

ECONOMIC AND SOCIAL COUNCIL

OFFICIAL RECORDS

FIFTY-NINTH SESSION

PALAIS DES NATIONS, GENEVA

2-31 July 1975

Summary records of plenary meetings



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UNITED NATIONS

New York, 1975

INTRODUCTORY NOTE

The *Official Records of the Economic and Social Council* consist of the summary records of the plenary meetings, incorporating corrections requested by delegations and any necessary editorial modifications, and supplements.

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Symbols of United Nations documents are composed of capital letters combined with figures. Mention of such a symbol indicates a reference to a United Nations document.

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ABBREVIATIONS

ACABQ	Advisory Committee on Administrative and Budgetary Questions	IMCO	Inter-Governmental Maritime Consultative Organization
ACC	Administrative Committee on Co-ordination	IMF	International Monetary Fund
ACP	African, Caribbean and Pacific States	OAU	Organization of African Unity
ASEAN	Association of South-East Asian Nations	OECD	Organisation for Economic Co-operation and Development
CDP	Committee for Development Planning	OPEC	Organization of Petroleum-Exporting Countries
CMFA	Council for Mutual Economic Assistance	PPCC	Policy and Programme Co-ordination Committee
DAC	Development Assistance Committee of OECD	RCD	Regional Co-operation for Development (Iran, Pakistan and Turkey)
ECA	Economic Commission for Africa	SDRs	Special drawing rights
ECF	Economic Commission for Europe	UNCTAD	United Nations Conference on Trade and Development
EEC	European Economic Community	UNDP	United Nations Development Programme
ECLA	Economic Commission for Latin America	UNEO	United Nations Emergency Operation
ECWA	Economic Commission for Western Asia	UNEP	United Nations Environment Programme
ESCAP	Economic and Social Commission for Asia and the Pacific	UNESCO	United Nations Educational, Scientific and Cultural Organization
FAO	Food and Agriculture Organization of the United Nations	UNFPA	United Nations Fund for Population Activities
GATT	General Agreement on Tariffs and Trade	UNHCR	Office of the United Nations High Commissioner for Refugees
GDP	Gross domestic product	UNICEF	United Nations Children's Fund
GNP	Gross national product	UNIDO	United Nations Industrial Development Organization
GSP	Generalized System of Preferences	UNISIST	World Scientific and Technical Information Service
IAEA	International Atomic Energy Agency	UNITAR	United Nations Institute for Training and Research
IBRD	International Bank for Reconstruction and Development	WFP	World Food Programme
ICAO	International Civil Aviation Organization	WFTU	World Federation of Trade Unions
ICC	International Chamber of Commerce	WIPO	World Intellectual Property Organization
ICFTU	International Confederation of Free Trade Unions	WHO	World Health Organization
IDA	International Development Association	WMO	World Meteorological Organization
ILO	International Labour Organisation		

AGENDA FOR THE FIFTY-NINTH SESSION

Adopted by the Council at its 1953rd meeting, held on 2 July 1975

1. Opening of the session.
2. Adoption of the agenda and organization of work.
3. General discussion of international economic and social policy, including regional and sectoral developments.
4. Regional co-operation.
5. International Women's Year.
6. Economic assistance to Zambia.
7. United Nations University.
8. Economic, financial and technical assistance to the Government of Guinea-Bissau and to the Territories still under Portuguese domination.
9. Mid-term review and appraisal of progress in implementing the International Development Strategy for the Second United Nations Development Decade; Programme of Action on the Establishment of a New International Economic Order.
10. Special session of the General Assembly devoted to development and international economic co-operation.
11. Natural resources.
12. International environment co-operation.
13. Industrial development co-operation.
14. Impact of transnational corporations on the development process and on international relations.
15. Operational activities for development.
16. International co-operation and co-ordination within the United Nations system.
17. Food problems.
18. Marine questions.
19. Implementation of the Declaration on the Granting of Independence to Colonial Countries and Peoples by the specialized agencies and the international institutions associated with the United Nations.
20. Assistance in cases of natural disaster and other disaster situations.
21. Transport questions.

22. Calendar of conferences.

23. Elections.

24. Trade and development.*

* To be considered at the resumed fifty-ninth session, in accordance with para. (b) of Council decision 65 (ORG-75) of 15 January 1975.

CHECK LIST OF DOCUMENTS

Note. Listed below are the documents pertaining to the fifty-ninth session. The corresponding item of the agenda is indicated in respect of each document. The titles of draft resolutions, amendments, etc. include the names of States which subsequently joined the original sponsors. All documents were issued in mimeographed form unless otherwise indicated.

<i>Document No.</i>	<i>Title</i>	<i>Agenda item</i>	<i>Observations and references</i>
A/10003	Report of the Economic and Social Council on the work of its fifty-eighth and fifty-ninth sessions		<i>Official Records of the General Assembly, Thirtieth Session, Supplement No. 3.</i>
A/10021	Report of the Board of Governors of the United Nations Special Fund on the work of its first session.	9	<i>Ibid., Supplement No. 21.</i>
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E/5587 and Add.1-4	Note by the Secretary-General transmitting the report of the World Food Conference	17	For the final report, see United Nations publication, Sales No. 75.II.A.3.
E/5608	Annual report of the Economic Commission for Latin America	4	<i>Official Records of the Economic and Social Council, Fifty-ninth Session, Supplement No. 9, vols. I and II.</i>
E/5608/Add.1	Economic Commission for Latin America: report of the Committee of the Whole on its ninth extraordinary session	4	<i>Ibid., Supplement No. 9A.</i>
E/5619	United Nations export promotion and development efforts: report of the Secretary-General	4	
E/5625 and Corr.1	Recent policy and action concerning tourism, with special reference to the recommendations contained in resolution 37 (III) of the United Nations Conference on Trade and Development of 13 May 1972: report of the Secretary-General	9	
E/5646	Report of the Governing Council of the United Nations Development Programme on its nineteenth session	15	<i>Ibid., Supplement No. 2.</i>
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E/5648	Coastal area management and development: report of the Secretary-General	18	
E/5649	Note by the Secretary-General transmitting the annual report of ICAO	16	See ICAO, "Analytical summary of activities in 1974".
E/5650 and Corr.1	Uses of the sea: study prepared by the Secretary-General	18	
E/5651	Annual report of the Economic Commission for Europe	4	<i>Official Records of the Economic and Social Council, Fifty-ninth Session, Supplement No. 8.</i>

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E/5655/Add.1	Programme budget implications concerning the recommendations contained in the report of the Commission on Transnational Corporations on its first session: statement submitted by the Secretary-General	14	
E/5656	Annual report of the Economic and Social Commission for Asia and the Pacific	4	<i>Ibid.</i> , Supplement No. 7
E/5657 and Corr.1 and 2	Annual report of the Economic Commission for Africa	4	<i>Ibid.</i> , Supplement No. 10, vols. I and II
E/5658	Annual report of the Economic Commission for Western Asia on its second session	4	<i>Ibid.</i> , Supplement No. 11
E/5662	Progress in the implementation of Council resolution 1889 (LVII) on information systems and the common register (CORE): report of the Administrative Committee on Co-ordination	16	
E/5663	Report of the Committee on Natural Resources on its fourth session	11	<i>Ibid.</i> , Supplement No. 3.
E/5663/Add.1	Programme budget implications of the draft resolutions submitted by the Committee on Natural Resources in its report on its fourth session: statement submitted by the Secretary-General	11	
E/5665	<i>World Economic Survey, 1974 -- Part One: Mid-term Review and Appraisal of Progress in the Implementation of the International Development Strategy</i>	3 and 9	United Nations publication, Sales No. E.75.II.C.1.
E/5666	Note by the Secretary-General transmitting the annual report of IMCO	16	See IMCO "Analytical summary of the annual report 1974/1975".
E/5671	Report of the Committee for Development Planning on its eleventh session.	9	<i>Official Records of the Economic and Social Council, Fifty-ninth Session, Supplement No. 4.</i>
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E/5678	Note by the Secretary-General transmitting the study by the International Union of Official Travel Organizations on the impact of international tourism on the economic development of developing countries	9	
E/5679	Note by the Secretariat transmitting the report of IAEA	16	See IAEA, "Director General's statement to the Economic and Social Council, July 1975".
E/5680	Report of UNESCO	16	
E/5681 and Add.1-4	<i>World Economic Survey, 1974. Part Two: Current Economic Developments</i>	3 and 9	United Nations publication, Sales No. E.75.II.C.3
E/5682	<i>Survey of Economic Conditions in Africa, 1974: summary</i>	3	The full text will be issued as a United Nations publication.

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E/5685	Provisional agenda and annotations	2	For the agenda as adopted, see p. vii above.
E/5686	Progress report of the Secretary-General on the implementation of the World Plan of Action for the Application of Science and Technology to Development		
E/5687	Note by the Secretary-General transmitting the report of FAO	16	See FAO, "Report of the Food and Agriculture Organization of the United Nations to the Economic and Social Council at its fifty-ninth session: summary for the year 1974" (document IAA: ECOSOC/59).
E/5688 and Corr.1 and Add.1	Report of the United Nations High Commissioner for Refugees		For the final report, see <i>Official Records of the General Assembly, Thirtieth Session, Supplements Nos. 12 and 12A</i> (A/10012 and Add.1).
E/5689	International co-operation to combat desertification: progress report of the Secretary-General		
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E/5694	Note by the Secretary-General transmitting the thirteenth annual report of the United Nations/FAO Intergovernmental Committee of the World Food Programme	15	For the report, see WFP/IGC: 27/18.
E/5695	Note by the Secretary-General transmitting the report of the Industrial Development Board on the work of its ninth session	13	For the report, see ID/B/156.
E/5696	Note by the Secretary-General transmitting the report of the Second General Conference of the United Nations Industrial Development Organization	13	For the report, see ID/CONF.3/31.
E/5697	Note by the Secretariat transmitting the report of WIPO	16	See WIPO, "Analytical summary for the year 1974".
E/5698 and Corr.1	Report of the Executive Board of the United Nations Children's Fund	15	<i>Official Records of the Economic and Social Council, Fifty-ninth Session, Supplement No. 6</i> .
E/5699	<i>Note by the Secretary-General transmitting the Economic and Social Survey of Asia and the Pacific, 1974: summary</i>	3	For the full text, see United Nations publication, Sales No. E.75.II.F.1.
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E/5704	Report on the Joint Meetings of the Policy and Programme Co-ordination Committee and the Administrative Committee on Co-ordination	16	
E/5705	Note by the Secretary-General transmitting the report of the ILO	16	See International Labour Office, "Twenty-ninth report of the International Labour Organization to the United Nations" (Geneva, 1975).
E/5706	Note by the Secretary-General transmitting the report of WHO	16	See WHO, "Report of the World Health Organization, 1974: analytical summary" (document CWO/75.1).
E/5707	Note by the Secretary-General transmitting the report of WMO	16	See WMO, "Analytical summary of the annual report of the World Meteorological Organization for 1974, submitted to the fifty-ninth session of the Economic and Social Council".
E/5708	Note by the Secretary-General transmitting the report of the World Food Council on its first session.	17	For the final text, see <i>Official Records of the General Assembly, Thirtieth Session, Supplement No. 19 (A/10019)</i> .
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E/AC.6/L.565	Algeria, Argentina, Colombia, Congo, Ecuador, Ethiopia, Indonesia, Iran, Ivory Coast, Jamaica, Jordan, Pakistan, Romania, Senegal, Thailand, Trinidad and Tobago, Uganda, Venezuela and Yugoslavia: draft resolution	14	Adopted. See resolution 1960 (LIX).
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E/AC.6/L.570	Draft provisional agenda for the third session of the Preparatory Committee: note by the Secretariat	10	
E/AC.6/L.570/Rev.1	Draft provisional agenda and annotations for the third session of the Preparatory Committee: note by the Secretariat	10	Adopted. See decision 127 (LIX).
E/AC.6/L.571	Joint liaison and support units of the United Nations Information and Research Centre on Transnational Corporations and the regional commissions: draft resolution proposed by the Chairman	14	Adopted. See resolution 1961 (LIX).
E/AC.6/L.572	Algeria, Argentina, Brazil, Cuba, Egypt, Ghana, Iran, Indonesia, India, Ivory Coast, Jamaica, Jordan, Kenya, Mexico, Peru, Romania, Tunisia, Uganda, Venezuela, Yugoslavia and Zaire: draft resolution	10	
E/AC.6/L.573	Algeria, Argentina, Democratic Yemen, Egypt, Indonesia, Iran, Romania, Uganda and Yugoslavia: draft resolution	9	Adopted. See resolution 1977 (LIX).
E/AC.6/L.574	Draft resolution proposed by the Chairman	10	Adopted. See resolution 1980 (LIX).
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E/AC.24/L.509	Canada, Colombia, France and Japan: draft decision	16	Adopted. See decision 120 (LIX).
E/AC.24/L.510	Algeria, Egypt, Federal Republic of Germany, Iran, Pakistan, Trinidad and Tobago and Venezuela: draft resolution	18	Adopted. See resolution 1970 (LIX).

<i>Document No.</i>	<i>Title</i>	<i>Agenda item</i>	<i>Observations and references</i>
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E/AC.24/L.512	Belgium, Colombia, Kenya, Norway, Turkey and Zambia: draft resolution	15	
E/AC.24/L.512/Rev.1	Belgium, Colombia, Guinea, Kenya, Norway, Pakistan, Romania, Turkey and Zambia: revised draft resolution	15	Adopted. See resolution 1962 (LIX).
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E/AC.24/L.514	Colombia, Germany, Federal Republic of, Indonesia, Japan, Norway, Romania, Senegal, Thailand, United Kingdom of Great Britain and Northern Ireland, Zaire and Zambia: draft resolution	15	Adopted. See resolution 1964 (LIX).
E/AC.24/L.515	Japan, Kenya and Uganda: draft resolution	15	Adopted. See resolution 1965 (LIX).
E/AC.24/L.516	Canada: amendment to the draft resolution contained in document E/AC.24/L.511	16	
E/AC.24/L.517	Argentina, Ethiopia, Indonesia, Mali, Netherlands, Pakistan, Uganda and Venezuela: draft resolution	17	Adopted. See resolution 1969 (LIX).
E/AC.24/L.518	Argentina, Brazil, Ethiopia, Indonesia, Pakistan, Uganda, Venezuela, Yemen and Yugoslavia: draft resolution	20	Adopted. See resolution 1971 (LIX).
E/AC.24/L.519	Argentina, Colombia, Ecuador, Guatemala, Mexico, Pakistan, Peru, Romania, Senegal, Turkey and Uganda: draft resolution	20	
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E/AC.24/L.521	Algeria, Argentina, Congo, Democratic Yemen, Egypt, Ethiopia, Guinea, Indonesia, Iran, Ivory Coast, Jamaica, Kenya, Mali, Pakistan, Peru, Romania, Senegal, Trinidad and Tobago, Uganda, Yemen, Yugoslavia, Zaire and Zambia: draft resolution	19	Adopted. See resolution 1978 (LIX).
E/AC.24/SR.555-581	Summary records of the meetings of the Policy and Programme Co-ordination Committee during the fifty-ninth session of the Council.		
E/AC.62/8	Consideration of appropriate changes in the over-all pattern of international economic relations in the light of the constraints of a general policy nature on the implementation of the Programme of Action on the Establishment of a New International Economic Order, for the achievement of which the Charter of Economic Rights and Duties of States is one of the most important instruments, as well as the International Development Strategy: report of the Secretary-General	10	
E/AC.62/9	<i>A New United Nations Structure for Global Economic Co-operation: Report of the Group of Experts on the Structure of the United Nations System.</i>	10	United Nations publication, Sales No. E.75.II.A.7.
E/DEC/101-128(LIX)	Decisions adopted by the Council at its fifty-ninth session		For the final text, see <i>Official Records of the Economic and Social Council, Fifty-ninth Session, Supplement No. 1</i> (E/5740), decisions 101(LIX) to 129(LIX).

<i>Document No.</i>	<i>Title</i>	<i>Agenda item</i>	<i>Observations and references</i>
E/INF/149	Non-governmental organizations in consultative status with the Council in 1975		
E/INF.150 and Add.1	List of representatives to the fifty-ninth session of the Council		Incorporated in a separate fascicle containing the full list of delegations to the sessions of the Council held during the year 1975.
E/L.1649/Rev.1	United States of America: revised draft resolution	21	Adopted. See resolution 1973 (LIX).
E/L.1650/Rev.1	United States of America: revised draft resolution	21	
E/L.1651/Rev.1	United Kingdom of Great Britain and Northern Ireland: revised draft resolution	21	Adopted. See resolution 1975 (LIX).
E/L.1664 and Add.1, 4 and 6	Note by the Secretariat	22	
E/L.1664/Add.2	Letters dated 30 June 1975 addressed to the President of the Economic and Social Council by the Acting Chairman of the Committee on Conferences	22	
E/L.1664/Add.3	Administrative and financial implications of the recommendations contained in document E/L.1664	22	
E/L.1664/Add.5	Programme budget implications of Paragraph 4 (e) of the draft resolution contained in document E/L.1650/Rev.1	22	
E/L.1665	Excerpt from the report of the Trade and Development Board on the second part of its fourteenth session (TD/B/550): E. United Nations export promotion efforts	4	
E/L.1666	Note by the Secretariat	22	
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E/L.1669	Note by the Secretariat	17	
E/L.1670	Algeria, Argentina, Egypt, Ethiopia, Indonesia, Iran, Mexico, Netherlands, Romania, Thailand, Venezuela, Yugoslavia and Zambia: draft resolution	4	Adopted. See resolution 1952 (LIX).
E/L.1671	Algeria, Argentina, Colombia, Congo, Democratic Yemen, Denmark, Egypt, Ethiopia, Fiji, Gabon, Guinea, Indonesia, Ivory Coast, Jamaica, Kenya, Mali, Norway, Peru, Romania, Senegal, Thailand, Yugoslavia and Zaire: draft resolution	6	Adopted. See resolution 1951 (LIX).
E/L.1672	Programme budget implications of the draft resolution contained in document E/L.1671: statement submitted by the Secretary-General	6	
E/L.1673	Algeria, Argentina, Australia, Colombia, Congo, Democratic Yemen, Ecuador, Egypt, Fiji, Indonesia, Iran, Jamaica, Jordan, Mali, Mexico, Pakistan, Peru, Romania, Senegal, Thailand, Trinidad and Tobago, Turkey, Uganda, Yugoslavia, Zaire and Zambia: draft resolution	5	Adopted. See resolution 1959 (LIX).
E/L.1674	Letter dated 21 July 1975 addressed to the Secretary-General by the Permanent Representative of Argentina to the United Nations	11	
E/L.1675	Summary statement of the programme budget implications of proposals under consideration at the fifty-ninth session of the Economic and Social Council		
E/NGO/32	Statement submitted by the Inter-Parliamentary Union, a non-governmental organization in consultative status, category I	19	

<i>Document No.</i>	<i>Title</i>	<i>Agenda item</i>	<i>Observations and references</i>
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E/NGO/34	Statement submitted by the International Federation of University Women, a non-governmental organization in consultative status, category II	9	
E/NGO/35	Statement submitted by International Alliance of Women, International Council of Women, International Planned Parenthood Federation, Women's International Democratic Federation, World Federation of United Nations Associations, non-governmental organizations in consultative status, category I; Commission of the Churches on International Affairs, International Catholic Child Bureau, International Commission of Jurists, International Federation of Business and Professional Women, International Federation of Women Lawyers, International Movement for Fraternal Union among Races and Peoples, Muslim World League, Soroptimist International Association, Women's International League for Peace and Freedom, World Association of Girl Guides and Girl Scouts, World Muslim Congress, World Union of Catholic Women's Organizations, World Young Women's Christian Association, non-governmental organizations in consultative status, category II	9 and 10	
E/NGO/36	Statement submitted by the Inter-Parliamentary Union, a non-governmental organization in consultative status, category I	9 and 10	
E/NGO/37	Reports submitted by the International Chamber of Commerce, a non-governmental organization in consultative status, category I	3 and 14	
E/NGO/38	Statement submitted by the World Union of Catholic Women's Organizations, a non-governmental organization in consultative status, category II	9	
E/NGO/39	Statement submitted by the International Savings Banks Institute, a non-governmental organization in consultative status, category II	9	
E/NGO/40 and Corr.1	Statement submitted by the International Confederation of Free Trade Unions, a non-governmental organization in consultative status, category I	10	
E/NGO/41	Statement submitted by the World Confederation of Labour, a non-governmental organization in consultative status, category I	9 and 10	
E/RES/1950(LIX)- 1980 (LIX)	Resolutions adopted by the Council at its fifty-ninth session		For the final text, see <i>Official Records of the Economic and Social Council, Fifty-ninth session, Supplement No. 1, (E/5740)</i> , resolutions 1950 (LIX) to 1980(LIX).
E/SR.1953-1979	Summary records of plenary meetings of the Council held during its fifty-ninth session		For the final text, see <i>Official Records of the Economic and Social Council, Fifty-ninth Session, 1953rd to 1979th meetings</i> .

