, justice and progress must be given real meaning and effect if the disadvantaged peoples were not to experience further disappointments.

32. Mr. WELLS (Deputy Director-General, Food and Agriculture Organization of the United Nations) said that the Council was meeting at a time of heightened expectations throughout the world. The forty-ninth session was an occasion for reflection on the progress so far made and on the directions and goals the United Nations system was setting for itself over the next decade.

33. In the past decade, despite the efforts of Governments and the international community, food production per head had increased little, food imports had risen, nutrition had improved only marginally, the income gap between the farming population and the rest of society had widened and there was general under-employment in agriculture. The move from rural to urban areas had been aggravated and had contributed to heavy unemployment, while the value of agricultural exports had failed to keep pace with the increased cost of the imports required by the developing countries.

34. Nevertheless, the picture was not entirely gloomy, since it was steadily increasing population growth which had hampered the food production efforts of many developing countries. The agricultural production of the developing countries as a whole had expanded over the past ten years at the creditable rate of 2.67 per cent per annum, and a number of them had achieved much higher rates. FAO had also launched several major initiatives which had contributed significantly to the long-term orientation of its work. Among them were: the Freedom from Hunger Campaign, WFP, the co-operative programmes with IBRD and the regional development banks, the FAO/Industry Co-operative Programme, the World Congress on Land Reform, the Young World Programme and the Indicative World Plan for Agricultural Development. Thus, international action for agricultural development was gathering momentum, as could be seen from the steady increase in agricultural plans and projects now being assisted by the various agencies within the United Nations system.

35. The outlook for the coming decade justified cautious optimism. Because of the technical breakthrough in plant breeding and the use of high-yielding cereals, the food and population problem appeared, for the first time, more manageable. However, it had to be remembered that agriculture must not only supply food for an ever-growing population, but also produce more and different kinds of protein-rich foods to meet the scourge of protein malnutrition and the greater demands that accompanied rising incomes. Further, more agricultural raw materials were needed for the industrial sector: it was estimated that a 4 per cent annual rate of increase in agricultural production was needed to support the 6 per cent average annual rate of growth envisaged for the developing countries during the Second United Nations Development Decade.

36. Another, and still more intractable, problem was that of employment in the rural sector, where it appeared that over 400 million additional rural inhabitants would have to be absorbed by 1985 – perhaps the greatest threat to the technological revolution which could solve the food problem.

37. The priorities and policies of FAO with regard to the Second Development Decade were set out in detail in the booklet entitled *A Strategy for Plenty*⁵ which had been distributed to members of the Council.

38. The new agricultural techniques, which could bring hope and prosperity to millions of rural people, were by no

⁵ FAO, *World Food Problems*, No. 11 (Rome, 1970).

means simple; they had to be put together effectively and they gave rise to many problems. However, they provided a meaningful framework for harmonizing and co-ordinating the contributions of each member of the United Nations family. Skilfully handled, the "green revolution" could become the vehicle for eliminating much of the world's malnutrition and for providing millions of jobs in the countryside; badly managed, it could displace millions from rural areas into the already overcrowded cities. The new seeds, which needed more water, necessitated a different approach to irrigation and massive investment in other inputs. Agriculture-related industries had to be developed, and the widespread illiteracy in rural areas eradicated. In addition, some highly difficult international trade problems must somehow be solved. Those were problems not just for FAO but for the whole United Nations family, and that was why the ACC had recently decided to set up a special group to study the problems of the "green revolution" and to co-ordinate the activities of the specialized agencies in that sphere.

39. Multi-agency programming was dependent on basic considerations which were the subject of both the report of the Commission on International Development (Pearson Commission)⁶ and of the Capacity Study prepared by Sir Robert Jackson.⁷ The former came at a critical time, it having been estimated in the Indicative World Plan for Agricultural Development that from 1962 to 1985, \$110,000 million would be required to meet the objectives of the Plan. Though that figure might appear large, it represented an expenditure of only about \$100 per person of the agricultural population in the area covered by the Plan, or roughly \$4 per head annually.

40. FAO agreed with much of the Capacity Study, but would stress in particular the need for the specialized agencies and UNDP to work in closer partnership so as to ensure well-planned and well-executed country programmes. The aim should be to achieve an integrated United Nations policy at all levels, but principally at the country level, with the specialized agencies providing sectoral leadership and UNDP over-all co-ordination.