ECONOMIC AND SOCIAL COUNCIL

FIFTY-NINTH SESSION

Summary records of the meetings held at Geneva from 2 to 31 July 1975

1953rd meeting

Wednesday, 2 July 1975, at 3.30 p.m.

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

E/SR.1953

AGENDA ITEM 1

Opening of the session

1. The PRESIDENT declared open the fifty-ninth session of the Economic and Social Council and welcomed the Secretary-General.

Statement by the President of the Economic and Social Council

2. The present session was meeting in the thirtieth year of the founding of the United Nations, the thirtieth anniversary of the ending of the Second World War and a year of unique significance in that it had marked the end of the war in Indo-China. 1975 would be marked also by the holding of the seventh special session of the General Assembly, devoted to development and economic co-operation.

3. The attainment of independence by many countries formerly ruled by colonial Powers had transformed the character and concerns of the United Nations. Those countries had obtained a voice on the world stage and had awakened to their rights and potentialities. At the same time the unchecked growth of population in the developing countries and the growth of consumer demand in the developed countries had created pressures on living space, on resources and on the environment. That state of affairs had engendered a mood of disillusionment. The situation was indeed serious, for rich countries as well as for poor, but it was not without some redeeming features.

4. Considerable progress had been registered by many developing countries despite lack of resources, insufficiency of capital, deteriorating terms of trade and other economic and political problems. Those countries had built up their economic and social infrastructure, increased agricultural production, established and diversified industry, initiated social reforms and made a start towards controlling population growth and protecting the environment.

5. The transfer of resources to the oil-producing countries was being used to create new centres of economic activity and social transformation in Africa, Asia and Latin America. The people of the countries concerned could now look forward to a better life and the economic growth of those countries would have a beneficial effect on their regions. Moreover, the oil-producing countries had become major contributors to international, regional and bilateral programmes of economic development and co-operation, their contribution already amounting to a percentage substantially higher than the 1 per cent of GNP envisaged in the International Development Strategy for the Second United Nations Development Decade.¹

6. Lastly, there had been an evolution in the concept of international responsibility embodied in the Charter pledge to promote social progress and better standards of life for all in larger freedom. It was a long step from the Marshall Plan and foreign aid to the idea of an economic order expressly designed to ensure greater equity and rationality in the economic and social relationships of mankind. The Declaration on the Establishment of a New International Economic Order adopted at the sixth special session of the General Assembly,² although it was an indication of the great distance still to be covered before those goals were reached, was also a measure of the revolutionary advance that had taken place in the concepts of global social responsibility and international economic co-operation.

7. The question of whether the United Nations was seeking to establish a new economic order or to improve the existing one could, he felt, be left aside. Specific problems would have to be solved through negotiations

¹ General Assembly resolution 2626 (XXV), of 24 October 1970.

² General Assembly resolution 3201 (S-VI), of 1 May 1974.

among nations. He wished, however, to make some comments about the significance of the new economic order as he saw it.

8. The call for reshaping economic relations among nations was not necessarily a demand for redistributing existing wealth: it would serve little purpose to debate how that wealth had been accumulated in the past. Nor was the new economic order a move towards the bureaucratic control of economic activity on a world-wide scale. It was rather a call for a manifestly necessary change. It introduced on the international plane ideas now taken for granted in national policies but so far lacking in the international order. That lack was increasingly apparent in the present waste, instability and upheaval. The new international economic order was based in particular on two ideas: that of equity, justice and fair shares, and that of directing the world economy in future towards the eradication of the present widespread poverty, disease and ignorance, the promotion of development where it was needed and the elimination of the waste and misuse of the planet's resources.

9. The task for the future was so to re-order the world's economic and social structures and priorities as to ensure the satisfaction of minimum human demands for nutrition, health care, shelter, education and clothing; to increase the production, especially in developing countries, of food and other essentials; to bring about a new international division of labour in industrial production; to promote self-reliance and self-sustaining growth in developing countries; to moderate population growth; to conserve scarce resources; and to protect the earth's environment and ecological balance.

10. The programme would call for a more rational use of human and material resources; the rechanneling of available capital; the development and application of appropriate technology; the modification of the existing trading relationships and monetary system; and adjustments and social reform within States. The financial cost of the programme in terms of direct resource transfers, regulation of commodity trade and adjustments in the industrial sector had been estimated at a small percentage of the future growth in the GNP of the industrialized countries. The price to be paid in terms of social maladjustment, political upheavals and economic instability if the world's present ills and inequities remained unredressed must also be weighed in calculating the cost of the programme.

11. Naturally the mere injection or application of technology would not itself transform passive societies and make static economies capable of self-sustaining growth. Uncontrolled population growth, social disparities, unscientific attitudes and mistaken priorities, exemplified *inter alia* by excessive military expenditure, also hampered economic progress and social emancipation. It was impossible to single out one or two levers by which the complex process of economic and social development might be set in motion. Nor, indeed, could everything be done at the international level. An integrated approach, however, was inescapable and, if there was one prime mover in the process, it was the political will of States to undertake the task.

12. The importance and difficulty of mobilizing that political will had to be recognized. Governments responsive to the will of their people could not ignore the fact that people tended to look to their own interests and immediate concerns first. Nevertheless it was the duty of leadership to provide the vision without which it was impossible to transcend the interests of the moment. Ways had to be found of seeking in democratic institutions and procedures within nations a source of help and inspiration.

13. The United Nations was not the parliament of man but the gathering of sovereign States equal only in the juridical enjoyment of independence. Its Members were far from being equal in their economic power, political influence and economic leverage. What appeared to some as the tyranny of the majority was seen by the smaller, weaker, poorer majority of the nations of the world as an attempt to improve their bargaining position through collective action, as in the trade union movement. In any case, the record of the United Nations showed that, if yesterday's majority was now in a minority, the situation could change again if ground was found for common action. The minority had not only the right but the duty to propose alternative policies.

14. The sixth special session of the General Assembly had adopted a Declaration on the Establishment of a New International Economic Order, on some of whose major elements there remained important differences among Member States. Nevertheless the manner in which Members had agreed to adopt the Declaration, namely by a consensus which eschewed voting, had reflected the general wish to avoid forms and modalities suggesting confrontation and division and thus to leave the door open for reconciling differences by negotiation and dialogue in the future. There seemed to be general agreement that the forthcoming seventh special session must consider a limited number of issues of particular importance on which agreement was urgently needed and appeared possible.

15. The seventh special session could take only a first step towards establishing a new order of things. The preparatory work done so far through informed channels and in the Preparatory Committee established by the Council strengthened the hope that the special session would succeed in narrowing the gap between Member States and in laying the ground for common action. He ventured to suggest that efforts at the special session should be confined to the moderate, attainable and precise aims of defining the elements and sectors on which negotiations could be initiated; agreeing on the principles which would govern the negotiations; and deciding on the forums, existing or to be set up, in which negotiations would be conducted.

16. The report of the Preparatory Committee on its second session (E/5702) indicated that the Council must now itself take in hand the preparatory work for the special session. That would be its most important task at the present session. He hoped that a start could be made as soon as possible by setting in motion a process of informal consultations in groups representative of all Members of the United Nations. The Council would benefit greatly from the contribution of Member States which were not at present members of the Council but which were interested

in taking part in the preparatory work for the special session. There were provisions in that regard in the Council's rules of procedure and he requested those interested in participating to make their interest known.

17. At the present session the Council was also required to make the mid-term review and appraisal of progress in implementing the International Development Strategy. Resolution 1911 (LVII) reflected the preference of Council members for an integrated and carefully balanced approach to that item as well as to the Programme of Action on the Establishment of a New International Economic Order³ and to the preparations for the seventh special session. In dealing with items 9 (Mid-term review and appraisal . . .) and 10 (Special session of the General Assembly devoted to development and international economic co-operation) of the agenda for the current session, the Economic Committee would undoubtedly wish to follow the same approach. To the extent that the Council's preparatory work for the special session, whether formal or informal, was successful, there could be hope for the outcome of the special session itself, which in its turn would have an important bearing on the implementation of the International Development Strategy and the Programme of Action. Council members would accordingly wish to give careful thought to how, when and where the report of the Committee on Review and Appraisal (E/5693) might best be considered.

18. Many items on the Council's agenda were related to the whole process of parliamentary diplomacy and multi-lateral co-operation inherent in the holding of the special session. Under item 4 (Regional co-operation), for instance, the Council would review the work carried out by its five regional commissions in connexion with the implementation of the Strategy and the Programme of Action.

19. Similarly, the Council would review the activities relating to international environmental co-operation and industrial development co-operation and the work undertaken by the various organizations, including the results of the Second General Conference of UNIDO. Under item 15 (Operational activities for development) the Council would examine, in the perspective of the special session, the place of such activities in the broad context of international co-operation. The Governing Council of UNDP had been giving priority attention to that matter and its report (E/5646 and E/5703) were before the Council for discussion.

20. The Council had before it for review the first report of the Commission on Transnational Corporations (E/5655 and Corr.1), the first report on the United Nations University (A/10031) and the report of the World Conference of the International Women's Year (E/5725).

21. Under the United Nations Charter the Council was intended to be the central point of international social and economic policy-making and action. In reality it was far from functioning as such. The entire economic and social system of the United Nations suffered from many well-known failings, including lengthy and rhetorical debates, insufficiently considered or ill-thought-out decisions, unco-ordinated actions, duplication of effort and proliferation of

subordinate bodies. All that needed to be put right. At the request of the General Assembly (resolution 3343 (XXIV)), and in preparation for the seventh special session, a group of 25 independent experts had carried out a study of the problems and had made a number of proposals for the reform and remodelling of the whole network of the United Nations systems, structures, institutions and procedures. He assumed that at the proper stage and in an appropriate manner the Council would wish to consider how best that expert study (E/AC.62/9) might be further examined and transmitted to the General Assembly.

22. The Council must be careful, however, not to let questions of form and procedure overshadow those of function and purpose. The essential failure on the international plane remained the failure to mobilize the political will of States in pursuit of common ends. A new order of things was inevitably coming about because of the interdependence of the world's problems and the increasing diffusion of economic power among nations, the growing pluralism of societies and nations, a new perception of human interest which transcended national boundaries, and contemporary pragmatism. There was but one earth, and all must work together to make it a fit place to live in for everyone. The enlightened self-interest that inspired States to adopt laws and policies to remove inequities within their borders and promote the economic, social and cultural welfare of all their people must now guide them in re-ordering their relations with each other. A renewed sense of joint endeavour was needed so that the world might make peaceful, orderly and universally beneficial progress. The Economic and Social Council must be used to attain a political consensus, but the task would not be accomplished in a day. A beginning had been made and at the present session the Council had an opportunity of making an important contribution to the process. He had every hope that that opportunity would be put to good use.

Statement by the Secretary-General of the United Nations

23. The SECRETARY-GENERAL paid a tribute to the President of the Council.

24. The fifty-ninth session of the Economic and Social Council was of particular importance in that it was taking place at a time when international economic relations were in transformation. Since 1971 major upheavals in economic relations had subjected the international economic structure the unprecedented pressures, but sufficient time had now passed to permit those events to be viewed in a more reasoned perspective.

25. It was now an accepted fact that the development and well-being of all nations were inextricably linked and that political stability could not be achieved in the midst of glaring economic and social inequities. The need for multilateral action to resolve the problems facing the international community was urgent and presented a unique opportunity to create the conditions for a more equitable distribution of benefits throughout the world. That was the challenge facing the Council. It would be the principal topic of the forthcoming seventh special session of the General Assembly, whose task would be to assess the obstacles and constraints standing in the way of a new

³ General Assembly resolution 3202 (S-VI), of 1 May 1974.

international economic order, a system of world economic relations based on the equality and common interests of all countries. The problems were real, and they became more difficult and intractable every year that they were ignored. In view of those realities and of the general awareness that global problems could only be resolved by global responses, the role of the United Nations as an effective instrument of world economic co-operation became indispensable.

26. The world community had been buffeted by serious economic events. Successive disruptions of world currency markets had been followed by a sudden sharp shift in the world money flow from oil-consuming to oil-exporting nations, a change in the control of liquid capital and economic power unprecedented in its swiftness and scale. One consequence of that drastic change in international economic relationships had been the eruption of a series of balance-of-payments disturbance of epidemic proportions. Their effects had been most severe upon the non-oil-producing developing nations which possessed only the scantiest reserves and which at the same time had been confronted by a sharp reduction in grain stocks. The food shortages had not only resulted in death and severe hardship among large population groups, particularly in South Asia and the African Sahel, but had also greatly aggravated the balance-of-payments difficulties of the large number of developing countries which had suddenly had to import both their energy and their food at higher prices.

27. The consequent serious economic dislocation had threatened to paralyse the will of the international community to tackle world problems in common and through co-operative effort. The feared breakdown in international co-operation, however, had not occurred. Consultations had taken place, emergency action had been taken and the worst consequences had been avoided. But what had been achieved should not blind the world community to the fact that the solutions devised were only temporary stop-gap measures and that many disquieting conditions persisted and required international action.

28. There were disturbing reports that many government programmes were not only being arrested but were in fact deteriorating for lack of funds. In many countries health services were being reduced and schools closed. That situation, which affected in particular the most vulnerable sections of the population, and notably children, must cause particular concern.

29. Much remained to be done to alleviate the immediate food problems. There were still areas where conditions of famine persisted, and malnutrition remained rampant in many parts of the world. Furthermore, the possibility of a sudden recurrence of simultaneous crop shortfalls such as had occurred in 1972 could not be ruled out until further remedial action had been taken. In that connexion, two measures were urgently called for: the implementation of the International Undertaking on World Food Security (see E/5587, chap. V, resolution XVII) and a concerted international effort to help developing countries to raise their food production. The World Food Conference had agreed upon a framework for action (E/5587, chap. IV-VI). It could only be hoped that no more time would be lost in translating it into concrete measures.

30. The balance-of-payments problems of the most seriously affected developing countries were a continuing source of concern. There had been some relief for them recently in the form of lower food prices on international markets, but that had been overshadowed by concomitant and often larger declines in the prices of the commodities they exported. Moreover, the cost of most of their other imports, notably fertilizers, machinery and equipment, had not come down, and in some cases had even risen. There had been some welcome assistance to those countries from numerous sources, such as the petroleum-exporting countries and UNEO. Useful as those measures had been, the basic condition of crippling foreign exchange shortages with baneful effects on development programmes persisted.

31. There was, unfortunately, little evidence that aid flows would be sufficient to remedy matters. While still growing in nominal terms, assistance flows had never gained the momentum hoped for in the previous decade. On an average, less than half the figure of 0.7 per cent of GNP of the developed industrial countries for official development assistance had been reached in 1974. That trend must be reversed. He joined the President of the Board of Governors of the newly established United Nations Special Fund in appealing to all countries, especially the developed countries and the petroleum-exporting countries, to make appropriate contributions to the Fund as quickly as possible. Moreover, greater efforts were needed to make debt rescheduling easier and more accessible to greater number of countries.

32. The serious economic situation in the developed market-economy countries was another source of concern. While there were signs that the bottom of the recession might have been reached, a number of problems — including unemployment and lack of investment — remained. In a world which had become so interdependent, a major prolonged economic down-turn could not be contained within single countries or groups of countries; it inevitably affected the export possibilities of the developing countries, throttling development plans and undermining international co-operation efforts.

33. The eventual resolution of all those difficulties rested first and foremost on the political will of Governments and would require the determination of member countries to consult, to debate and to work out courses of action in an atmosphere of mutual respect, shared concern and mutual confidence. There had been some encouraging evidence in recent months that that essential fact was being grasped. He was thinking, in particular, of the negotiations that had led to the ACP-EEC Convention of Lomé,⁴ the discussions at the meeting of Commonwealth countries and the declaration of the Ministers of the OECD countries on relations with developing countries.⁵ There had been some movement towards more equitable solutions to the problems of primary commodities. Finally, consultations among developing countries, including the Lima meeting to be held

⁴ Convention between the European Economic Community and 46 African, Caribbean and Pacific States, signed at Lomé on 28 February 1975.

⁵ For the text, see OECD Press Release PRESS/A(75)21, of 29 May 1975.

in August 1975, would also be crucial to the attainment of those objectives.

34. At the forthcoming special session of the General Assembly no effort must be spared to build on those achievements with practical action, for if it was to reaffirm the aims and usefulness of the United Nations, the seventh special session must show specific results. The formal and informal discussions during the current session of the Council should contribute significantly to that end: there was no better way for member States to express their determination to strengthen the role of the Council.

35. The capability of the United Nations to fulfil its special role in promoting international economic and social co-operation and in harmonizing the actions of States had been called into question. Although no one doubted that the United Nations was an essential feature of the world political and economic scene, it had to be admitted that its achievements in mapping out and implementing policies and programmes of multilateral co-operation had been limited. While the main remedy for that state of affairs rested in the determination of Governments, there was clearly a need to revitalize the United Nations system after 30 years' existence so that it could make a more significant contribution.

36. The Group of Experts which had recently presented its report entitled "A new United Nations structure for global economic co-operation" (E/AC.62/9) deserved great credit for having undertaken the first comprehensive review of the United Nations institutional framework since the adoption of the Charter. It was essential that the various intergovernmental bodies concerned and, in particular, the special session of the General Assembly, taking into account the expert advice available, should initiate the reforms which were necessary at both the intergovernmental and the secretariat levels to make the United Nations system fully capable of dealing with problems of international co-operation in a comprehensive manner.

37. Finally, reference must be made to one other important issue which the Council would have before it at the

current session when it considered the report of the World Conference of the International Women's Year (E/5725), held at Mexico City, which he had recently attended. A look round the Council's Conference Room demonstrated the distance to be traversed before an equitable participation of women in international and in economic relations was achieved. Such an achievement would signal not only the end to an indefensible discrimination, but also the fuller utilization of a reservoir of human ability which was indispensable for the economic and social development of the international community.

38. He was confident that all present would endeavour to make the fifty-ninth session a success and thereby facilitate the task of the seventh special session of the General Assembly. He extended to all his best wishes for a fruitful outcome.

39. The PRESIDENT thanked the Secretary-General for his address.

AGENDA ITEM 2

Adoption of the agenda and organization of work (E/5685; E/L.1668 and Corr.1)

40. The PRESIDENT invited the Council to adopt the provisional agenda in document E/5685, as approved by the Council at its fifty-eighth session.

The provisional agenda was adopted.

41. The PRESIDENT drew attention to the note by the Bureau (E/L.1668 and Corr.1), which dealt with the allocation of agenda items and included a proposed time-table of work. If he heard no objection, he would take it that the Council approved the organization of work outlined therein.

It was so decided.

The meeting rose at 4.30 p.m.

1954th meeting

Thursday, 3 July 1975, at 11 a.m.

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

E/SR.1954

Implementation of rule 73 of the rules of procedure of the Economic and Social Council

1. The PRESIDENT announced that he had received from a national liberation movement recognized by the General Assembly a letter requesting that he should, pursuant to General Assembly resolution 3237 (XXIX) of 22 November 1974, allow that movement to participate without the right of vote in the deliberations of the Economic and Social Council on all matters of particular concern to it.

2. It appeared to him that the request was in order under rule 73 of the rules of procedure relating to the participation of national liberation movements. If there were no objections, the request would therefore be granted.

It was so decided.

3. M. FERGUSON (United States of America) pointed out that the decision had not been put to the vote and said that his delegation had express reservations in regard to invitations of that kind.

4. M. TARCICI (Yemen) said that the Council had just taken a correct and equitable decision. On behalf of his own delegation and of those of all the Arab countries, he welcomed the Palestine Liberation Organization.

5. The decision was taken pursuant to General Assembly resolution 3237 (XXIX) of 22 November 1974, entitled "Observer status for the Palestine Liberation Organization", which contained a paragraph stating that the General Assembly "considers that the Palestine Liberation Organization is entitled to participate as an observer in the sessions and the work of all international conferences convened under the auspices of other organs of the United Nations". The resolution was therefore clear and precise, and the Palestine Liberation Organization had already been able to attend, as an observer, several international conferences, in which it had always participated with competence, dignity and responsibility. They included the Diplomatic Conference on Humanitarian Law, the United Nations Conference on the Law of the Sea, the Congress of WMO, the World Health Assembly and the International Labour Conference. It had also been invited by ECWA to participate, as a permanent observer, in its meetings.

6. The countries of the whole world, particularly the hundred or so countries which had voted for the adoption of General Assembly resolution 3237 (XXIX), were satisfied with that participation. The Palestine Liberation Organization would play its part in the Council with the competence and sense of responsibility which it had already shown at other meetings and conferences.

7. Mr. CHANG Ping-tsien (China) said that his delegation approved of the Council's decision and considered it legitimate to invite the representatives of the Palestine Liberation Organization to participate in the discussions. His delegation was convinced that the representatives in question would make a useful contribution to the Council's work.

AGENDA ITEM 3

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

8. The PRESIDENT invited the Council to take up agenda item 3. He reminded members of the Bureau's suggestion that, in accordance with past practice, the general debate should focus on the subject-matter of item 9 (Mid-term review and appraisal of progress in implementing the International Development Strategy for the Second United Nations Development Decade; Programme of Action on the Establishment of a New International Economic Order) and item 10 (Special session of the General Assembly devoted to development and economic co-operation), so as to enable the Economic Committee to dispense with general statements on those two items and concentrate on the consideration of specific proposals (E/L.1668 and Corr.1, para. 2).

9. Mr. EKLUND (Director-General, International Atomic Energy Agency) said that he wished to draw attention, as

he had recently had occasion to do at the joint meetings of PPCC and ACC, to the importance of energy for development, which had been the subject of the sixth special session of the General Assembly. It was partly owing to nuclear energy that the developed and developing countries would be able to meet their energy requirements, first of all during the coming decade.

10. That development, however, was influenced by two trends: on the one hand, public opposition to the use of nuclear reactors had sometimes hampered the realization of already approved projects; on the other hand, changes in the conventional energy situation had drawn renewed attention to nuclear power. Those two factors had led to a world-wide re-evaluation of energy problems, from which it could already be concluded that electricity would take a steadily increasing share of total energy production and that demand would exceed the conventional resources available, even if conservation measures were adopted or there was a change in attitude towards energy growth.

11. Nuclear energy was the only immediately available technical solution, even though certain problems associated with it remained to be solved. Its development throughout the world would be faster or slower according to the effects of the economic recession, public opposition or the emergence of new markets. It was noteworthy that even the oil-exporting countries were planning to introduce nuclear power.

12. In those circumstances the Agency's main concerns were to ensure that the safety record of nuclear power was maintained and that the necessary manpower was available, while taking care to prevent the diversion of nuclear materials. At the very time when its work was assuming greater importance and pressures for expansion were strong, the Agency was experiencing acute financial difficulties, due, in particular, to the severe economic problems facing several of its member States.

13. The Agency's regular budget for 1975 - \$29,675,000 - represented an increase of 18.4 per cent over 1974, but that increase was almost wholly accounted for by inflation and monetary fluctuation. On the other hand, the funds approved for the Agency's technical assistance programme had increased substantially. The target for voluntary contributions had risen from \$3 million in 1974 to \$4.5 million in 1975, and the Agency's Board had recommended that the figure should be raised to \$5.5 million in 1976. It was also encouraging to note that the 1975 target would probably be 94 per cent fulfilled. As a result of that increase in contributions and in the number of UNDP projects executed by the Agency, some activities - fellowships, training courses and procurement of equipment - had increased by 40 to 80 per cent over the past two years.

14. Two matters of primary concern to the General Assembly might also interest members of the Economic and Social Council. Firstly, the Agency had, at the request of the Secretary-General, extended its full support to preparations for the Review Conference of the Parties to the Treaty on the Non-Proliferation of Nuclear Weapons, which had taken place in May 1975 at Geneva. In the Declaration adopted by the Conference, the Parties to the Treaty had

emphasized the need to conclude safeguard agreements with the Agency. Since he had last addressed the Council at the fifty-seventh session (1904th meeting), the Agency's Board had approved 13 additional safeguard agreements, 9 of them under the Non-Proliferation Treaty. The Agency had also established a standing advisory group on safeguards implementation, an action which had been favourably received by the Conference of the Parties.

15. Secondly, in response to the recommendations of the General Assembly and the Agency's Board, in January 1975, a unit had been established in the secretariat to centralize and supply information relating to the peaceful uses of nuclear explosions. At its June meeting the Board had established an *ad hoc* Intergovernmental Advisory Group on Nuclear Explosions for Peaceful Purposes, which was open to participation by all Agency members and to which interested non-member States could be invited.

16. The trends in the Agency's programmes could be summarized in the following way: firstly, in regard to the nuclear power industry, the Agency had given high priority to programmes relating to nuclear safety, nuclear power advisory services and related training. To help developing countries to endow themselves with nuclear energy, and having regard for forecasts indicating that nuclear power should be economic for some 30 developing countries by the end of the 1980s, the Agency was assisting those countries at all stages of planning, construction and operation - without neglecting their trained manpower requirements - through seminars financed by UNDP and training courses. In regard to the use of nuclear power in maximum conditions of safety, IAEA had undertaken an extensive environment protection programme under which the Agency and experts from member States were preparing a comprehensive system of internationally acceptable codes and guides for the use of regulatory bodies, utilities and plant manufacturers. Those safety guides might help to reassure the public about nuclear power production.

17. In the longer term, the Agency was interested in the critical problem posed by waste management. In particular, consideration was being given to the possibility of establishing, at the regional level, nuclear-fuel reprocessing and disposal units which might lead to a solution of the problem. After a difficult start, the Agency's International Nuclear Information System was now being supported by member States, and the publication, for instance, of a printed abstracts journal from 1976 onwards was being considered.

18. Finally, a start had already been made with preparations for the large international conference on nuclear power and its fuel cycle to be held early in May 1977 at Salzburg, Austria. Particular attention would be given to the nuclear fuel cycle and the importance of international, regional or national arrangements for solving the problems it raised, as well as to the need for bearing such arrangements in mind in planning national nuclear programmes. The conference would also deal with radio-activity management, technical aspects of nuclear safety and factors involved in the introduction of nuclear power in developing countries.

19. PPCC would be provided with additional information on the Agency's work, particularly that done in co-ordination with other organizations, when the Committee came to the in-depth review it was to carry out.

20. Mr. PETERSON (Administrator, United Nations Development Programme) said that a year before he had expressed the hope that at the 1975 summer session of the UNDP Governing Council (twentieth session) there would be a high-level discussion or proposals relating to the future role of UNDP in world development, in the context of preparations for the seventh special session of the General Assembly. Such discussions had been held as planned with ministers, directors-general of development planning and technical co-operation and other high officials. The proposals of the Governing Council for "new dimensions" in technical co-operation (see E/5703) had been wholeheartedly endorsed. The members of the Governing Council had also stressed the role of UNDP as the operational centrepiece in the United Nations development system.

21. He recalled that it was the twenty-fifth anniversary of the birth of United Nations technical co-operation. On 1 July 1950, a United Nations Expanded Programme of Technical Assistance was launched that was destined to become the largest effort in multilateral technical co-operation. Full credit must be given to all those who had devoted much of their working lives to building what was now UNDP. In the first year, \$6.5 million had been committed to the projects. By the end of 1974 project expenditures over the 25 years had amounted to some \$2,500 million, and more than \$17,000 million had been spent on follow-up investment.

22. In 1951 there had been some 800 experts in the field and by December 1974 the total was 120,000. To give statistics on the number of experts employed was not of course as important as paying a tribute to the millions of unknown men and women in the civil services of the developing countries who had always been the backbone of the development struggle and had long been curiously designated under the anonymous term "counterparts". The agriculturalists, health workers, teachers, civil engineers and all those on whom the enterprise depended deserved to receive new encouragement.

23. The Economic and Social Council and the General Assembly had realized that the wide framework of development was in urgent need of revision. The outcome of efforts in development was deeply affected by the world's systems and mechanisms of economic and technical power, of distribution of resources and of pricing and movements in world trade. The two bodies had therefore been prompted to focus attention on the world situation in the 1974 Declaration and Programme of Action on the Establishment of a New International Economic Order.¹ Never before had so many Governments been challenged to do better for the unprivileged of the earth. Never before had the needs and the rights of the poor been so clearly stated in terms not only of development assistance flows but of a redesigning of the very economic and resource systems of

¹ General Assembly resolutions 3201 (S-VI) and 3202 (S-VI), of 1 May 1974.

society. Never before had it been so evident that such a redesigning was in the interests of all humanity.

24. At the twentieth session of the UNDP Governing Council, the representative of Canada had said that UNDP had been anticipating, within the limitations of its special mandate, some of the thinking that had since resulted in the broader concept of the new international economic order. UNDP was now ready and capable of delivering all the resources it received. Over the last few years it had made efforts to improve its management capabilities, to decentralize programming and to resolve difficulties in timely implementation. Several of its agency partners had also taken decisive streamlining action. In the context of the forthcoming seventh special session of the General Assembly, UNDP could help Governments to design and carry out a wider and more innovative range of projects to match the spirit and urgency of the Programme of Action.

25. Drawing on the experience acquired in 25 years and particularly during the first cycle of country programming, he had put before the Governing Council a series of proposals on new dimensions in technical co-operation, and UNDP was prepared to meet the challenges now facing United Nations technical co-operation.

26. He asked the Economic and Social Council to approve UNDP's wish to liberate its joint planning exercises with Governments from the traditional "package" of foreign experts, fellowships, equipment and government personnel, and to allow the programming process to range wider and more boldly on the basis of needed results. UNDP had sought broad authority for Governments and field staff to determine what type of input should be made, and where and when along the development spectrum. The Governing Council realized that UNDP must move decisively and in new ways in support of the Declaration and the Programme of Action. The words "flexibility", "innovativeness" and "adaptability" recurred in statement after statement.

27. UNDP welcomed the assurance that IBRD saw no objection to that new flexibility in drawing the line between capital and technical assistance, and the Governing Council in its turn assured the Economic and Social Council that it would exercise its expanded mandate with discretion. The United Nations Capital Development Fund, whose present slender resources were already fully committed, was to be expanded. The role it would play was quite distinct from that of any other international lending institution. Since the "new thinking" had been supported by the Governing Council, there was reason to hope that global development could be approached with the judgement of experience, and that the approach would be backed by political will. The present period of new initiatives in United Nations economic and social endeavours demanded a sense of renewal and re-dedication from all. To quote the Director-General of WHO, UNDP now had the right tools in programming policy as well as in management and could bring the right solution to the right problems, with the right quantity and quality of resources at the right time and place. Those tools came at exactly the right hour. UNDP was therefore ready to take its share in the work of bringing substance to the new international economic order.

28. With reference to the question what the new tasks imposed by development assistance were, he said that the Programme of Action was global in scope and would extend over several years. It required many refinements and detailed definitions. Huge tasks lay ahead for UNDP. Governments would define each specific task under the joint programming system at the country, multinational, world and inter-country levels. He would try to indicate the nature of those tasks as far as they concerned UNDP.

29. UNDP should first of all use its new flexibility to reach points of rapid impact and multiplier effect more directly. It should be ready to design and implement new multidisciplinary programmes in order to mobilize the poorest sections of the population in projects that could quickly improve their lives.

30. That approach might entail risks, but at a time when millions of people were living precariously UNDP should be ready to take even greater risks to come to their help. The Governing Council had also proposed that UNDP should be ready to consider supporting high-risk projects which could achieve technological breakthroughs, appropriate to a country's needs, in a comparatively short time. If that meant financing the costs of local experts and of building up local institutions, UNDP should be prepared to do so. Where its work reached the poorest sections of the population through integrated rural development, UNDP should consider limited investments in plant and infrastructures for pilot-area projects.

31. New attitudes must be adopted towards technical co-operation, and especially towards capabilities existing within the developing countries themselves. Behind the concept of transfer of technology there had been the picture of a technological desert to which all the skills had to be transferred. Even the more recent concept of adapted technology transfers implied something that came from outside. UNDP should do much more work with Governments in identifying and fostering the growth of local skills and capabilities, often centuries old, and in building on that a local technology with the help of appropriate transfer of skills. It must think and act in terms of assisting the technical progress of the developing world rather than of merely arranging the traditional kind of transfer.

32. A local institution that declared a wish to receive direct assistance in working out its own technological applications could be one of the best bulwarks of national sovereignty over resources. There was, however, a second and much newer category of technical co-operation helping to lay the technical foundations of the new order and to accelerate intellectual and technical mastery of resources. The projects that would help to build up indigenous capability included those concerned with negotiating skills and data support for dealing with foreign investment, the improvement of national ability to assist and plan the wisest exploitation of natural resources, improvement of the skills needed by developing countries for competing in world trade, assistance to countries in the training of specialists in the selection and promotion of the best export options, and the bringing of technical assistance to bear on the growth points for raw-materials processing and for manufacturing that would make such options feasible.

33. That was a newer category of work in the sense that in each country it would be part of the drive towards a new international economic order. Otherwise, however, it was part of the same indivisible fabric of world and national development. It was newer for UNDP only in quantitative terms, since UNDP was already engaged in many multi-national and national projects, including those being carried out with UNCTAD.

34. In the United Nations development system as a whole, however, better mechanisms were still needed to make possible the design and delivery of truly integrated, self-reinforcing and synchronized streams of development. That was a very complicated task. The question might be put, for example, whether an improvement in grain storage and protection against avoidable waste was automatically planned at the same time as the introduction of agricultural innovations that would produce more grain to the acre; whether it was the usual practice, in embarking on an applied research programme with a time-table for producing usable results, to ask whether plans and resources were in hand to make ready the personnel and other infrastructure that would be needed to put the results to rapid use; whether, in countries launching birth control programmes, a check was made to see how quite separate projects like agricultural innovations might affect the size of family thought desirable; and whether – what in many cases was more crucial – a check was made to see whether the basic health services sufficiently increased the life-expectancy of children to enable families to consider having fewer. Such questions were of paramount importance in low-income countries, and, in the establishment of the new international economic order, those integrated planning and synchronization factors were tremendously complex.

35. A considerable part of the necessary improvements in the integration of planning and operations was embodied in the proposals for restructuring now included in the agenda of the seventh special session. Those proposals were of central concern to UNDP, which was about to embark on its second programming cycle with Governments. UNDP was ready, but it was itself only part of a larger edifice. Proposals for a more cohesive system, amalgamating the objectives of efficiency and flexibility for the benefit of recipients and donors alike, would certainly meet with broad support.

36. The representative of Chad had spoken in the UNDP Governing Council of the revolt against poverty as a revolution unprecedented in human history. That revolution had already begun 25 years earlier, when a small band of men and women in the United Nations and national services set off along the road towards multilateral development co-operation, but its full dimensions had not been visible. To-day it was realized that the work to be continued represented the greatest transformation in the human condition ever contemplated. It was gratifying that the world had entrusted those negotiations and activities to the United Nations. The provisions of the United Nations Charter covering economic and social aims, responsibilities and machinery had been expanded in resolutions that testified to the unwearying search for justice and dignity. He hoped that the Economic and Social Council would be able so to improve and use the economic and social

machinery of the United Nations that future historians would say of the present months that there indeed was the turning-point.

37. Mr. BOERMA (Director-General, Food and Agriculture Organization of the United Nations) said he would first say something about the present world food and agricultural situation and the efforts being made by his organization to cope with the great challenge it presented. From the standpoint of action by the United Nations family, the most important event of the past twelve months had been the World Food Conference,² at which Governments had decided that the world food situation had become so grave that it required international intervention at a high political level. The success of that Conference would depend on the results of the follow-up action. So far as its main objective was concerned – to increase food and agricultural production in developing countries – it remained to be seen whether Governments would be ready to make the major policy changes that were needed. The positive reaction to the idea of an International Fund for Agricultural Development was one hopeful sign. That Fund would bring about the necessary increase in the flow of external resources to developing countries to enable them to increase their agricultural growth rates. Follow-up action had also been taken on other recommendations of the Conference, notably with regard to fertilizers and the Consultative Group on Food Production and Investment in Developing Countries. There had been an increase in the total amount of food that was expected to be available in 1975-1976, which was already close to the minimum target set by the Conference, namely, ten million tons of grain a year. But that target fell far short of actual requirements. As for the World Food Council, it had yet to prove whether it could make the effective contribution that was expected of it. It was premature to say whether the fine intentions of the World Food Conference would bring about the changes in the world food situation that were long overdue.

38. He recalled that, at the time the Conference had met, large areas of the most seriously affected countries had been threatened with famine. That danger had now been overcome, due partly to the expansion of food aid and increased purchases of food with external financial assistance, and partly to the fall in world grain prices. But it was estimated that those same countries would be faced with a food shortage in 1975-1976. Their imports of fertilizers and pesticides were going to cost more than in the past, while the fall in world commodity prices would have an adverse effect on their foreign exchange earnings. Consequently, they might find themselves in an even worse economic situation than before.

39. The prospects for world food production were more encouraging than in 1974. But even if grain production was to increase by as much as 8 per cent, as compared with that year, stocks would still be below the minimum security level. Most of the expected increase in output would be in developed countries, so that uncertainty would persist in regard to supplies in developing countries, particularly in Asia. Thus the world food situation only served to

² For the report of the Conference, see document E/5587 and Add.1-4.

underline the necessity for rapid action, in particular by implementing the Conference recommendations. A vast co-operative effort would be necessary, not just to increase food production sufficiently to satisfy market demand, but — even more important — to bring about a general economic and social development which would enable the poor in developing countries to earn enough to buy the food they needed. If the world food problem was to be solved, that was the change which the United Nations must strive to bring about.

40. Turning to the report of the Secretary-General on development and international co-operation (E/AC.62/8), concerning appropriate changes in the over-all pattern of international economic relations, he outlined the main constraints on the agricultural sector, the poor performance of which in developing countries was itself a major constraint on economic development and the reduction of poverty.

41. The first constraint was the climate. But though drought and floods had been widespread in 1972 and 1974, causing a drop in production, bad weather could not be blamed for the longer-term shortages of agricultural production in developing countries. Too many Governments had failed to accord sufficient priority to agriculture, and it was disturbing to see that, in developing countries, investment in agriculture was about half of what was required for production to keep pace with demand.

42. In some constraints in the agricultural sector were of a technical nature. In many developing countries, especially those which were densely populated, the small amount and poor quality of land and water resources were a serious constraint on production. The cost of clearing and reclaiming land was very high. In many cases, existing irrigation facilities were inadequately utilized. Developing countries needed agricultural technologies which would increase production and maximize employment, not technologies which were suited to conditions in developed countries, where labour was scarcer than capital. Fertilizers, pesticides and agricultural machinery were produced in developed countries, so that when there was a shortage of fertilizers and pesticides, as in recent years, developing countries were the last in the queue to be supplied. Moreover, prices of fertilizers on the world market had been higher than domestic prices in the producing countries. The energy crisis had compromised irrigation. There had, however, been some neglect of the possibilities of using organic fertilizers, and credit for the purchase of inputs had often been inadequate.

43. There were also economic and social constraints on agricultural development. Rural institutions, especially land tenure systems, were generally out-dated. Those institutions and systems needed to be changed, not only in the interests of social justice, but also to bring about a fuller use of human and land resources for increasing production and making small farms economically viable. Those changes were essential if the agriculture of most developing countries was to move forward into the modern age. The question of income distribution was connected with that problem. Rural poverty was the main constraint on the elimination of hunger and malnutrition. It was therefore

necessary to redistribute income by creating income-earning employment opportunities.

44. An increase in production presupposed incentives. But marketing and price policies in developing countries had often aimed at obtaining cheap food for urban consumers, and had not provided a sufficient incentive to farmers to increase their production. Marketing systems were generally costly and incapable of meeting the requirements of rapid urbanization, or of transmitting the necessary demand signals to producers. The scattered, small-scale nature of production was one of the main constraints in the agricultural sector. It was accentuated by the shortage of trained manpower in government agricultural services, and by the inadequate infrastructure. There was a need for farmers' organizations and for an expansion and reorientation of technical services to farmers. Lastly, there had been a tendency for rural institutions and services to neglect the role of women in agricultural development.

45. Other constraints arose from the attitudes of developed countries, which controlled the conditions of international trade — except that in oil — in their own favour. Trade liberalization had been even slower for agricultural products than for others. The developed countries must recognize that the interests of the developing world should be central and not peripheral in all approaches to the stabilization of world markets.

46. There were also the question of development aid. It was worth noting not only that international development assistance had failed to meet the targets of the Second United Nations Development Decade, but also that less than 10 per cent of official development assistance was allocated to agriculture. Linked with aid to agriculture was the need for a new system of stock building for world food security, in which the burdens would be shared among all countries according to their means. Many developing countries would require special assistance in building up adequate storage facilities and in financing the necessary stocks.

47. It was also necessary to take into account the question of food production in developed countries, where there was a general absence of policies, especially price policies, for ensuring that food production was increased sufficiently to meet a fourfold need: domestic consumption, exports, the replenishment of stocks and the provision of an adequate level of food aid. If harvests in 1975 proved to be as good as expected and prices fell, farmers might be discouraged and reduce their sowings, thus creating difficulties in 1976.