41. Within that context, FAO had already embarked on a major effort to improve its performance. It had reorganized its own structure, as a result of which greater authority had been delegated to the regional and country representatives for programme formulation within the five main areas of the organization's activities: the development and use of high-yielding varieties of food crops; filling the protein gap; a total war on waste, including attention to deterioration of the human environment; mobilization of human resources; and earning and saving of foreign exchange. Those priority areas served as a basis for programme budgeting and planning, as a framework for integrated action within FAO and as a catalyst for planning and wider co-operation between United Nations agencies and programmes concerned with food and agricultural development.

⁶ *Partners in Development: Report of the Commission on International Development* (New York, Praeger 1969).

⁷ *A Study of the Capacity of the United Nations Development System* (United Nations publication, Sales No.: E.70.I.10).

42. In the past, co-ordination had been lacking, and too many claims for priority had been made in sectors of special interest. But though all sectors were undoubtedly essential to development, they could not be viewed in isolation. The opportunity for a concerted partnership effort therefore opened up prospects of real promise.

43. Turning to the items on the Council's agenda, he expressed the hope that the international development strategy for the Second United Nations Development Decade would lay down not only objectives but also the commitments required of the aid-giving countries in the promotion of economic and social development. Growth targets, of course, would have to be based on detailed analysis of the factors involved, and the data already collected by the agencies in that connexion should be made available to the developing countries.

44. With regard to multilateral food aid, FAO fully supported the recommendations in the eighth annual report of the United Nations/FAO Intergovernmental Committee of the World Food Programme to the Economic and Social Council of the United Nations and to the Council of FAO (E/4835). There would be a continuing need for the transfer of food from surplus to deficit countries, not only to promote economic and social development but also to provide emergency relief for countries struck by natural or other disasters.

45. With regard to the need to increase the production and use of edible proteins, he said that FAO devoted approximately one third of its resources to filling the protein gap, and was intensifying its co-operation with WHO, UNICEF and WFP in that connexion. On the recommendation of the Advisory Committee on the Application of Science and Technology to Development, the terms of reference of the FAO/WHO/UNICEF Protein Advisory Group had been expanded to enable it to serve as the main advisory body for the whole United Nations system. Both FAO and the Protein Advisory Group considered that the establishment of another protein policy body, as suggested by the Advisory Committee, would only confuse the issue.

46. FAO also considered that any global arrangement for government machinery in regard to science and technology should include under one heading all sectors involved, including the protein sector, so as to avoid the proliferation of a number of different policy bodies. It therefore welcomed the initiative of the Advisory Committee in formulating a World Plan of Action for the Application of Science and Technology to Development – whose success, however, would depend on the extent to which the efforts of the international organizations were co-ordinated.

47. Space research and development was another area requiring careful attention from the point of view of co-ordination. The interpretation of remotely-sensed data was of vital significance to FAO, which, in co-operation with the United Nations, had appointed a panel of experts to study the application of space techniques in the management of food resources.

48. FAO shared the widespread interest recently shown in the problem of the deterioration of the human environment, more particularly as it affected the sustained use and

productivity of renewable natural resources. It considered that the efforts and resources of the United Nations and the agencies in that area should be pooled, and looked forward with interest to the 1972 Conference of the Human Environment.

49. On the question of volunteers, he said that while FAO had been using volunteers successfully for some years, certain factors inhibited their wider employment, such as the absence of official recognition of volunteers within the United Nations and the absence of standardization of their conditions of service. FAO therefore welcomed the proposal for an international corps of volunteers for development, which would do much to remove the present difficulties.

50. The Second World Food Congress, held recently in The Hague and attended by 1800 participants, had examined the whole question of food and agriculture as it related to development. It had been agreed that while technological advances gave reason for hope, the inadequate rate of economic and social development deepened the sense of frustration in many areas. The interrelationship between the various development problems and the need for more attention to the social and political aspects of development had been stressed. Young people had played an important part at the Congress: in such important matters as food and development, it was essential for everybody, not only experts, to be involved.

51. Mr. HEYER (International Confederation of Free Trade Unions), speaking at the invitation of the President, said that ICFTU recognized the value of the work accomplished, in the face of many difficulties, by the Preparatory Committee for the Second United Nations Development Decade and the Committee for Development Planning, but deplored the fact that, on political pretexts, a certain group of developed countries had not participated in that work. It urged all Governments to ensure that the questions still outstanding were resolved.

52. The most important point to be settled by the Council concerned the implementation dates for the policies recommended in the draft strategy, for if those policies, however positive they might be, were not put into effect by specified dates they would lose much of their impact. He realized that some of the developed countries were hesitant, because of balance-of-payments difficulties, to commit 1 per cent of their GNP to development aid, but wastage in consumer societies — on armaments, for example — was so enormous and aid had so insignificant a part to play in the difficulties of the donor countries, that no obstacle should be allowed to prevent the target of 1 per cent from being achieved by 1972.