48. The attitude toward food aid must change. Food aid must cease to be a by-product of the agriculture of the rich nations, as in recent years, when it had been available in abundance in periods when stocks had been high and prices low — when least needed — and curtailed in times of shortages and soaring prices, when it would have been most useful. The target set by the World Food Conference (10 million tons of grain a year) and the reconstitution of the Intergovernmental Committee of WFP as a Committee on Food Aid Policies and Programmes provided the instrument for bringing about that change. He trusted that

all would recognize the need for an evolution of their policies and actions. The developing countries for their part must recognize that food aid was merely a bridging measure that would tide them over until their efforts to increase their agricultural growth rate began to pay off, and that would help them to cope with emergency situations.

49. The last constraint he would mention was lack of information, which prevented impoverished rural societies from benefiting from development measures and nutrition intervention programmes more specifically designed for them. There was also a need to disseminate information on impending food shortages. The lack of such information would impose a general constraint on the implementation of a coherent world food policy designed to benefit developing countries.

50. With reference to the report of the Group of Experts entitled "A new United Nations structure for global economic co-operation" (E/AC.62/9), he said that the opinions expressed in the report accorded with his own, as he had always believed that the system as a whole was more important than any of its individual parts. He attached special importance to the recommendation concerning the strengthening of the Economic and Social Council, particularly in so far as that involved increased political backing for action on technical matters. His own organization had good reason to appreciate the political support it had received from the General Assembly and the Economic and Social Council. It had long been aware of the technical, economic and social answers to the world food problem, but its activities had been circumscribed by the lack of any concerted political will on the part of Governments. It was to be hoped, however, that that would now change. A striking example was provided by the International Fertilizer Supply Scheme, which had been set up by the FAO Council in response to a request by the Economic and Social Council. Twice before, FAO had attempted to establish multilateral arrangements for the supply of fertilizers to developing countries. Before it could succeed, the will of the international community had had to be expressed through the Economic and Social Council.

51. He believed that the forthcoming seventh special session of the General Assembly might open up a new era for the United Nations system and hence for the millions of people whom it served. If that came to pass, he would be proud to have taken an active part in the formative years.

52. The PRESIDENT paid a tribute to Mr. Boerma, who was leaving FAO at the end of the year, for his important part in strengthening the idea of international co-operation. He was sure that the Council would wish him to express its appreciation and best wishes to Mr. Boerma.

53. Mr. SRIVASTAVA (Secretary-General, Inter-Governmental Maritime Consultative Organization) recalled that in two successive years the General Assembly had decided to hold special sessions to deal with the world economic situation. As the representative of a technical organization, he could hardly enter into the causes of the crises or the merits and demerits of the various solutions that had been proposed, and he would therefore confine his remarks to some of IMCO's activities which contributed to

implementation of the resolutions adopted by the sixth special session of the General Assembly and to the efforts to meet the challenges of the new situation.

54. Two main developments had occurred in IMCO during the past twelve months. First, the fifth extraordinary session of the IMCO Assembly had adopted certain amendments to the IMCO Convention which, when they entered into force, would increase the number of States represented on the IMCO Council from 18 and 24 and open membership of the Maritime Safety Committee to all member States. In taking those measures, IMCO was trying to develop and adapt its structure to meet the requirements of a circle of States which was much wider than that which had participated in IMCO in the past. Secondly, IMCO had expanded its programme of technical assistance to developing countries. In response to General Assembly resolution 3202 (S-VI), relating to the establishment of a new international economic order, IMCO had examined its role in the maritime sector and the part it could play in implementing the new Programme of Action. It had noted that one of the main obstacles faced by developing countries in their efforts to participate effectively and equitably in maritime activities and in world shipping was the acute shortage of maritime expertise.

55. After studying the ways and means of meeting demands for assistance from developing countries, and following negotiations with UNDP, IMCO and UNDP had reached agreement on ways of improving and strengthening IMCO's technical assistance programme, and the IMCO Council had also decided to strengthen backstopping facilities at headquarters. Of course, the appointment of a few advisers on maritime questions in the regions and at headquarters would not be sufficient to deal with a problem which affected a large number of countries; but those measures did constitute an advance, and they enabled IMCO, in association with the member States and the other organizations in the United Nations system, to lay a viable foundation for a programme which should continually develop and be adapted to the developing countries' needs.

56. There was no country in the world, and certainly none among the developing countries, whose development did not in some way depend on the success of world trade and commerce. The success of world trade and commerce and the ability of the developing countries to participate in that trade, depended in turn on the availability of shipping services and of the trained personnel and expertise without which those services could not be provided with the necessary safety, efficiency and economy. The realization that what it did in the field of shipping was of such crucial importance to economic development gave IMCO impetus and motivation in its work and provided its governing bodies and member Governments with the rationale and justification for the Technical Co-operation Programme and its continuous improvement and enlargement.

57. Although the changes in IMCO's Constitution and working methods and the strengthening of its programme of technical assistance were, the highlights, mention should also be made of other IMCO activities. In 1974 two international conferences had been convened, one of which had adopted a new convention revising and bringing up to

date the provisions of the International Convention for the Safety of Life at Sea, 1960, and the other the Athens Convention of 1974 relating to the Carriage of Passengers and their luggage by Sea, 1974. A third international conference had been convened by IMCO in April 1975, the Conference on the Establishment of an International Maritime Satellite System, a second session of which was to be held in 1976.

58. With reference to agenda item 18, on marine questions, he said that the comprehensive documents E/5650 and Corr.1 (study prepared by the Secretary-General on uses of the sea) and E/5676 (report of ACC on marine science and its applications: spheres of competence and work programmes of United Nations organizations and agencies contained fairly clear information on activities of the various agencies in that field. He drew particular attention to work on the preservation of the maritime environment and the transfer of technology in the maritime field. IMCO had been concerned with the prevention of marine pollution from the very beginning, and in 1973 the IMCO Assembly had established the Marine Environment Protection Committee, whose main function was to administer and co-ordinate all aspects of IMCO's work relating to the prevention and control of marine pollution from ships. In addition to considering and formulating techniques,

procedures and arrangements for preventing marine pollution from ships and dealing with incidents in that sphere, the Committee also served as a forum for exchange of views and information and helped in the transfer of technology from the developed to the developing countries. It had already played and would continue to play a significant part in the efforts of the United Nations system to preserve and enhance the quality of the world's seas and oceans.

59. As part of its continuing activities, IMCO co-operated closely with other United Nations bodies and agencies. For example, it co-operated with UNEP and had participated in the Inter-Governmental Meeting on the Protection of the Mediterranean convened by UNEP early in 1975; again, UNEP had agreed in principle to contribute \$60,000 towards the cost of a symposium on the prevention of marine pollution from ships, to be held in 1976 under the joint sponsorship of IMCO and the Government of Mexico.

60. The annual report of IMCO had already been circulated and was to be the subject of an in-depth examination at the sixty-first session of the Economic and Social Council. He was ready to answer any questions delegations might wish to ask.

The meeting rose at 12.45 p.m.

1955th meeting

Thursday, 3 July 1975, at 3.20 p.m.

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

E/SR.1955

AGENDA ITEM 3

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

1. Mr. BINACHI (International Civil Aviation Organization) said that air transport, which was an indispensable tool of economic development, was sensitive to fluctuations in the world economic situation. In that sector, the results for 1974 could have been better. Scheduled traffic had increased, but its growth had been considerably less than the average for the preceding years although the rate of increase remained satisfactory in a number of regions. Non-scheduled traffic had declined. The airlines' difficulties were partly due to the increase in operating expenses, which had been greater than that in operating revenues despite increases in fares. To that had to be added other problems, in particular the tourist industry which had been affected by inflation.

2. In view of the seriousness of the situation, the ICAO Assembly had decided at its last session to examine some of the major issues on a world-wide basis. The ICAO Council had been directed to consult the Contracting States and the appropriate world-wide and regional bodies about the major

economic problems confronting air transport which were not already being dealt with through ICAO bodies and to draw up a plan for consideration of those matters by a special conference or session of the ICAO Assembly. In 1974, ICAO had continued to foster the solution of many technical, economic and legal issues civil aviation had to face, including problems of the environment. The Council had decided in favour of stricter control of aircraft noise, and the secretariat had set up a study group on aircraft engine emissions as part of the ICAO Action Programme regarding the environment. Also, the preliminary work had been completed for the commercial operation of the Concorde and the Tupolev 144 supersonic aircraft which were planned to enter into service in 1976.

3. ICAO was continuing to concern itself with questions of safety. The number of aircraft accidents in scheduled services had declined from 1973 to 1974. The organization had also concerned itself with technical measures aimed at preventing acts of air piracy. In 1974, it had adopted, for that purpose, a new annex to the Convention on International Civil Aviation, and had updated its Security Manual. The three ICAO conventions dealing with offences involving unlawful interference had recently been ratified by many countries. Thanks to the action taken by States and the vigilance of the airlines, the number of aircraft hijackings and cases of sabotage had significantly decreased.

4. Referring to the constant progress in the technical assistance provided by ICAO with the financial assistance of UNDP and funds-in-trust, he mentioned in particular a recent project carried out in co-operation with other international organizations which was aimed at determining how air transport could contribute to the economic development of African countries. That project would be the first in a series devoted to several regions. Within the framework of its various technical assistance activities, ICAO had worked in close co-operation not only with the specialized agencies but also with regional civil aviation bodies.

5. Lastly, he emphasized that ICAO was strongly aware of the contribution that civil aviation could make to the improvement of human and economic relations throughout the world and of the importance of co-operating with the other specialized agencies and with the United Nations. He looked forward with confidence to the results of the seventh special session of the United Nations General Assembly, which should give a further impulse to the activities of the United Nations system as a whole.

6. Mr. WITTEVEEN (Managing Director, International Monetary Fund) said that economic developments in the industrial countries during 1974 had been marked by a pronounced weakness in real activity and by a short acceleration in price increases. The recession had become more serious in 1974 and the first half of 1975 than had been expected and inflation had increased. According to estimates by IMF, aggregate output of the industrial countries was expected to turn upwards in the second half of 1975 and to continue rising in the first half of 1976, while price inflation should slow down. However, because of the severity of the recession and the uncertainties of the present economic situation, the economic recovery was expected to be relatively modest, in its earlier phase at least. Economic forecasting and policy formulation were, however, unusually hazardous at the present time. National authorities faced the difficult challenge of steering a middle course between policies that permitted an unduly rapid expansion of demand which could make for new instability, and unduly cautious policies that prolonged the under-utilization of resources.

7. The economic recession that had developed in the industrial countries since 1973 had had a noticeably depressive effect on trade and activity in the rest of the world. It seemed reasonable to ask countries that carried special weight in the world economy – in particular, the United States of America, the Federal Republic of Germany and Japan – to do all they could through their policies to restore economic growth, but it would not be reasonable to expect them, in addition to the action already taken, to take expansionary measures that might provoke new inflationary pressures.

8. With regard to international payments, sizeable imbalances still characterized the external positions of industrial countries; however, the burden of current account deficits had tended to shift from the industrial countries to others, particularly developing countries that were not oil producers. The over-all situation and prospects for the latter group had sharply deteriorated: their combined deficit on

current account had increased, while the volume of their exports had risen very little in 1974 and was expected to decline in 1975 in common with the volume of imports. External financing appeared to be a critical problem for many of those countries for some time to come. Particularly severe problems faced the group of developing countries regarded as the most seriously affected. Many developing countries might have to contemplate a considerable reduction in their net reserves in order to finance current account deficits in 1975. Countries that had borrowed to the limit of their capacity had an urgent need for capital on concessionary terms or for outright grant assistance. The borrowing countries should follow policies that increased their creditworthiness while the capital-exporting countries should encourage the necessary flows of financial assistance.

9. IMF had been working in several fields to overcome those problems. The oil machinery which it had set up in 1974 to help member countries meet balance-of-payments problems caused by the increased cost of oil imports had provided assistance in 1974 to 40 members, to the value of nearly SDR 2,600 million. The Executive Directors of the Fund had decided that the same facilities should be extended to members to assist them with their oil deficits in 1975, and it would have nearly SDR 4,000 million available in 1975 through loans from oil-exporting and industrial countries. A special account was also to be established to assist the most seriously affected developing countries to pay the interest due on the oil loans. The credits made available by IMF under the oil machinery fell outside the normal quota limits that were generally applicable to members' use of its resources. The distinction made between oil deficits and deficits arising from other causes would eventually cease to be appropriate, and a modification of that approach was therefore being envisaged after 1975. In that connexion, particular importance attached to the revision of the quotas.

10. The Development Committee established by the World Bank and IMF to deal with various aspects of the transfer of real resources to developing countries had urged the Executive Directors of IMF to give high priority to a study of the establishment and financing of a special Trust Fund. They were also considering appropriate modifications of IMF's facilities with regard to compensatory financing for fluctuations in export earnings and assistance to members in connexion with their contributions to international buffer stocks.

11. For some years the reform of the international monetary system had been on the agenda of almost every meeting of finance ministers or experts. It had become apparent that the Bretton Woods system set up in 1944, which had made a major contribution, was no longer suited to the present situation and would have to be replaced. In the last four years, IMF had held a number of meetings to design a new system but it had not yet proved possible to reach agreement. Considerable time was required to devise a system that was appropriate to a world in rapid change and therefore in increased uncertainty. The situation was very different from what it had been 30 years before and the greater complexity of the international economy of to-day made the job of monetary reform more

difficult. The reform had progressed less rapidly than had been hoped but had not been abandoned. It should be an evolutionary process in which agreed purposes were defined and steps taken to achieve them over time.

12. While the discussions proceeded under the pressure of economic events, far-reaching changes had occurred in international relationships, of which the most important related to exchange rates. The par value system had clearly ceased to operate and at the present time the member countries of IMF had a variety of exchange régimes. The industrialized countries floated their currencies independently or as a group, while most of the non-industrial countries, faced with new uncertainties, had elected to peg their exchange rates. Most developing countries still maintained a fixed link with the currency in which they traditionally operated in the exchange market, a system which had several advantages but also certain drawbacks. A few countries had recently chosen to peg their currencies to the SDR in the hope of reducing price fluctuations which were inevitable so long as the exchange rates among major currencies were changing and which were felt far more severely when a country's currency was tied to one other currency only. The par value system had been an international safeguard, and with its removal there was a risk that countries might conduct their external policies at the expense of other countries.

13. In order to protect the international community against that risk, the Executive Directors of IMF had adopted guidelines for the management of floating exchange rates in June 1974, which reflected the general agreement that the behaviour of Governments with respect to exchange rates should continue to be a matter for consultation with and surveillance by IMF. Exchange rate policies could be effectively monitored in relation to those guidelines. Substantial oscillations in exchange rates continued to take place and the medium-term trend of exchange rates had not always been satisfactory. The application of those guidelines was important. The difficulties and uncertainties due to the measures that many countries had taken to finance their deficits, whose medium-term consequences could not be foreseen with any certainty, complicated the task of the monetary authorities and IMF in judging when and in what manner it was advisable to act to influence exchange rates.

14. IMF had also decided on a new method of valuation of SDR, linking the unit to a "basket" of 16 currencies. That introduced a relatively stable asset in a world in which other reserve assets, both currencies and gold, were subject to wide price fluctuations. The role of the SDR as a unit of

account was increasing outside IMF, but its place as a reserve asset was still modest. The major reforms were thus still to be made. At the present time efforts were concentrated on the amendments that should be made in IMF's Articles of Agreement to improve its operations. The Interim Committee of the International Monetary System at its January 1975 meeting had defined more precisely the subjects for those amendments, with the emphasis on gold and exchange rates and draft amendments had been prepared. At its last meeting, the Interim Committee had not reached full agreement on all the matters before it but the differences of opinion had been substantially narrowed. With respect to gold, agreement had been reached on three basic principles, namely that its role should be further reduced in favour of SDR, that the official price of gold should be abolished, and that the obligation to use gold in payments between IMF and its members should be abolished. Agreement had also been reached in principle on the sale of a portion of IMF's gold on the market or to members and the use of the profits for the benefit of the developing countries. Those profits could be used to create the special trust fund which had already been considered. However, it had been agreed that IMF should keep most of its gold, subject to any future decision which might be taken on the matter by a very large majority.

15. The Interim Committee had also considered the problems of exchange rates. Agreement had been reached on certain fundamental principles but substantial differences still remained on the question of whether countries should commit themselves to return to a par value system and how much they should be allowed to float their currencies once there had been a substantial return to par values. Discussions were proceeding, and he hoped that the remaining differences would be smoothed out and the technical problems with regard to the amendment of the Articles of Agreement resolved in the coming months. That would not, however, dispose of the subject of monetary reform. IMF would continue to concern itself with major questions such as the actual reduction of the role of gold and reserve currencies and the expansion of the role of SDR as the main reserve asset in the context of better control of the growth of international liquidity.

16. In a world economy that was becoming increasingly integrated, countries' economic and social systems, policies and interests remained very different. It was vital therefore to have closer and more effective international co-operation. Monetary reform was an arduous task but it was worth the maximum effort and perseverance.

The meeting rose at 4.10 p.m.

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 Charter¹ 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.

¹ 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.²

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

² 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,³ "Arusha"⁴ 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-

³ 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.

⁴ 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

implementation would take several years. Thanks were due to UNEP, for its co-operation in connexion with that project. WMO activities in the whole field of climate change were being greatly increased, always with the support of UNEP.

6. In response to the decisions of the World Food Conference, WMO was also working to increase food production by helping countries to apply meteorology to agricultural planning and operations. It would also provide the meteorological input to the Global Information and Early Warning System on Food and Agriculture (E/5587, resolution XVI). Specific assistance was being rendered to the countries of the Sahel region of Africa, amounting to some \$13 million, to be provided over the next five years from a variety of sources, including UNDP, several donor countries and possibly some non-governmental organizations. The project should lead to improved agrometeorological and hydrological services in each of the seven countries and to the establishment of a permanent regional centre providing training and various operational support facilities for those countries.

7. Turning to the Technical Co-operation Programme, he stressed that, in addition to extending the benefits of modern technology and knowledge in the field of meteorology and operational hydrology to the developing countries, it was essential that WMO should assist them to establish the facilities and installations which would enable them to play a full part in the various global programmes. It should be noted that in the Atlantic Tropical Experiment Senegal and many other developing countries in Africa and South America had played important roles. Under WMO's Voluntary Assistance Programme -- and under its participation in UNDP, to which thanks were due for its co-operation no fewer than 93 countries had received aid, in 1974, to a total volume of well over \$9 million. A large proportion of the Technical Co-operation Programme was devoted to education and training and that trend was increasing.

8. With regard to the main question before the Council, the establishment of a new international economic order, the whole of WMO activities were directed to applying meteorological knowledge to assist economic and social progress in all countries. The subject of co-ordination, which was also preoccupying members of the Council, was one to which WMO paid close attention, as could be seen from the many activities described in the annual report in which it had co-operated with other specialized agencies and IAEA. WMO would respond to any demands for new activities or for changes of emphasis in existing programmes which the plans for the new international economic order might require.

9. Mr. SAITO (Japan) said that recession, inflation, balance-of-payments difficulties and energy and food shortages, unprecedented in their gravity, continued to plague the world community, in which countries had become increasingly interdependent and problems more closely interrelated. The situation was particularly serious for the less fortunate countries.

10. It was, therefore, essential that all nations should take into account the interests of others when formulating their

policies and should beware of the dangers to economic equilibrium of forming economic blocs. Only with an over-all expansion of the world economy would the developing countries be assured of a greater and fairer share of world wealth, for real co-operation could only be expected when everyone was a winner and nobody a loser.

11. His Government fully appreciated the basic desire of the developing countries for faster economic and social development; sterile debate and all thoughts of confrontation must be superseded by negotiations on specific problems. The measures taken must be such as would really lead to the desired results in the long term; otherwise they would benefit no-one. Japan would co-operate in the solution of the problems in a manner consistent with the principles upon which its economic system was founded, and that approach would determine its basic attitude toward the proposals to be discussed at the forthcoming seventh special session of the General Assembly. Every effort should be made during the Council's current session to achieve progress in the preparations for the special session if it was to achieve results.

12. In dealing with commodity problems, measures should be considered that would eliminate sharp fluctuations in price without changing the basic character of the market machinery which had made possible the expansion of the world economy to the present level. Adequate investment was also needed to continue the expansion of commodity production in order to meet long-term requirements for growth of the global economy. Serious consideration should be given in that connexion to the position of the developing countries, some of which depended on export earnings from particular commodities, while many others were importers of such commodities.

13. His Government welcomed the continuing of the multilateral trade negotiations at GATT and considered that, precisely because of current economic difficulties and the danger that various protectionist devices might be invoked, the present time was appropriate for efforts to promote freer trade as a stimulus to the growth of the world economy as a whole. Japan's trade with the developing countries, which represented approximately 40 per cent of its total foreign trade, was expanding rapidly. His country would do its best to secure additional benefits for the international trade of developing countries, in accordance with the Tokyo Declaration of 1973.¹

14. Reviewing the first half of the Second United Nations Development Decade, he thought the International Development Strategy remained a valid instrument. Performance in the agricultural field had admittedly been unsatisfactory, as had been the failure by developed countries to provide more assistance to the developing countries. His country hoped that corrective measures could be devised for the remainder of the Decade.

15. In view of the world food situation, the prime necessity was to increase food production, both in developed and developing countries. His Government

¹ Issued at the end of the GATT ministerial meeting; for the text, see GATT document MIN(73)1.

intended to extend as much co-operation to the latter in that field as possible. It recognized the necessity, however, of continuing to provide food aid for some time to come. It intended to provide financial assistance for the Global Information and Early Warning System on Food and Agriculture and hoped other countries would do likewise; it also intended to co-operate with the International Undertaking in World Food Security (E/5587, resolution XVII).

16. Substantial increases in the flow of capital, both official and private, would be required if the developing countries were to achieve adequate growth rates in the remaining half of the current Development Decade. The flow of financial resources from Japan to the developing countries had fallen in 1974 to 0.65 per cent of GNP after having reached 1.44 per cent in 1973. His Government's official assistance had, however, increased by 11.4 per cent over the previous year and the decrease in the total flow was, therefore, due to the drastic reduction in the flow of private capital stemming from economic difficulties both in Japan and recipient countries. That situation was a good example of the fact that, in an interdependent world, it was important to secure a prosperous economy in every country in order to achieve viable development programmes for the developing countries.

17. Although the developed countries were undergoing difficulties, they must make greater efforts to increase their development assistance. The recent recommendations of the World Bank, including the establishment of a new intermediate lending facility, known as the Third Window, were therefore encouraging.

18. Because of the widening gap among developing countries, solutions based on over-all performance by those countries would not be appropriate for those -- already the poorest -- that were hardest hit by the present volatile state of the world economy. As part of the emergency operation to provide a minimum level of essential imports for some countries, Japan had given them emergency assistance of \$105 million and had made a contribution of \$6.5 million to the Secretary-General's special account for food and fertilizer aid. The next stage must be to raise the level of their economies. The United Nations system, which could not solve all the world's problems should give priority to assisting the most seriously affected countries. All countries that were able to assist -- regardless of their economic systems or stages of development -- should join in that effort.

19. Since the current economic and social problems were global and closely interrelated, his Government advocated a structural reform of the United Nations system that would make the Council the focal point for the formulation of policy and the co-ordination of economic and social activities. It was therefore carefully studying the report of the Group of Experts on the Structure of the United Nations System (E/AC.62/9). It was essential in that connexion to respect the judgements made by the specialized agencies and other multilateral bodies relating to their respective sectors, within the framework of the General Assembly's policy guidelines. Any institutional rearrangements would have demerits as well as merits, and were therefore better confined to areas where they were

really necessary. Duplication should first be eliminated, and efforts should then be concentrated on areas in urgent need of reform where there was some assurance of achieving results. The aim must be to produce a lasting system, and the process should be a continuing one of trial and error rather than a once-and-for-all shake-up.

20. It was important to decentralize the activities of the United Nations system, giving the regional commissions greater roles in implementing policies and executing projects. Initiative by the regional commissions should be encouraged, while bearing in mind the need to avoid duplication of projects, and giving due attention to financial implications and the real needs in the regions concerned. As an example, since the Council's endorsement, the previous year, of the UNDP Governing Council's decision to strengthen the co-operation between UNDP and the regional commissions ESCAP had become an executing agency at the preparatory stage of the project for an Asian Centre for Agricultural Machinery. Close co-operation between the various United Nations bodies would increase the efficiency of the activities of the United Nations system as a whole.

21. Mr. CHANG Hsien-wu (China) said that in the past year the international situation had undergone tremendous changes which were favourable to the peoples of all countries. The peoples of Cambodia and South Viet-Nam had won great symbolic victories. The peoples of Mozambique and Angola had also won victories over colonial rule. To-day, the third world was playing an ever greater role in international affairs, and no one could withstand the historical trend of countries wanting independence, nations wanting liberation, and the people wanting revolution. Meanwhile, the super-Powers were stepping up their contention. The people of the world must bear in mind that imperialism was the root cause of war and that the danger of a new world war was growing, against which their vigilance should be heightened.

22. One of the features of international events over the past year or more was that the third world countries had extended their struggle against colonialism, imperialism and hegemonism into the economic sphere. They had taken resolute steps to implement the Declaration and Programme of Action on the Establishment of a New International Economic Order, adopted by the General Assembly at its sixth special session, and had carried on a struggle to break down the old order and establish a new one. More and more countries were taking measures to safeguard State sovereignty. To protect their natural resources, to nationalize economic sectors usurped by imperialism, to control transnational corporations, and to establish new associations of raw-material producing countries and new regional organizations.

23. The great efforts made by third world countries since the General Assembly's sixth special session had been instrumental in bringing about the adoption of the Charter of Economic Rights and Duties of States, while such events as the Conference of Developing Countries on Raw Materials at Dakar, the Summit Conference of oil-producing countries, the adoption of the ACP-EEC Convention of Lomé between EEC and over 40 developing countries and

the Second UNIDO General Conference at Lima had all signified the progress made in recognizing the need to found a more equitable international economic order and strengthen the ties between the third world and second world countries on the basis of true equality. It could be seen, therefore, that the principles and guidelines defined by the General Assembly at its sixth special session were correct and that they required the third world countries' unity and joint efforts.

24. It was essential, however, for the third world countries to guard against the attempts of the two super-Powers. One super-Power talked about "interdependence" and "dialogue" but actually resorted to confrontation so as to maintain the old international economic order. It even used various means of coercion in an attempt to divide the third world. The other super-Power, which styled itself an "ally of the developing countries" was even more insidious. While professing support for the third world, it preached a bogus message of international "economic integration" in a bid to extend its domination and bind even more countries with the neo-colonialist shackles in which it held its so-called "family". Behind the facade of "disarmament" and "*détente*", it was stepping up military preparations and maintaining its attempts at expansion, in competition with the other super-Power. Many countries had come to see more clearly the true features and tricks of the super-Powers. His country fully believed that the peoples of the third world, by strengthening their vigilance and solidarity, would overcome all such obstacles and succeed in their struggle.

25. China firmly supported the proposal made by the countries of the third world that preparations for the General Assembly's seventh special session should be based on the Declaration and Programme of Action adopted at the Assembly's sixth special session and on the Charter of Economic Rights and Duties of States adopted by the Assembly at its twenty-ninth session. The objective of the seventh special session should be the implementation of those documents. China supported the proposal of the Group of 77 submitted in informal talks on the areas and questions for discussion at the seventh special session. It was necessary to affirm that each State had the right to exercise permanent sovereignty over its natural resources and internal economic activities, including the right to control the activities of transnational corporations and, if necessary, to nationalize them, to form commodity producers' associations, to establish a link between the prices of their export commodities and those of their imports and to participate on an equal footing in solving world economic problems. It was also imperative that the international monetary system should be reformed. Those principles were inseparable and reflected the third world's desire to combat colonialism and domination, change the existing inequitable relations and establish a new international economic order. It was in that spirit, embodied in the Declaration and Programme of Action, that his delegation hoped the General Assembly would make progress at its seventh special session, on the basis laid by the sixth special session.

26. The International Development Strategy for the Second United Nations Development Decade had been

worked out five years earlier when China could not participate in the discussions. It was quite clear now that the Strategy failed to give full expression to the requirements of the international situation and the desires of the third world countries. China supported the proposal of the Group of 77 for the revision, amplification and improvement of the Strategy in conformity with the Declaration and Programme of Action (E/5693, annex IX), and endorsed the correct principles and reasonable proposals put forward by the Group of 77 for the mid-term review and appraisal.

27. Mr. CLARK (International Bank for Reconstruction and Development) said that in the current year the United Nations stood at a crossroads, as it laid the groundwork for a new international economic order. The results of the deliberations in the Council and the General Assembly's forthcoming special session would determine not only the direction in which the United Nations would move to help its poorer members overcome their immense difficulties but also its capacity to help improve the economic prospects for all nations. The advice on priorities to be given by the Council to the Assembly should become the strategic plan for a United Nations attack on world poverty.

28. Of the issues deserving attention, food was of primary concern, being essential to survival as well as to development. The momentum of the World Food Conference must not be lost. The food situation of many countries was likely to worsen in the short term, no matter what investment decisions were made; it would worsen in the longer term too, unless the right policy and investment decisions were made very soon. The World Bank had been increasing its financial support for projects to improve the developing countries' food production and had been active in setting up the Consultative Group on Food Production and Investment in Developing Countries. It was a sponsor and donor member of the Consultative Group on International Agricultural Research and also looked forward to working with the proposed International Fund for Agricultural Development which was now attracting substantial financial support, including some from developing countries.

29. Food supplies from the temperate zones alone would not suffice to feed the world's peoples. But even if those zones had enough surpluses, many countries were still too poor to finance the necessary imports and distribution. The attack on rural poverty was therefore central to the World Bank's aims and had already been started, as the report for the past financial year would show.

30. Despite the developing countries' emphasis on investment in education, illiteracy was not decreasing. Unless they acted promptly, supported by the international community, to increase and re-direct educational activities according to their development needs, their peoples would still, at the end of the century, be ill fitted to escape a life of poverty and ignorance. The World Bank was involved in helping those peoples to become active and efficient agents of their countries' development.

31. Health and nutrition constituted one of the key subjects for consideration. Disease, inadequate nutrition, poverty and a high birth-rate were mutually reinforcing

factors. Their cost, in terms of waste, lower efficiency and reduced productivity, was only just beginning to be realized; to correct that situation was less a matter of expenditure than of designing appropriate programmes and services which would emphasize not curative measures alone but also preventive and environmental measures, such as the provision of clean water supplies, available to all at low cost. In the projects it financed, the World Bank, was paying much more attention to those aspects and was drawing on the experience and advice of WHO.

32. The World Bank had repeatedly stressed, in public and in private, that a larger transfer of resources from the developed to the developing countries was not only possible but also indispensable if the latter were to have any hope of settling the fundamental problems facing them. The World Bank's recent studies showed that economic progress in most of the developing countries had been hindered by the price and trade trends during the past two years. Taking into account those adverse forces and the target growth rate of 6 per cent set by the General Assembly for the Second Development Decade, the World Bank estimated, on the basis of data for some 40 developing countries, that external capital flows of at least \$50,000 million per annum would be needed for the next five years, compared with the \$29,000 million likely to be available under current plans. As a matter of urgency, therefore, the economically advanced countries and those with large financial surpluses should forge a new consensus and commit themselves to new capital-transfer targets. One element might be agreement on a target for correcting the imbalance between countries' need for concessional aid and what they actually got; for example, a substantial proportion, if not all, of highly concessional bilateral aid might be allocated to the poorest countries, according to population. Examination of the situation in those countries with an annual *per capita* income of less than \$200 showed that, in order to raise their growth rates to between 4 and 6 per cent, as little as \$2,400 million per year – or even less – of additional concessional external resources would be all that was required. He therefore suggested that Governments in a position to provide such assistance should give immediate priority to attaining that limited target.

33. Eleven industrialized and oil-exporting countries had already offered contributions to the proposed interest-

subsidizing fund – the so-called Third Window – by means of which it was hoped to provide \$1,000 million per year in assistance at the concessional rate of 4.5 per cent, in addition to the World Bank's other operations. Because of the limited funds available, the eligibility criteria would favour developing countries whose annual *per capita* income was less than \$375.

34. The World Bank planned to lend approximately \$40,000 million between 1976 and 1980, an increase of 58 per cent over the previous five-year period and 153 per cent over the period before that.

35. The fifth replenishment of IDA, would shortly be begun; the fourth replenishment had given IDA authority to commit \$4,500 million up to 30 June 1977, by which time its available resources would be fully committed. Governments must therefore act in good time to ensure replenishment adequate to the poorest countries' unprecedented needs.

36. The World Bank, since its foundation, had played its part in the international community's measures to replace the old order of economic exploitation by schemes of mutual assistance in which the richer helped the poorer. Present demands for a new international economic order made clear the duty incumbent on all members of that community to face up to the needs of the majority of mankind, which were still increasing.

37. Mr. NAVON (Observer for Israel), speaking at the invitation of the President, said that, as a result of an attack in Jerusalem that morning by members of the Palestine Liberation Organization, innocent civilians had lost their lives. The previous day, Mr. Arafat had said in an interview that the Palestine Liberation Organization would further escalate its actions. The act of violence just perpetrated spoke for itself. It had been a sad day for the United Nations when the Council, in allowing members of the Palestine Liberation Organization to sit as observers, had not only failed to observe its avowed aims of promoting peace, progress and co-operation but also implicitly endorsed the crimes of the organization concerned.

The meeting rose at 4.45 p.m.

1958th meeting

Monday, 7 July 1975, at 10.40 a.m.

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

E/SR.1958

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. M'BOW (Director-General, United Nations Educational, Scientific and Cultural Organization) said that he was deeply conscious of the Council's role as co-ordinator of United Nations economic and social activities—a role of particular importance at a time when there was general recognition of the need for a change in relations between

States if the tensions that gave rise to conflict were to be avoided and the increasingly intolerable inequalities that afflicted the world were to be removed. The importance of economic and social problems in the world in advance towards a juster and more fraternal order could not be over-emphasized. It was the Council's special responsibility to make proposals for the improvement of the International Development Strategy for the Second United Nations Development Decade and for the preparation of the seventh special session of the General Assembly in the light of the critical analysis of the first five years of the Decade and the evaluation of constraints of a general policy nature on the implementation of the Programme of Action on the Establishment of a New International Economic Order. Like the other specialized agencies, UNESCO attached particular importance to the report of the Group of Experts on the Structure of the United Nations System (E/AC.62/9), since the attainment of justice and peace depended both on the will of Member States to avail themselves of the institutions of the system and on the latter's ability to respond effectively.

2. Information about the steps taken by UNESCO in response to the General Assembly's Declaration and Programme of Action on the Establishment of a New International Economic Order would be found in UNESCO's report to the Council for 1974 (E/5680), the relevant section of the Secretary-General's report (E/5629) and part two of the annual report of ACC for 1974-1975 (E/5675).

3. As for the place to be taken by UNESCO programmes within the collective effort of the United Nations system toward the requisite establishment of a new international economic order, if a change in the practices at present regulating international economic relations between the developing and the industrialized countries were all that was needed for achievement of that aim, the organization's role—save in science and technology—might at first glance appear to be a marginal one. But development was not merely a matter of more equitable trading relations or of growth as such; it must enable the peoples of the world to live a fuller, better life. The references to economic, social and cultural progress in the Charter of Economic Rights and Duties of States and the importance attached to problems of illiteracy and to education, training and cultural standards in the Lima Declaration and Plan of Action on Industrial Development and Co-operation¹ were therefore a clear recognition of the fact that development must be considered globally, taking into account the manifold needs of the world's peoples. UNESCO saw it as its role not only to help to lay the scientific and technological foundations which would enable each country to utilize its natural resources, but also to make education and communication the instruments by which they could ensure their own progress through the development of their cultural values to bring about changes in accord with their aspirations.

4. The importance of research and experimental development in the transformation of modern economies had to be seen in relation to the fact that nearly 90 per cent of the

world's scientific and technical research potential was concentrated in the industrialized countries. The poverty and threat of famine which afflicted the other countries resulted from their lack of an indigenous science and technology to serve as a basis for the establishment of industry and the modernization of agriculture. In the long term a solution to the crucial problem of the transfer of science and technology and the development of technologies appropriate to each people must be sought through scientific and technical autonomy, which would enable all peoples to participate in the general progress of knowledge, to identify the scientific and technical problems hampering their development and the fields in which science and technology would make substantial progress possible, to devise techniques suited to their conditions and resources, to choose and adapt the knowledge and techniques whose acquisition by transfert would be in line with the national scientific and technological policy, and to develop national machinery for stimulating the dissemination of scientific and technological information and the transfer of knowledge which would operate in co-ordination with the relevant regional and international machinery.

5. Accordingly, UNESCO gave high priority to the building of a scientific and technical infrastructure in developing countries on the basis of genuinely national scientific and technological policies. It was also active in the fields of general and specialized education and the dissemination of information. The development of a world-wide system of scientific and technical information working through regional sub-systems and national centres and compatible with parallel systems in related fields was one of UNESCO's priority tasks under the UNISIST programme.

6. In regard to education and information, one major aspect of the new international economic order, namely, the combatting of poverty, should not be overlooked. Education and communication must help to give the peoples of the world the knowledge and skill they needed not only to fight more effectively against sickness, malnutrition and bad living conditions but also to achieve a fuller awareness of their situation and to acquire the will and the means to take an active part in changing their society. Hence the importance attached by UNESCO to bringing educational systems into line with the economic, social and cultural realities of each country so that development should serve not just a minority but the broad masses of the people. The aim was to make education an instrument of change and a permanent process for both children and adults. Although reading and writing were not a prerequisite for all types of learning, illiteracy cut off millions of human beings from the sources of knowledge of their choice and deprived them of the full exercise of their rights. The scope of the problem was indicated by the UNESCO estimate that the number of illiterates in the world would amount to 820 million by 1980, the majority in developing countries. Although seriously hampered by the derisory means available to it, UNESCO was endeavouring to make its 30 years' experience in methodology and the organization of mass literacy campaigns available to the international community and individual member States. External aid was indispensable, but illiteracy could only be overcome by the political will of individual Governments. Experience showed that whenever a Government tackled

¹ Adopted by the Second General Conference of UNIDO, on 26 March 1975, for the text, see E/5696, chap. IV.

the problem because its solution was a prerequisite for other social transformations, positive results followed.

7. Whatever aspects of development were considered, the most important factor was a recognition of the problems to be overcome and the necessary will on the part of Governments and peoples. An awareness of cultural identity, linked to social mobilization, was of fundamental importance in national independence and development. By developing the riches of its national culture and affirming its own specific values, each country could safeguard its identity from the risk of levelling down, and at the same time contribute to the general progress of mankind. Only when peoples were enlightened, capable of overcoming their problems and rooted in their own authentic cultures, having at once a sense of their own identity and a receptiveness to others, would they be capable of deciding the lines along which they wished to develop and of dealing with others on an equal footing. That was why UNESCO regarded education, science, culture and information as necessarily inter-linked and essential to both the process and the goal of development, and why it had assumed particular responsibility for protecting the right to education, information and culture, the extension of which to all men was one of the major objectives of a new international economic order.

8. Turning to some general aspects of the new international economic order and the problem of devising a new structure for the United Nations system, he emphasized the need for a global approach. There had hitherto been a tendency to consider such matters as population, food supplies, natural resources, science and technology, culture, health, the status of women, the environment, human rights and trade and monetary problems separately, whereas what was required was a consideration of their inter-action from a world-wide point of view as a means of giving effect to the principles of equity and mutual respect fundamental to the new international order.

9. The question arose, however, whether the United Nations system, as at present constituted, was capable of carrying out the tasks necessary for the establishment of the new international order. International economic and political relations were based upon power structures of doubtful efficacy for establishing a system of relations to ensure the increasing well-being of all peoples. It was, however, within the framework of the existing system, shorn of its anachronisms, that ways and means would have to be sought to give effect to the General Assembly's resolutions. The best possible use should, of course, be made of existing resources, but their inadequacy had to be recognized. The United Nations should follow up its pre-investment policy by a selective investment policy based on a world system of priorities, which would have to have a regulative function, in other words act as a corrective to the excessive flow of investments to countries or regions where the highest and most rapid returns were expected.

10. In order to satisfy the aspirations of the international community, either existing financing institutions should be given a new scope and orientation, or consideration should be given to the establishment of a fund within the United Nations system for the specific purpose of collecting,

managing and utilizing, in co-operation with the specialized agencies, the resources necessary for that great undertaking. In order to combine efforts on behalf of third world countries and efforts to palliate the effects of the world recession and economic crisis in the industrial countries, resources should be channelled into that new fund, particularly those liberated by a reduction in armaments. The establishment of a new international economic order could only be achieved if it was linked to a planetary strategy for peace founded on respect for the sovereignty of all peoples and the renunciation of all types of interference in the internal affairs of nations. The fund might, in that context, adopt as its objective to link the reconversion of a war economy into a peace economy with the development of activities relating to the new order. The fund might also be financed by other means, such as an undertaking by the developed countries, as suggested by France, to allocate to a medium-term development aid programme a substantial part of the appreciation in value of the gold returned by IMF to its members, or the profits from off-shore and other mineral resources.

11. If the United Nations system was to be equal to the demands made upon it by the new international order, structural changes would be necessary. States should be given increased representation on the governing bodies of United Nations institutions in order to strengthen the legality of those bodies as they assumed the wide and sensitive functions required to build the new order. There would also be a need for improved co-ordination among United Nations institutions in order to increase their effectiveness and their authority concerning economic relations among the international community.