53. With regard to the mobilization of resources for development, ICFTU strongly supported the proposal that the Committee for Development Planning had made at its sixth session, namely, that all countries should levy a tax on the consumption of a limited number of items, the possession of which was indicative of a relatively high level of living, and that the revenue derived should be used for financing international development. A special tax could also be levied on exceptional profits made by multinational

firms operating in the developing countries. The main advantage of that would be to make private individuals aware of the need for their direct participation in an effort that had hitherto been confined to administrative and government circles; the falling-off of aid in recent years was probably due to the fact that the problem had not been the subject of major political debate, and had not received popular support. ICFTU therefore hoped that the Council would discuss the proposal for a world solidarity contribution at its present session, and that the Governments of the developed and developing countries would ensure its implementation during the first half of the Second Development Decade. At the same time, IMF should attend, as a matter of urgency, to the developing countries' special needs with regard to monetary reserves, and also to the question of the adverse influence on aid of certain financial developments of recent years.

54. ICFTU considered it essential that programmes should be put into effect in the developed countries to adapt industries and workers to the situations that might be caused by increased imports of manufactured and semi-manufactured goods from the developing countries. Such programmes should be carried out in good time, to lessen the need to compensate industries and workers for any losses incurred, and with the co-operation of the employers' and workers' organizations. The advanced countries should synchronize their national policies in that regard. In the absence of a positive and well-ordered effort of that kind, the restrictive and protectionist practices which ICFTU had always opposed would find fertile ground.

55. Referring to multinational firms, he said the free trade unions were by no means opposed to foreign private investment which promoted the transfer of products, techniques and knowledge. The benefits which could be expected to accrue from such investment, however, were not automatically forthcoming. For that reason, as the draft strategy rightly stressed, foreign investment should be in keeping with the development objectives and priorities of the countries concerned. The free trade unions had unfortunately had many experiences of powerful international firms trying to profit unduly by differences in labour costs and by excessive tax and other privileges granted by Governments to attract foreign capital. There were companies which would stop at nothing to prevent rising wages, which regarded trade union organization as their prime enemy, and which did not hesitate to take their business elsewhere when social conditions improved.

56. The freeing of capital flows and transfers of activities, which ICFTU favoured as part of a more rational international division of labour, must not have the effect of recreating the exploitation of the free international labour market which it was trade unionism's finest achievement to have abolished; the development process, transfers of activities and expanding international trade must result in a general increase in productivity with reciprocal economic and social benefits. It was only right that the first to profit from those reciprocal economic benefits should be the workers engaged in the activities in question, and that in the developing countries more attention should be paid to

the distribution of social benefits, particularly where, like vocational training, housing and so forth, they helped the community as a whole.

57. In view of the increase in multinational firms and the consequent increase in the risk of abuse of labour, the free trade unions considered it essential that the employment regulations developed in the past on a national basis by the ILO should be adapted to the new conditions. Multinational companies should be required to respect the basic ILO principles regarding trade union freedom and the right of organization and collective negotiation, and should also respect ILO conventions on other subjects, whether or not ratified by the countries in which they were operating. An independent international centre, with tripartite representation of Governments, multinational firms and workers' organizations, should supervise the application of those rules.

58. It was unfortunate that the draft international strategy for the Second United Nations Development Decade, set forth in paragraph 16 of the Preparatory Committee's report on its sixth session, was somewhat unbalanced in its general approach, concentrating on the economic aspects of development and not taking full account of Economic and Social Council resolution 1409 (XLVI), which reaffirmed

the necessity for the progressive integration of social and economic goals and programmes. The draft international strategy, which was geared to an annual growth rate of 6-7 per cent for the Decade, overlooked the fact that even if that target was reached, millions of workers would in the course of the Decade join the number of those already unemployed and under-employed. As had already been stated in the *World Economic Survey, 1968, Part One*,⁸ a growth rate of 8 per cent would be needed throughout the 1970s if the present rate of unemployment and under-employment were to be absorbed. The draft international strategy failed to lay sufficient stress on the new policies needed in that connexion, nor did it underline the need to develop institutions that could serve as a stimulus for rapid change and adaptation to the modern world. No institution was better fitted for that than the free trade union organizations, which constituted the only organized force capable of enlisting the wide voluntary co-operation of the workers.

The meeting rose at 5.5 p.m.

⁸ United Nations publication, Sales No.: E.69.II.C.6.