12. In his opinion, the United Nations system should assume three new functions forthwith: firstly, it should carry out exhaustive studies of the present situation, unrestricted in any way, to establish the nature of all types of problems facing developing countries, taking both internal and external factors into account, and prospective studies to identify the basic options open to the international community, which might serve as a means of directing the flow of resources; secondly, it should facilitate agreement between States or groups of States on certain aspects of the Programme of Action, such as economic and financial flows, the flow of science, technology and information, and the mobilization of resources; and thirdly, it should draw up long-term plans on a more elaborate basis than that adopted for the setting of global quantitative targets under the International Strategy.

13. He had already had occasion at the Joint Meetings of PPCC and ACC to state his views on the report by a group of experts entitled "A new United Nations structure for global economic co-operation". While paying a tribute to the work of the experts, he found it regrettable that, as was indicated in the preface, there had not been sufficient time for them to consult executive heads or representatives of the agencies, which would, he felt sure, have resulted in a clearer understanding of some matters.

14. For the General Assembly to exercise in full its governing role within the system as a whole, it was, in his view, essential that the specialized agencies should be

enabled to participate, in the fields within their competence, in the preparation for special sessions of the Assembly devoted to major world problems and in the implementation of the decisions reached. If, however, as the Secretary-General appeared to think would be the case, those major problems were to continue to be discussed in *ad hoc* conferences, the specialized agencies ought to play a leading role both in their preparation and their proceedings. As far as the Council was concerned, it could only discharge its basic responsibilities to define global policies and priorities and to co-ordinate the activities of the specialized agencies if, as was implied by paragraph 52 of the Experts' report, the agencies were able to participate fully in drawing up its decisions. At times, however, there appeared to be a tendency for the United Nations Secretariat to interpose itself between the Council and the agencies, with the result that the latter felt themselves reduced to a subordinate role or even to that of mere spectators. All too often, the Council and the General Assembly adopted resolutions assigning specific tasks to the agencies without considering how the resources needed for implementation could be secured.

15. Paragraph 150 of the report, in which the Group of Experts suggested that operational projects might be entrusted not only to the specialized agencies but to various other bodies, with a view to achieving the maximum economy, puzzled him. To begin with, he knew of no cases within UNESCO's sphere of action in which costs had been lower when projects had been entrusted to private organizations. There was also the question of quality and of political safeguards. Without disputing the need to review the methods used in operational activities to break away from a paternalistic approach, he did not think that the true interests of Member States would be served by disregarding the existence of the competent specialized agencies.

16. With regard to science and technology, a field of great importance to several specialized agencies and particularly to UNESCO, he agreed that it was desirable to harmonize action. The UNESCO Executive Board had declared itself in favour of working out "a harmonized and gradually integrated United Nations science and technology policy" and, further, had taken the view that "science and technology should be selected as one of the programme areas for an experimental exercise in joint inter-agency planning". In addition, it had invited the Director-General to attach particular importance to the need, in conformity with the organization's constitutional responsibility in that field, for the UNESCO secretariat to remain closely associated in the preparation and working out of activities and programmes relating to science and technology as a whole within the United Nations system, in particular in the framework of the establishment of the new international economic order. UNESCO's action in that field could not be fully effective without close co-operation not only with other United bodies but also with the world scientific community, with which, indeed, UNESCO had always maintained close contacts. On the more specific subject of inter-agency co-ordination, UNESCO had issued a standing invitation to its fellow agencies to participate not only in the implementation but also in the preparation of some of its programmes in which the multi-disciplinary

aspects were of particular importance. Examples of that kind of co-ordination were to be found in the ACC report on marine science and its applications (E/5676). He was consequently astonished at the suggestion that new institutions should be set up to deal with science and technology, nor could he see why the Secretary-General should be assisted by an adviser on scientific matters and not in other specialized fields, such as health, education, industry or agriculture. The responsibility for advising the Secretary-General lay with the competent specialized agencies and, as far as science generally was concerned, with UNESCO. If the United Nations Secretariat and the Economic and Social Council felt the need to seek the advice of men of science, they could surely turn to the competent agencies rather than have recourse to groups of specialists gathered together on an *ad hoc* basis. In any event, UNESCO was quite capable of providing, if necessary in collaboration with other agencies, any advice the Council might need on scientific matters. The success of the United Nations system as a whole would be short-lived unless the various sub-systems played their part, each one making its specific contribution to the common cause on the basis of its particular competence. At the political level, harmonization and co-ordination were the responsibility of the Council; at the technical level, they were the responsibility of ACC. But the planning and contents of the programme of each agency were the responsibility of member States, through the intermediary of the delegations that they sent to the various deliberative bodies. It should perhaps be suggested that each Member State of the United Nations should endeavour to harmonize the points of view of its various delegations with a view to achieving greater coherence and better utilization of resources.

17. The United Nations had come into being 30 years before, following upon a murderous war responsible for devastating many countries, making millions of victims and destroying vast resources; nevertheless, that war had shown that brute force was not insuperable and that the will of the people was paramount in the march of time. The idea of establishing international relations based on tolerance, mutual understanding and co-operation had come to be accepted and, with the creation of the United Nations, the hope had been engendered of building a just and peaceful world in which individual rights would be recognized and the benefits of progress would be enjoyed by all. Thirty years later there was, from many points of view, a credit balance. War had been averted and great progress had been achieved in every sphere of life. Nations long under colonial domination had achieved independence, demonstrating once again that no force could hold back the will of the people. Yet the recognition of mankind's right to freedom had been attained at a fearful price. And to-day, how much accumulated misery, gratuitous violence and breaches of human rights still existed in so many countries, even in the so-called best regulated of societies.

18. It was to be wondered whether more deaths, more ruins would be needed before the peoples still enslaved regained their freedom; whether more cruel struggles would have to take place in order that those still subjected to racial prejudice, to *apartheid*, and those imprisoned within limits recovered their human dignity; whether there would have to be other and even stronger tensions, other more

murderous confrontations to make it possible for mankind, free at last from all thoughts of domination and exploitation, to stride forward in conditions of freedom and justice towards universal well-being. It was to be hoped that the world would be wise enough to remedy the injustices and to show real determination in doing away with the serious disparities between the areas of prosperity, abundance, and indeed wastefulness, on the one hand, and the areas of poverty and misery on the other. He was firmly convinced that only by that means would the world enter an era of peace based on mutual appreciation and a real sense of solidarity between peoples and nations. In order to respond to the aspirations of peoples, the international community and all national communities would have to raise their capacity for self-analysis to an unprecedented level so as to gain a clear understanding of the changed conditions and to have the will to take the necessary action. That attitude, reflected in the form of strategies and programmes, would make it possible for a transformed world society to move forward. The successes and even the failures of that undertaking would generate deeper reflections and mankind would at last find itself in the position of being able to write its own history.

19. Mr. ÅLGÅRD (Norway) said that this Government considered that, at the present important session, delegations should move away from declarations of a general nature to statements which indicated clearly what they were willing to contribute to make the seventh special session of the General Assembly a success and what changes they thought should be made in the International Development Strategy in order to make it an effective instrument in establishing a new international economic order. That could be achieved better in informal consultations than in formal plenary meetings. His delegation therefore thought that delegations should begin to tackle the practical and constructive work awaiting the Council now that it had been entrusted with the main role in the preparations for the year's most outstanding event in the field of international economic and development co-operation, namely the seventh special session of the General Assembly.

20. Careful preparations should be made for the seventh special session if it was to take decisions that could be arrived at with a broad consensus, although, as he had said at an informal meeting of the Preparatory Committee, if there was no political will even the best preparations would be unavailing. In view of the work that had already been performed, there was no further need for statements of position. Governments that had wished to explain their position on matters of principle had had ample opportunity to do so. The time had now come to put the political will of delegations to the test and to establish whether anything of substance could be achieved on the limited number of high priority issues which it had been agreed to place before the General Assembly at its special session.

21. His own Government had participated actively in the preparatory work and the informal consultations and agreed that there appeared to be grounds for cautious optimism. Nevertheless, there was undoubtedly a considerable amount of hard bargaining to be done if it was hoped to achieve results that would contribute to the basic changes in the relations between the rich and the poor

nations of the world. Even in a world of growing interdependence, there were still national interests, for which Governments had a primary responsibility towards their own peoples. The task of the Council was to avoid a narrow interpretation of such national interests and to help to foster a better understanding of the enlightened self-interest of all States in a world community from which the causes of confrontation were being progressively removed by means of a process that would lead towards greater equality and social justice.

22. His Government fully approved of the basic principles of the new international economic order. Those principles had been fundamental features of his Government's policy, which was committed to creating a maximum of equal opportunities for all its population. Consequently, Norway had no difficulty in associating itself with and actively supporting initiatives, plans of action and programmes that were based on the morally justified demand of developing countries for a redistribution of existing wealth and an increased share of continued economic growth. His Government had always been committed to the objectives of the International Development Strategy, which had provided the guidelines for over-all policies in the field of international economic development co-operation. The Strategy had been the first serious attempt by the international community to approach the manifold problems of development systematically and comprehensively. It was particularly encouraging that the development process had come to be recognized as a joint responsibility of all nations – rich and poor. His delegation therefore deeply regretted that, at a time when the Strategy was subject to a mid-term review and appraisal, it had become clear that the original expectations had been too high. As far as official development assistance was concerned, the position was worse now than it had been at the beginning of the Decade. Moreover, CDP had concluded, at its eleventh session, that the trade policy measures called for in the Strategy had not yet been implemented (E/5671, para. 97). His delegation therefore agreed with the statement by the President, at the conclusion of the fifty-eighth session of the Council (1952nd meeting), that the world had to put its priorities in order.

23. His Government tended to regard the decisions taken at the sixth special session of the General Assembly as a reaction to the inadequacy of the International Development Strategy. Yet it did not feel that the Declaration and Programme of Action on the Establishment of a New International Economic Order or the Charter of Economic Rights and Duties of States made the Strategy superfluous. On the contrary, his Government agreed with the view expressed by CDP that those decisions had invested the problem even greater urgency (E/5671, para. 12). In the implementation of the new international economic order, the Strategy had an important role to play and it now lay with the Council to revise it in the light of the recent decisions without allowing it to lose its operative character. The preliminary draft prepared by the Group of 77 (E/5693, annex IX) would be an excellent basis for such a revision.

24. His Government attached particular importance to the emphasis that the International Development Strategy

placed on the social aspects of development. In a country such as Norway, which was dedicated to an egalitarian concept of society, it would be impossible to rally public support for development efforts that were not for the dual purpose of eliminating social injustice between nations as well as within nations. The call for a new international economic order should therefore be combined with efforts to create new national economic orders that would promote social justice in both developing and developed countries.

25. His Government had recently submitted to the Norwegian Parliament a report on its economic relations with the developing countries. Although Norway was strongly committed to the attainment of the Strategy target for official development assistance, his Government recognized the broader scope of the problems as reflected in the newer Programme of Action. It fully realized that a fluctuating political will in the developed countries was an unsatisfactory basis for the transfer of resources needed by developing countries for the implementation of their development programmes. It was therefore necessary to seek more automatic ways of transferring resources.

26. His Government had no difficulty in accepting an agenda for the seventh special session based on the subjects put forward by the Group of 77 in informal talks. His delegation had participated in consultations on the basis of that list and was ready to do so again. In the report submitted to the Norwegian Parliament, all the substantive issues listed were taken up. His delegation would be happy to join others in endeavouring to provide the basis for a broad consensus decision at the special session. There was no time to waste. If the Council failed to lay a basis on which a broad consensus could be reached, a unique opportunity might be lost. The result would be—at best—the adoption of resolutions to which important parties would not feel committed or—at worst—an outright confrontation which would benefit no one. He therefore hoped most sincerely that a sufficient number of delegations would share the sense of urgency to enable the Council to take definite steps forward at the present session.

27. His Government's immediate reaction to the report of the Group of Experts on the Structure of the United Nations System was that it had a grand design well suited to strengthening the United Nations role in the economic and social field. Many of the specific proposals were in line with his Government's thinking, particularly in the case of the proposals for strengthening the role of the Council. The report was being closely studied by his Government, which shared the view that it would be a mistake to miss the opportunity of overhauling the United Nations structure so as to ensure greater efficiency and a system better equipped to serve Member States. In the last instance, however, everything depended on substantive results. The burning political issues of the time called for political action; they could not be settled through structural reform.

28. The Council should be doing the necessary groundwork to ensure that the seventh special session became a broad meeting of minds. It should concentrate on defining the basic aims in the areas listed by the Group of 77. It should leave to subsidiary and more specialist bodies the

task of seeking ways and means for the practical implementation of those policies. There was no need for more declarations of principles: what had now to be undertaken was the long and strenuous process of integrating in the day-to-day life of ordinary people all over the world the declarations of principles, programmes of action, the strategies and the charters which held out the promise of a new and better international economic order.

29. Mr. HASHMI (Observer for India), speaking at the invitation of the President, said that the statements made to the Council had emphasized the validity of certain basic premises on which it was essential to reach agreement. His delegation considered that, in reviewing and appraising the International Development Strategy and in preparing for the seventh special session of the General Assembly, there were four incontrovertible elements that should always be kept in focus: the interdependence of nations, collective responsibility, the international democratization of the decision-making process, and an integrated approach to the solution of the various problems.

30. The economic crisis had once again underlined the interdependence of the modern world, in which decisions by one State were bound to have repercussions on others. The corollary of such interdependence was the collective responsibility of all States, but that responsibility had to be exercised in accordance with the principle of sovereign equality of all States, for decisions would not be viable without the voluntary agreement of all States based on complete equality. Recent events had also shown that piecemeal therapy in times of crisis was inadequate and ephemeral. It was therefore important to consider the problems, whether or not they had reached a critical point, from a global point of view, so that solutions to one problem would not be thwarted by unforeseen developments in another sector.

31. The United Nations was undoubtedly the best forum in which the four elements to which he had referred could be taken into account, for it was democratic and universal. Only in the United Nations would States allow their narrow, short-term interests to give way to the broader view and the long-term interests of the world as a whole.

32. Much had been said about the need for global structures to be harmonized with changing needs and contemporary consciousness. One idea that had been put about was that States which had recently acquired some reserves should part with them if the world was to be re-designed. Others believed that the protection of the environment in itself was a matter of such over-riding importance that the development of the poorer nations could be postponed, while yet others had their own proposals for overcoming difficulties. He proposed to outline certain basic facts of contemporary life in order to rid the discussion on the changing of global structures of the plethora of inadequate or unnecessary remedies.

33. The first element of global economic reality was that 70 to 80 per cent of global trade was still in the hands of 16 leading industrialized OECD countries, most of it taking place among those countries themselves although some cheap, irreplaceable or exotic commodities were purchased

from developing countries in amounts which, except for oil, were more than offset by exports to developing countries. Secondly, nearly 95 per cent of the flow of private capital to developing countries originated in the same group of 16 countries and represented a profitable source of income to their investors. Thirdly, for historical and technological reasons, the exports of developing countries were dependent on the markets of the developed countries, to which access was therefore of crucial importance to the external trade of developing countries. Fourthly, at the end of 1974 115,000 million of the total global reserve of 181,000 million SDRs had been in the hands of developed countries. It had recently been shown that it was not so much the increase in the price of oil as the fact that 97 per cent of such reserves had gone to 27 developed countries and only 3 per cent to 99 developing countries that had been responsible for fuelling the world-wide inflation in human history. Fifthly, despite their newly acquired reserves, all OPEC members were still developing countries on the basis of such criteria as *per capita* income, share of manufactures in GNP, net imports of agricultural goods, vulnerability of import/export structures and literacy rates. Their newly acquired liquidity, based on diminishing natural resources, was therefore needed primarily for their own development. It was not merely the possession of liquidity that made a country rich, but a whole infrastructure of economic, industrial and technological goods and services.

34. The main responsibility for changing global economic structures lay with those who controlled them rather than with those who lacked the economic or technological strength to improve the situation. Those facts had to be borne in mind when reviewing and appraising the International Development Strategy at its mid-point; the preliminary proposal submitted by the Group of 77 to the Committee on Review and Appraisal (E/5693, annex IX), had been drawn up in that light. It had been hoped that adherence to the targets and time-table of the Strategy, as the first global exercise undertaken jointly by rich and poor countries, would be automatic, but many of the targets voluntarily agreed upon had failed of attainment because developed countries had chosen to disregard them. His delegation in the Council and at the thirtieth session of the General Assembly would endeavour to see that the lost ground was retrieved and that a renewed pledge was made to attain the targets.

35. The Declaration and Programme of Action on the Establishment of a New International Economic Order and the Charter of Economic Rights and Duties of States had been described by some as radical: they were undoubtedly so in questioning the conventional basis on which global structures had so far been designed. The present situation called for drastic action. What developing countries were seeking was not a redistribution of existing wealth but merely a right to share in future growth. Recent events had proved that the unviability of existing structures could not be ignored. The process which had begun with the sixth special session of the General Assembly should be given great impetus at the seventh special session.

36. Students of economic history were aware of the struggle which workers in western industrialized countries

had had to wage to secure their right to organize themselves and to share in the fruits of economic growth. Collective bargaining, social security, unemployment compensation and guaranteed wages had been regarded as conspiracies to sabotage capitalism. It had recently been shown, however, that such phenomena did not necessarily threaten the well-being of those whose position in the hierarchy was being challenged. The economies of the western industrialized countries had only flourished as the production and consumption base of their participants had increased. A system based on social justice meant prosperity for all rather than simply depriving the élite of their privileges.

37. The time had come to make a global compact which gave the poorer nations and the poorer sections of each society the possibility of leading a life worthy of human dignity. That was the real meaning of freedom from want. His delegation was prepared to help in reaching that global compact. The General Assembly at its seventh special session must state clearly and unequivocally that the broad outline of the new structure was worthy of attainment and that the political will for attaining it existed. Technical negotiations in other forums would be meaningless in the absence of discernible and rapid progress towards achieving that political will and drawing up the broad outline of the global compact. No issue was intractable if there was a will to resolve it. If there was agreement on the facts, and if the correct lessons were drawn from history, the seventh special session would undoubtedly be successful. Failure would aggravate the problems and bring the credibility of the United Nations into question. His delegation looked forward to working with all other delegations in a spirit of candour and objectivity.

38. Mr. HJORTH-NIELSEN (Denmark) said that his delegation endorsed the comments made by the Italian representative (1956th meeting) in describing the approach of EEC to the seventh special session of the General Assembly with a view to contributing to the establishment of a more just international economic order. The Secretary-General had rightly stated in his report to the Preparatory Committee concerning development and international economic co-operation (E/AC.62/8) that the prospects for international co-operation for development depended not only on the way in which the International Development Strategy and the Programme of Action were implemented but also on the range and intensity of problems of concern to the more advanced countries (para. 21). The early foreboding that the present recession would prove severe and long-lasting had unfortunately become a reality. The sharp fall in economic activities would probably lead to a decline in real GNP for most western industrialized countries in 1975, while the growth outlook for 1976 was modest in relation to post-war trends in most parts of the world.

39. That development had had far-reaching consequences for small industrialized countries such as Denmark, which, after a long period of almost full employment, was now experiencing unemployment at a level unknown since the end of the Second World War a level which could be accepted only for a brief period of readjustment and with great political reluctance. At the same time, the sharp increases in import prices, including those in the energy

sector, had made it difficult to control the balance-of-payments deficit, which could be maintained only for a limited period and only by means of extensive borrowing and a heavy increase in service charges. That had made reduced expenditure in the fiscal budget, including that for the educational sector and the social services, unavoidable.

40. Despite those severe strains on its economy, Denmark had increased its official development assistance in 1974 to 0.54 per cent of GNP and it intended to reach the 0.7 per cent target set in the International Development Strategy by the end of the decade. That increased assistance was planned not only because of Denmark's desire to reach the agreed target but also because it considered development assistance to be a form of international co-operation which would long continue to be the main instrument for assisting the least developed and most seriously affected developing countries.

41. His delegation fully agreed with the Secretary-General that the International Development Strategy had fallen short of achieving two key quantitative targets, one international and one domestic (E/AC.62/8, para. 12). The failure at the international level, namely the shortfall in official development assistance, which had failed at mid-term to reach even half the target of 0.7 per cent of GNP laid down in the Strategy, was of great concern to his Government.

42. The fact that it had been possible marginally to exceed the aggregate target of 8 per cent industrial growth per annum was all the more important because, as the report of CDP (E/5671) rightly stated, it was largely through industrialization that traditional societies found the means to expand, diversify and modernize their economics, to provide their peoples with increased employment opportunities and supplies of some basic goods, and to augment trade and thereby promote a better international division of labour (para. 89). The progress made by a number of developing countries throughout the first half of the decade had laid the foundation for a breakthrough in the industrialization process. While some developing countries had exceeded the quantitative target in industrialization, over-all production, trade expansion and domestic savings, others had been unable to do so. Attention during the second half of the decade should be concentrated to a great extent on the problems of the 24 countries which represented 45 per cent of the population of developing countries and whose annual growth rate had been less than 2 per cent.

43. The agricultural sector presented the most disappointing picture, total agricultural production having risen at only 2 per cent per annum — a lower rate than the rate of population increase. There appeared to have been a move away from the target of substantial self-sufficiency in food production, the increase in which had been only half the 4 per cent rate laid down as the Strategy target, and the actual *per capita* decline in which had contributed materially to the world food crisis. The creation of employment opportunities in agriculture had failed to keep pace with the over-all annual increase in the labour force of developing countries and the problem of unemployment had thus been accentuated. The failure to achieve the agricultural

production target was a grave problem because of its serious economic and social repercussions.

44. While more had probably been achieved during the past five years than could realistically have been expected at the time of the adoption of the International Development Strategy, special efforts and priority treatment would be required during the second half of the decade in such areas as rural development, food production, population questions, transfer of resources, and assistance to the least favoured countries. His delegation agreed that the Strategy required to be brought up to date in the light of experience but it was convinced that the Strategy had proved its value and that its main goals had been shown to be essential and realistic ones for development co-operation. In the further discussions on the question of its revision, therefore, the need for continuing the broad agreement behind the Strategy should be carefully weighed.

45. The fact that no agreement had been reached at the second session of the Preparatory Committee on an agenda for the seventh special session of the General Assembly had been due less to any fundamental disagreement on the scope of the discussions at the special session than to a measure of general unpreparedness and a desire not to prejudge matters. His delegation looked forward to the Council's formal and informal discussions on the provisional list of areas submitted in informal talks by the Group of 77. Negotiations and, wherever possible, the drafting of resolutions and other preparations for the seventh special session would have to be pursued actively during the present session if a sufficient measure of agreement was to be reached to enable a number of specific decisions to be adopted by consensus at the special session. Only such a demonstrative of unity could prove the ability of the United Nations system to deal with central economic questions. The Council could reasonably hope for success if it followed the President's advice (1953rd meeting) on the moderate, attainable and precise goals which should be set for the special session, namely, to define the elements for negotiations, agree on principles and decide on the forums for such negotiations.

46. While dealing with the issues outlined in the above-mentioned provisional list, the Council would also have to discuss the report of the Group of Experts on the Structure of the United Nations System, to which his Government's preliminary reaction was generally favourable. It was in favour of a concentration of the work of the United Nations system and found the proposals for improving the approach to economic matters constructive. The proposals on the working methods of the Council and its subsidiary bodies also deserved close attention. The General Assembly at its seventh special session should, as a priority task, establish machinery for further examination of the proposals with a view to carrying out the reorganization over a transitional period, as recommended by the Group of Experts. It was also desirable for decisions to be taken on some of the recommendations at the seventh special session itself.

47. The recommendations of the Group of Experts could be applied independently of the progress to be achieved in economic and other fields, but the desired beneficial effect

of any structural changes would largely depend on the extent to which agreement could be reached on the substantial issues. The report of the Group of Experts rightly observed that the prerequisite for the functioning of every institutional structure was that the member States

should be willing to forgo some short-term interest in favour of a long-term interest in a workable international economic order.

The meeting rose at 12.10 p.m.

1959th meeting

Monday, 7 July 1975, at 3.15 p.m.

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

E/SR.1959

AGENDA ITEM 3

General discussion of international economic and social policy, including regional and sectoral developments (continued) (E/5664, E/5665, E/5681 and Add.1, E/5682, E/5692, E/5699, E/5713)

1. Mr. DUMAS (France) said that the present world economic situation would have appeared improbable only five years earlier. Many countries were experiencing stagnation or recession, unemployment was increasing and inflation in member countries of OECD had risen from an average of 3.9 per cent in 1962-1972 to 13.4 per cent in 1974. Those trends had disastrous effects on developing countries, which were also affected by sharp variations in commodity prices. Currency floating and the establishment of vast reserves by certain commodity-producing countries were other abnormal factors.

2. The causes of that situation were more varied and complex than was generally believed; indeed, the French delegation had pointed out six years earlier that basic economic postulates had not been fully verified beyond a certain level of *per capita* GNP and that countries passing that level could be expected to experience economic disorder. Such disorder and insecurity now characterized the world economic situation, threatening to perpetuate the very evils the international community was endeavouring to combat: poverty, inequality and injustice. Under those circumstances, there was an urgent need for the international community to set aside its differences and undertake a concerted effort to regain control of events. France, for its part, had clearly proclaimed its advocacy of a more just and effective economic order. It wished to continue the dialogue with developing countries in a realistic and sincere effort of co-operation, and believed that countries could, together, master change and direct progress. To do so would require time, application and resources.

3. The efficiency of the Council's work depended on two basic conditions: awareness of the world scale of the problems, and a renewed international effort to solve them. The concept of economic interdependence was not new, but had been less clearly recognized in the period of general growth. Now, relative stagnation in developed countries affected not only the developing countries' markets but also the amount of public assistance they received. The use made by some commodity-producing countries of their

sovereignty over natural resources could lead to serious disturbances in the economies of consumer countries. Inflation was increasing and spreading rapidly. Because of rising unemployment in the developed countries, the flow of labour from developing countries was being restricted and in some cases immigrant workers were even being forced to return to their countries without hope of finding jobs there. Each country's economic and social problems must therefore be solved in a world-wide context; interdependence could be the basis of future prosperity as well as the cause of present difficulties.

4. Even before the present crisis, new fields of universal interest had emerged, such as the preservation of the environment and the exploration of oceans. The concept of the "common good" referred to by the President of the French Republic as early as the third session of UNCTAD could no longer be denied, and Governments must therefore not only take account of the impact of their domestic decisions on other countries but also combine to tackle the problems of an increasingly interdependent world.

5. Four points must be remembered in such world co-operation. Firstly, all possible opportunities must be explored; he had in mind in that connexion such developments as the ACP-EEC Convention of Lomé and the proposals made by the French President on certain urgent problems. Secondly, negotiations on specific points must be carried on simultaneously with wider discussions; the seventh special session of the General Assembly should therefore concentrate on questions on which quick agreement could be expected. Thirdly, all clinging to the past, whether nostalgic or vengeful, must be avoided. Fourthly, there could be no true dialogue unless the partners realized the sacrifices they must make as well as the advantages they could obtain. It must, however, be admitted that the rigidity and complexity of national economies precluded sudden change; his own country, for instance, could not accept much greater sacrifices at a time of slackening growth and high unemployment.

6. The Preparatory Committee had wisely limited the provisional agenda for the seventh special session of the General Assembly to five topics, but the field covered remained a wide one. Since the session was so short, the Assembly could not think of establishing a system of

bureaucratic control over production and trade but must seek broad consensus on a few essential principles.

7. With regard to raw materials and trade, he was obviously unable to forecast the results of the current consultations between members of EEC. France had, however, consistently maintained that commodities should not be subject solely to the laws of the market. In dealing with that question, an over-all approach had its importance; but it was also desirable to negotiate progressively, product by product, taking account of the special characteristics of each market. The International Tin Agreement, in the conclusion of which his country had played an active part, was a good example of that procedure.

8. The question of industrialization was one of those which were now ready for the adoption of concerted policies. Although no consensus had been achieved on the Lima Declaration and Plan of Action on Industrial Development and Co-operation (see E/5696, chap. IV), because of references to nationalization, indexing and producers' associations to which some countries could not agree, the need to encourage the establishment of a new international economic order which would increase the developing countries' share in world industrial production had been generally accepted. To that end the principle of a re-deployment of world production capacity had been recognized and, as a corollary, the idea that the developed countries should co-operate with the developing countries in setting up new industrial capacity in the latter, particularly for the processing of raw materials. Trade liberalization and traditional assistance were not enough to enable countries without even a minimum of infrastructure to increase their industrial potential. His delegation therefore intended to help prepare texts for submission to the special session which would establish a clear policy with regard to the location of industry.

9. The transfer of technology was closely linked to industrialization. France's extensive experience in that field had shown the need to encourage the training of technical personnel, engineers and research workers in the recipient countries, since otherwise the transfer of technology would be useless.

10. His country's position on the reform of the international monetary system and the transfer of resources to the developing countries was well known. It would make every effort to eliminate the causes of present uncertainty and protect the poorest and most vulnerable nations. All countries which could do so should try to attain the aid targets set in the International Development Strategy for the Second United Nations Development Decade as soon as possible. His Government would not rule out certain automatic methods of transfer, such as establishing a link between SDRs and development financing.

11. With regard to the mid-term review and appraisal of the International Development Strategy, it would obviously be illogical to establish a revised Strategy before knowing what resolutions might be adopted on the Programme of Action on the Establishment of a New International Economic Order. The Strategy could therefore only be revised at the thirtieth session of the General Assembly.

The usefulness of making such a revision, and even of the Strategy itself, had been questioned by some delegations, which considered that the relatively favourable results obtained since the beginning of the decade were due above all to the exceptional prosperity of the developed countries during that period. His delegation did not agree with that theory. It was too easily forgotten that the Strategy had provided a framework for co-ordinating action by the United Nations system and for evaluating achievements in the economic field, and also in the social field, to which not enough attention was given. The revision of the Strategy was necessary precisely because the prosperity of the developed countries no longer had such favourable repercussions in the developing countries as before. His country, which had helped draft proposals for the revision, hoped that they would be studied with all due attention.

12. His delegation had asked for two annexes to be prepared for the present session of the Council, one of which would give the econometric model underlying the present Strategy and the other the new model for the revised Strategy. The fact that they had not been supplied, together with the lack of figures for the last chaotic 21 months, showed that the Council did not have what it needed to do its work properly. Its authority was obviously dependent on an increase in the means at its disposal. "Revitalization" of the Council was one of the major themes of the report of the Group of Experts on the Structure of the United Nations System (E/AC.62/9). The Group rightly stated that the General Assembly should reaffirm the Council's central role with respect to global policy formulation and implementation and the setting of priorities for the system as a whole (para. 44). After study by individual Governments, the Group's suggestions should be examined in intergovernmental discussions, the arrangements for which would have to be worked out at the special session.

13. However, all such efforts would achieve nothing without political will on the part of countries themselves. Governments should mobilize public opinion to that end, using the various documents adopted by United Nations bodies over recent months. There was an obvious need for a new collective principle of good citizenship, based on a firm desire for progress and justice and on respect for principles jointly established and commitments freely negotiated. Only that could establish the basis for a fair and harmonious world economy which would give all peoples freedom to develop.

14. Mr. MARTÍNEZ RAMÍREZ (Venezuela) said that the current session was being held at a time when the international community had set in motion machinery to find solutions to the world's problems. There were only two alternatives: to refurbish the old economic order, which had already proved inadequate, or to establish a new order in which all countries could develop their economies and provide a decent standard of living for their inhabitants. Despite some reservations on the part of the industrialized countries, the majority at the sixth special session of the General Assembly had chosen the latter course. The first shaky steps towards collective well-being had been taken and there was increasing realization that interdependence and active co-operation were the key to

the harmonious and sustained development which should be the birthright of all mankind. The reluctance of some industrialized countries to recognize the needs of developing countries was being replaced by a search for areas of understanding and co-operation.

15. The seventh special session of the General Assembly would shortly meet to consider the problem of international economic co-operation and development. The United Nations was still the most appropriate forum for such matters, and it was the Council's role, as the principal economic organ of the United Nations system, to direct, co-ordinate and stimulate the international community's efforts to achieve the new order. The developing countries had shown their readiness to negotiate generally acceptable arrangements for solving the present world economic crisis, a readiness which they expected the developed countries to match.

16. They realized that the problem of raw materials could not be solved by unilateral action but only by collective effort. There must be a world-wide plan covering all raw materials, not merely some of them, and it must embrace all aspects - production, marketing and prices. There could be no question of dealing with each product separately. His delegation therefore strongly supported the integrated commodity programme at present being considered by UNCTAD (see TD/B/53G, paras. 36-52).

17. The implementation of the International Development Strategy was a matter of the greatest concern to the developing countries. Their optimism at the twenty-fifth session of the General Assembly that the Strategy would provide a final solution to the problem of under-development had not been justified. The traditional lack of political will on the part of those countries which could and should have implemented the Strategy had helped to maintain a system in which the well-being of the few was detrimental to that of the majority. The result was the present crisis, which had made the developing countries' position worse than before. However, the international community now had a great opportunity to reach new agreements in the context of the new economic order. With the necessary political will, that order could be achieved by the end of the decade.

18. His delegation hoped that at the Council's current session the failure to agree on satisfactory objectives which had been evident at the sixth special session of the Trade and Development Board and the third session of the Committee on Review and Appraisal would not be repeated. The adoption of the Charter of Economic Rights and Duties of States had shown that there was an increasing realization of the nature of the world's problems. The Lima Declaration and Plan of Action on Industrial Development and Co-operation adopted at the Second General Conference of UNIDO represented a further positive step. The Conference had decided that UNIDO should be made a specialized agency although unfortunately some developed countries had again opposed the idea.

19. The so-called energy crisis had at least drawn attention to factors which had been undermining development. It had shown the intolerable wastage of some natural

resources and the distortions which the old system had imposed on the world economy. The energy problem had been only one link in the chain of crises which had led to the breakdown of the trade and payments system established after the Second World War. In that new situation, the oil-producing countries had initiated action to strengthen co-operation between developing countries and establish a new community of interest. They had done so because they belonged above all to the third world and realized their common interests, but they could not take over the responsibilities of the developed countries. A frank and constructive dialogue within and outside the United Nations system would thus benefit all. The present economic chaos called for radical changes, and because of countries' increasing interdependence, there must be two types of changes: first, the formulation of a realistic policy adapted to the needs of an expanding economy, and second, the establishment of an institutional structure which could provide the means of attaining the new targets. At the seventh special session time must not be wasted on revising agreed principles; every effort must on the contrary be made to fulfil commitments already made and thus progress towards the realization of the new economic order.

20. One of the matters of greatest importance for both the developing and developed countries was the question of transnational corporations. In view of their impact on the world economy, it was essential to establish machinery, such as a code of conduct, to regulate their activities. In order to increase the effectiveness of the Information and Research Centre on Multinational Corporations, a network of regional bodies should be established to report on the experience of the countries in which such corporations operated. The regional commissions might be entrusted with that task.

21. Mr. BLANCHARD (Director-General, International Labour Office) noted that the Council's discussions now centred on the establishment of a new economic and social order. During the first four years of the Second United Nations Development Decade, impressive progress had been made in increasing GDP, industrial output, international trade and savings, but the targets for assistance to developing countries and for the growth of agricultural production had not been reached. New problems had arisen in connexion with the feared decline in international trade and the trend in the terms of trade, while rising inflation and unemployment in industrialized market-economy countries had reduced their capacity to provide the necessary assistance to developing countries and their ability to absorb the goods produced by the third world. Vigorous measures were therefore required in various fields, including the development of international trade, the transfer of real resources, the growth of agricultural production, the establishment of a satisfactory monetary system and the improvement of health and nutrition. The ILO would continue to associate itself with joint efforts to carry out those tasks, in the belief that its tripartite structure enabled it to make an original and effective contribution.

22. The social aspects of the present situation, particularly employment and income distribution, gave rise to the greatest concern. Thus, there were some 30 million unem-

ployed and many more under-employed in developing countries; 250 million workers were earning less than \$150 per annum, at the 1970 rates, and 40 million young people were entering the labour market every year. Those alarming figures testified to great poverty, which could lead to serious political disorders capable of destroying the social fabric. Economic progress must therefore be aimed at ensuring worthy living conditions for the population as a whole. The results achieved under the old conception of development, in which emphasis was placed on the growth of GDP and which assumed that the entire population would benefit from such growth, had been disappointing. The reasons for that failure were becoming increasingly clear: economic progress had been focused on the modern sector of production, which was limited to towns and implied high labour productivity and capital intensity. The number of jobs created in that sector had been limited, while the mass of the population had remained essentially rural or concentrated on the edges of towns. The International Development Strategy had therefore been at fault in recommending that an increasing proportion of the active population should be absorbed in modern activities. It was now realized that the modern sector, while essential, could not in itself solve the problem of employment and poverty. Equal attention must be devoted to employment of the rural population and the urban population earning a precarious living in small and unproductive fringe trades. A revised Strategy should therefore call for a balanced increase in productive employment as between the modern sector and the rural and unorganized urban sectors, and should set targets for increasing *per capita* income in the most disadvantaged strata of the population, in order to eliminate extreme poverty.

23. It had been recognized in the first review and appraisal of the Strategy in 1973 that economic growth had maintained and often accentuated inequalities of income distribution. In many countries, less than 20 per cent of the population received 75 per cent of GNP, and any increase in that product was therefore bound to accentuate the gap between rich and poor. That trend must be reversed by allocating a greater proportion of the growth in GNP to the income of the poorest and most numerous sections of the population.

24. The problem of the equitable distribution of growth in production applied to nations as well as to people. The World Employment Programme continued to be one of the ILO's main weapons in the struggle against poverty, unemployment and inequality. A new and perhaps decisive stage would be reached with the Tripartite World Conference on Employment, Income Distribution, Social Progress and the International Division of Labour. That Conference would consider national employment policies in all their aspects, in order to assess achievements since the establishment of the World Employment Programme in 1969. In addition, the Conference would cover four major international questions: international labour migration, which was an important factor in development but had certain negative effects; the choice or adaptation of technology, which affected the creation of new industries which might lead to more opportunities for employment; the role of multinational corporations, which had an undeniable influence on employment and income distri-

bution in the developing countries; and the employment situation in the industrialized countries in relation to increased production capacity in developing countries. The Conference could make an important contribution to eliminating the persistent scourge of unemployment and under-employment. The organizations in the United Nations system had assured the ILO that they would help in preparing the Conference and participate in the discussions, and ACC had set up an inter-secretariat technical group to co-ordinate their contributions.

25. The Conference would not, however, restrict ILO activities in other spheres such as improvement of working conditions, industrial hygiene and safety, working hours, workers' participation and professional relations. The International Labour Conference had decided, at the session just completed, to launch an international programme for the improvement of working conditions and environment. The discussions had shown that the improvement of working conditions and of the environment promoted the development of employment.

26. The international community must have an effective instrument for the formulation and implementation of a collective development policy. Excellent proposals had been made in that connexion in the report of the Group of Experts on the Structure of the United Nations System. Their realization would require a pragmatic approach rather than a quest for perfection. The reforms recommended by the Group of Experts appeared likely to strengthen the system as a whole, to simplify the operation of subsidiary bodies of the Council, and to enable the Council to carry out its task better through specialization in its discussions, which would enable agencies to make a more continuous and specific contribution to its work. The ILO for its part was prepared to co-operate with the new system recommended by the Group of Experts and to second some of its best officials to the central planning group envisaged. Similarly, it would associate itself with the proposed arrangements for programming and budget preparation.

27. He wished to make two comments on the experts' bold proposals concerning operational activities. The first was that research and international standard-setting should not be separated from technical co-operation. The second related to the rather vague proposal that the agencies should basically be concerned with policy formulation and guidance while other institutions should carry out operational activities. That might lead to centralization, at a time when a clear division of labour between elements of the United Nations system and a greater flexibility in programmes were more essential than ever. Division of labour did not mean conservatism, nor did flexibility in implementation mean laxity. The efficiency of the new system would depend on the extent to which it established a clear definition of priorities and division of responsibility. It was therefore to be hoped that the Council's discussion on the establishment of a new international economic order would lead nations to enter into the commitments necessary for the realization of economic progress and justice.

28. Mr. WAKWAYA (Ethiopia) said that the present session of the Council presented an opportunity to review and appraise the progress in implementing the International

Development Strategy, to crystallize the issues that might be debated at the forthcoming seventh special session of the General Assembly, and to assess the current economic and social condition of the world, in particular the developing countries.

29. The gravest problem at present confronting the international community was the need to promote development. Economic and social disparities were becoming critical, and called for urgent solutions. The developing world had long been urging that attention should be given to that problem, but unfortunately response had been slow. Although the international community had attempted through the First and Second United Nations Development Decades to initiate a concerted programme for accelerating the economic and social progress of developing countries in a co-ordinated manner, nothing substantial had materialized.

30. Instead of a concerted attack on real problems, the international community, especially as represented in the United Nations system, seemed to have become a slogan-making machine, perhaps in the hope that the uneducated and unsophisticated majority would find that satisfactory. Action plans abounded and more were promised, but the disparities still persisted, with no hope of a solution. Many special resolutions had been passed on the problems of the least developed among the developing countries, with disappointing results; little had been done beyond the establishment of study groups.

31. Partly for those reasons, the performance of the least developed countries in achieving the targets of the International Development Strategy was disappointing. The growth in real *per capita* GNP had not exceeded 0.6 per cent during the first four years of the Second Development Decade, compared with the 3.5 per cent envisaged in the Strategy. The actual rate of increase in agriculture and food production in the first four years of the 1970s had been less than 1 per cent a year, falling well short of the 4 per cent target. A superficial look at the aggregate statistics for the initial years of the Second Development Decade might create the impression that the developing countries as a group had attained a number of the targets of the Strategy, although there was disagreement on that point. The least developed countries, however, had in fact failed to attain the minimum targets in almost all respects.

32. The least developed countries were financially weak, with foreign exchange reserves under severe strain, and their export trade prospects were bleak. During the four years of the Second Development Decade their external trade had deteriorated, particularly in 1974. The prospects for 1975 and 1976 suggested a possible worsening of their deficit, because of falling export prices for commodities and rising import prices for food, manufactures and petroleum. Even in regard to financial and technical assistance, the least developed countries had fared no better than the others.

33. The agricultural and food situation was particularly worrying. Ethiopia, one of the least developed countries, had shown a decline in food production because of the drought affecting 11 of its 14 provinces. To some extent it had been able to withstand the effects of the drought

because of generous international assistance, but it could not do so indefinitely. It was partly in order to redress that unsatisfactory situation that his Government was laying great emphasis on domestic food production. It believed that international efforts should give priority to helping the least developed countries to produce their own food requirements and thus release them from dependence on uncertain relief supplies. Those countries had enough natural resources to achieve self-sufficiency in food production. His Government therefore welcomed the recognition, in resolution XIII of the World Food Conference (see E/5587, chap. V) and General Assembly resolution 3348 (XXIX), of the need to provide more international finance for agricultural investment in the developing countries. It hoped that the proposed International Fund for Agricultural Development would soon be established, with resources adequate to meet the requirements of the developing countries. It also hoped that the *Ad hoc* Working Group set up to examine the establishment of the Fund would take into account the special needs of the least developed countries.

34. The World Food Conference had agreed on the need for a system of world food security. With its recent experience of drought, the Ethiopian Government, with the assistance of FAO, WFP and other donors, had started to build up a security system of its own. But such a system required considerable financial outlay, and his Government therefore looked forward with optimism to generous international assistance.

35. Turning to the steps taken by Ethiopia to fulfil the objectives of the International Development Strategy, he said that the Provisional Military Government had taken action to change the unacceptable economic and social situation prevailing under the previous administration. It was currently engaged in implementing the solemn undertaking of the Strategy to remove all obstacles in the path of the country's economic and social development. In order to alleviate severe unemployment and achieve a fairer distribution of income and wealth, the Government had instituted far-reaching policy measures based on the principle that the common good took precedence over the pursuit of individual gain. Its major goal was the elimination of poverty through the development of productive forces and the prevention of exploitation. Those resources which were either crucial for economic development or provided an indispensable service to the community had to be brought under government ownership or control.

36. Agriculture, which provided employment for approximately 85 per cent of the total Ethiopian labour force and accounted for over 50 per cent of the country's GDP, was dominated by the subsistence sector. Productivity was extremely low because of the prevalence of traditional techniques, semi-arid conditions, serious soil erosion, and the disincentives arising from past insecurity of tenure and unfavourable crop-sharing arrangements between tenants and landlords. The result had been severe food shortages, with famine or near famine in most parts of the country. The Government had now abolished the feudal land tenure system and replaced it by one in which the peasant could fully enjoy the fruits of his own labour.

37. The land reform proclamation, while making all the nation's agricultural land public property which could not be sold or inherited, allowed private farmers to cultivate up to 10 hectares per family. Farmers' associations were being formed to cultivate up to 10 hectares per family. Farmers' associations were being formed to facilitate the implementation of the reform and to foster a feeling of co-operative endeavour. The peasants had welcomed the reform and encouraging results were being obtained in individual and group activities. Peasants with no implements or animals were assisted by the newly-formed associations. Some 47,000 young people from schools and universities had been mobilized all over the country to teach the peasants new ways of thought and action. In doing so, they acquired practical experience of the way their countrymen lived and worked. An unprecedented transformation of the social fabric of the nation was thus being carried out.

38. In an effort to modernize the administrative machinery, a select group of administrators had been appointed to replace the traditional conservative leaders. They were responsible for organizing the peasant community, implementing the proclamation on agrarian reform, and ensuring the peaceful transition from feudalism to socialism.

39. Another significant development was the recognition of the dignity of labour. A new philosophy had been adopted which would enable workers to participate in the decision-making process of their enterprises. Labour Day had been celebrated on 1 May 1975 for the first time in the country's history.

40. In an effort to make women equal with men in the development of the nation, his Government had encouraged women to participate in the agrarian reform and related activities and to take a full part in the nation's political and social life. International Women's Year had been celebrated throughout Ethiopia.

41. A new educational system geared towards the country's special cultural, social, economic and political conditions was being worked out. Before the new curriculum was introduced it would be reviewed by representatives of the appropriate agencies and parents' associations.

42. The Government had brought under control all banks, insurance companies and business concerns in an effort to stop their drain on the national economy. It was hoped that the consequent saving would be channelled into economic and social development.

43. One acute problem inherited from the previous administration was the unemployment of vast numbers of people, including trained cadres, at a time when the nation faced a shortage of skilled and semi-skilled manpower. The Provisional Military Government had launched a nationwide public works programme to alleviate that situation.

44. Those examples showed how the Ethiopian authorities were committed to just economic and social progress in line with the aims of the Second Development Decade.

45. The ultimate aim of the new economic and social policies was self-reliance, a difficult but not impossible objective. Despite reports in the international media put about by opponents from within Ethiopia and outside, there had never been more optimism in the country. For obvious reasons, either because they had lost their privileges or because in the name of humanity and liberalism they defended lost causes, some elements, including certain international news media, were fabricating stories or dramatizing insignificant events with a view to misinforming public opinion and undermining the profound social changes taking place in Ethiopia.

46. Turning to one of the most important items on the Council's agenda, the forthcoming seventh special session of the General Assembly, he noted that the Preparatory Committee for the special session seemed, according to its report (E/5702), to be running into difficulties. Nearly nine months after the adoption of the Declaration on the Establishment of a New International Economic Order, no agreement had been reached on the framing of an agenda. Despite consensus declarations and an agreed programme of action, his delegation felt that there still existed a deep and unresolved difference of intent. The seventh special session must not be just one more meeting, resulting in yet another set of declarations and resolutions. Practical decisions that would help to alleviate the needs of the starving two-thirds of mankind were needed. He therefore hoped that the current session of the Council would make energetic efforts to overcome the difficulties encountered by the Preparatory Committee.

47. A central subject on the agenda of the special session would undoubtedly be the report of the Group of Experts on the Structure of the United Nations System, a commendable document, particularly in view of the lack of time at the Group's disposal. His Government would consider it with sympathy and in detail and make its views known to the special session. It hoped that the Council and the Preparatory Committee would not adopt positions that would make adequate discussion of that document at the special session difficult or indeed impossible. A preliminary exchange of ideas would be all right, but firm conclusions should be avoided.

48. In conclusion, he reiterated his Government's ardent belief in collective economic co-operation on a basis of equal partnership. It had in the past year been a major beneficiary of relief assistance from the international community, and in expressing its appreciation for the assistance given to victims of the drought in Ethiopia, he appealed for the continuation of humanitarian aid until the situation was overcome.

The meeting rose at 5 p.m.

1960th meeting

Tuesday, 8 July 1975, at 10.40 a.m.

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

E/SR.1960

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. Baron von WECHMAR (Federal Republic of Germany) said that the decision taken at the twenty-eighth session of the General Assembly to convene a special session devoted to development and international economic co-operation clearly indicated the political will of all Member States to give the problems of development special attention. Events since that decision had increased the urgency of those problems, which had meanwhile been further emphasized in a number of important conferences, including the World Population Conference, the World Food Conference and the Second General Conference of UNIDO, in all of which his country had played a constructive part.

2. Developments and events since the twenty-eighth session of the General Assembly suggested that the seventh special session should not be a self-contained, isolated meeting, but part of a continuing process. It should not be regarded as the conclusion of a stage in world economic development nor should it be expected to produce spectacular decisions; it should provide an opportunity to take stock of what had been achieved so far and to decide how to build productively on those achievements. He agreed with the President (1953rd meeting) that the dialogue with the developing countries should aim at moderate, attainable and clearly-defined objectives.

3. The documents provided for the present debate and for the seventh special session of the General Assembly were identical in their analyses of a number of important factors in world economic developments and in their proposals for improvements. In the first place, although between 1971 and 1974 the developing countries had achieved the target set by the International Development Strategy for the Second United Nations Development Decade, the differences within various groups of countries and various economic sectors had been so great that the average result of a 6 per cent annual growth rate not satisfactory. One sixth of the developing countries, comprising about 15 per cent of their total population, had had an annual growth rate of 8 per cent, whereas 30 per cent, accounting for about 50 per cent of the total population, had registered little or no growth. Although industrial production in the developing countries had reached the 8 per cent average growth rate projected by the Strategy, agricultural production had achieved only 2 per cent.

4. Secondly, apart from those gaps between individual developing countries, the incomes differential had increased rather than decreased.

5. Thirdly, the documents rightly expressed concern about economic developments in industrialized countries since the end of 1973, where rising prices and economic recession had resulted in the developing countries having to pay higher prices for their imports of manufactures while facing a falling demand for their exports.

6. Lastly, future expansion of demand on the part of industrialized countries would largely depend on their confidence in an assured supply of raw materials.

7. He endorsed the Secretary-General's view expressed in paragraph 152 of his report on development and international economic co-operation (E/AC.62/8) that high priority should be given to food supplies, world food security, reversal of the recessionary tendencies in industrialized countries, balance-of-payments support for petroleum-importing developing countries, the recycling of petro-dollars and reduction of the rate of world inflation. Particular attention should be given to the problems of the agricultural sector, since lack of adequate food supplies would impede development in other sectors. He also agreed with the Secretary-General that the most important long-term tasks were support of diversification in developing countries through appropriate trade and aid policies; ensuring adequate earnings from primary commodity exports; and expansion of trade, investment and co-operation among the developing countries. Those measures should ultimately narrow the gap between rich and poor and secure a greater share of future economic growth for developing countries, provided that the world economy could boost the output of goods and services to secure future economic growth: that would depend on improved performance by the industrialized countries. As the Secretary-General rightly stated in paragraph 34, restoration of a more stable and sustainable growth trend in the developed market economies was a matter of the highest priority for the developing countries.

8. In the light of experience in his own country and in world trade, he considered that the market-economy system, with liberal goods and capital transactions among all countries concerned, was the best means of improving performance and that any relapse into liberalism or protectionist practices would impede efforts to improve the division of labour that the developing countries wanted. The free flow of commodities benefited developing countries as well as developed market economies: his own country's trade with developing countries had constantly expanded and its balance had been increasingly favourable to them. He was sure that such results would not have been possible in a system of comprehensive market regulations.

9. His country had no wish to preserve a "*laissez-faire*" market economy of the nineteenth century type; it

considered that international trade would best develop under a system of fair competition based on the principle of supply and demand, but safeguarded against manipulation and including measures to strengthen the position of the developing countries as partners in world trade. Fair competition, however, could benefit all partners only if the flow of goods and commodities reflected the true conditions of relative scarcity in world markets. Nevertheless, whatever could be done to safeguard fair competition and improve the participation of developing countries in international trade, those which were not in a position to export sufficient primary commodities or industrial manufactures would still depend for a considerable time on the direct transfer of real resources. His country was ready to give those countries increasing assistance.

10. His Government gave high priority to development policy as a major element of its policy for peace. It had recently reaffirmed its will to work in equal partnership with the third world countries and had adopted a 25-point policy which included concentration of bilateral co-operation on the group of countries most seriously affected; increased promotion of the agricultural sector in third world countries; working out new patterns of co-operation, such as triangular co-operation whereby developed and developing countries would jointly provide financial resources, technology and equipment to assist other developing countries; an expedited and simplified procedure for planning, examination and implementation of projects in co-operation with the authorities of the developing countries; and more graduated terms and conditions for financial assistance.

11. It was clear that his country preferred concrete action to a continuance of futile discussions on whether a new international economic order should be established or the existing one improved. It was prepared to support the developing countries in their legitimate desire for greater industrialization and to establish raw material processing industries in those countries. Developing countries should have wider access to markets and incentives should be provided for the import of their processed products by the reduction or elimination of tariff or non-tariff trade barriers. His country had always been one of the leading advocates, in EEC of general, non-reciprocal preferences for the third world. It would continue to urge the Community to grant the developing countries further trade concessions through customs preferences and reductions of non-tariff trade barriers. His country was developing specific measures and individual assistance to mitigate the effects of sudden drops in export earnings from raw materials and would submit suggestions as soon as the relevant discussions had been completed.

12. Analyses conducted in the context of those deliberations had shown, however, that the transfer of resources on the basis of artificially high prices for the most important raw materials would largely benefit individual industrialized countries and a limited number of fairly advanced developing countries, while placing a financial burden on those that were short of raw materials. The latter included the poorest and most densely populated developing countries which were net importers of raw materials.

13. In the context of the transfer of technology, his Government would promote the review of questions relating to international patent law on which work had already been undertaken by WIPO. His country was playing a constructive part in that endeavour but it was important to avoid adverse effects on the interests of the private sector, which was a main source for the transfer of technology to developing countries. A favourable investment climate was an important factor both in increasing the transfer of technology and in providing the necessary transfer of private capital.

14. Lastly, economic co-operation among the developing countries themselves should be expanded and intensified, particularly on a regional basis.

15. He hoped he had shown that his country did not merely talk of development policy but took practical steps, entailing a considerable financial burden, to enable the developing countries to generate their own resources of their further development. In continuing that policy it hoped to contribute constructively to positive results at the forthcoming special session of the General Assembly. The international community had embarked on a far-reaching process of joint commitment to the common task of building a better and more balanced world economic system. Efforts should be intensified to ensure that the seventh special session became a milestone, not of confrontation, but of co-operation.

16. Mr. KAZI (Pakistan) said that, at the present time of economic turmoil and uncertainty, when inflation and recession had combined to make a mockery of economic projects and development plans and violent price fluctuations had caused a serious deterioration in the terms of trade of most of the developing countries and acute balance-of-payments problems, most of those countries were in no position to attain the growth targets set and some were struggling for economic survival. No statistics could show the stark realities of human suffering, but some inkling of the problems faced by the poorer developing countries could be gained from the fact that, while the average worsening of the terms of trade in 1974 for all developing non-oil-producing countries had been estimated at 6 per cent, in Pakistan it had amounted to 20 per cent and had increased the balance-of-payments deficit by \$900 million. The *per capita* income of more than half the population of developing countries had fallen in 1974 and according to a study by IBRD no significant increase could be expected for the low-income developing countries for the rest of the current decade without co-ordinated international action on several fronts.

17. There was confusion about the real causes of the world's economic ills and about where the blame for current difficulties lay. The solution of the problems of the most gravely affected countries, including Pakistan, could not await a consensus on interpretations of history or uncertain promises of a bright future. Those countries were the primary victims of the current situation and they faced the urgent and imperative task of feeding hungry people and curbing social unrest and economic chaos.

18. It was obvious that the world's economic problems could not be solved without early implementation of

integrated measures concerning trade, development co-operation and the international monetary system, designed to expand world production, especially in the developing countries. Expansion of economic activity in those countries would improve their living conditions and provide larger markets for the goods and services of the developed countries, as had been seen in the rapid expansion of trade between the oil-producing countries and the developed countries. The world development strategy should ensure an effective and adequate transfer of real resources to the developing countries, increase their external earnings by improving the volume and terms of their trade, and speed up the process of industrialization by providing ready access to technology on fair and reasonable terms. Those were not unrealistic demands if the aim was to promote the welfare of people all over the world and to ensure that a life of dignity was no longer the preserve of a privileged minority. That was what the new international economic order and the Charter of Economic Rights and Duties of States sought to achieve.

19. The present system of international economic relations had been fashioned after the Second World War to replace an inadequate pre-war system, but it was no longer appropriate in the present-day conditions of rapid economic flux. The urgent need was to create a new system of international economic relations in tune with world needs and aspirations.

20. The developing countries could hardly be blamed for becoming impatient with the pace and the meagre results of discussions on the transformation of the economic system, but Pakistan had consistently advocated a co-operative approach in the effort to establish a new and more equitable international economic order. It appreciated the earnest efforts being made, in preparation for the seventh special session of the General Assembly, to agree on specific areas where progress could be made through dialogue and consensus and hoped that agreement would be reached on practical measures. If the special session failed to produce fruitful results, the climate for international co-operation would be further vitiated and the world would be consigned to an era of friction and conflict. The Council, as the central policy-formulating body of the United Nations system, had an important role to play in producing an agreed framework for action and negotiating the necessary compromises.

21. The immediate task should be to reach agreement on the problems which required urgent solution and which were amenable to early action. It was essential that, while talks were starting on the basic long-term problems, urgent action should be taken on measures to alleviate the plight of countries which had been most seriously affected by the present crisis. He hoped that agreement would soon be reached on the following steps: establishment in the World Bank of the proposed new intermediate lending facility, known as the Third Window, to provide at least \$1,000 million a year in additional aid; completion of the financial arrangements for the IMF's oil facility for 1975; creation of the proposed special Trust Fund to be administered by IMF, for balance-of-payments support to the low-income developing countries by January 1976; early action for the fifth replenishment of IDA; a commitment by DAC

member countries to achieve the official development assistance target of 0.7 per cent of their GNP by 1980 and progressively increase their aid allocation in conformity with that target in the interim period; and improvement of the quality of aid to the most seriously affected countries and reduction of their debt burden. His delegation strongly endorsed the IBRD conclusion that additional resources of about \$2,000 million annually should be made available to the low-income developing countries to enable them to attain reasonable growth rates.

22. In addition to those immediate steps, direction and impetus should be given to the current negotiations for reform of the world monetary system, especially regarding the need to arrest sharp currency fluctuations, provide a suitable mechanism for transferring financial resources of the developing countries and enable them to participate more effectively in the management of international monetary arrangements.

23. The developing countries could not build self-reliant economies without basic changes in their trading relationships with the developed countries. In particular agreement should be reached on the following measures: adoption of guidelines for commodity negotiations to ensure fair and remunerative prices, stable markets for producers and assured supplies for consumers; comprehensive measures to stabilize the developing countries' export earnings, recognition of the principle of maintaining a balance between export and import prices for developing countries and compensating them for fluctuations in their trading balance, and steps to improve the IMF compensatory financing facility; agreement by the OECD countries to improve and enlarge the GSP by early 1976; and the adoption of a phased programme for the removal of tariff and non-tariff barriers affecting the imports of developing countries not included in the GSP. He welcomed the support voiced by some developed countries for the industrial provisions of the Lima Declaration and Plan of Action on Industrial Development and Co-operation (E/5696, chap. IV) and hoped that it would soon be translated into action for promoting industrialization in the developing countries in accordance with those provisions and targets.

24. Food was another important area requiring attention. His delegation would like to see the early creation of the International Fund for Agricultural Development and the implementation of the International Undertaking on World Food Security decided upon by the World Food Conference (see E/5587, chap. V). Rapid growth of agricultural production in the developing countries was the only durable solution to world food problems.

25. The world was facing many serious economic problems which could be solved only through co-operative international action. The credibility and viability of the United Nations and its organs depended on their ability to deal with those problems promptly and effectively. That required the reconciliation of the interests of sovereign States in formulating programmes of action in the interests both of individual States and of the whole world. There were long and hard negotiations ahead which would succeed only if all concerned showed foresight, tolerance

and understanding. Pakistan would contribute its full share of endeavour and support in the coming tasks.

26. Mr. RICHARD (United Kingdom) said that he would confine his remarks to the forthcoming seventh special session of the General Assembly, for three reasons: it was the most pressing of the three items under consideration; any discussion in the Council of the other agenda items seemed to lead on inevitably to an examination of the purposes of the seventh special session; and it was important to decide how the special session fitted into the continuing international debate on economic issues and what it might be realistically expected to achieve. There was perhaps a feeling that the success or failure of the whole world economic dialogue would depend upon the seventh special session. He did not share that view, nor did he agree that the special session should be regarded as conclusive, since the reshaping of world economic relations was not the work of a few weeks but a gradual process of reconciling opposing economic interests by rational discussion. The politics of the world economic system had altered and the present task was to transform that political change into economic action.

27. Although there had been little practical and substantive progress so far in the preparatory work for the seventh special session, the absence of progress might be more apparent than real. The decision to convene the session had been taken in 1973; since that time there had been a number of important conferences concerned with various aspects of world monetary and economic relations, and varying degrees of progress had been made in different fields. His delegation was content to accept the proposals submitted by the Group of 77 in informal talks with regard to the agenda for the special session as a basis for discussion, although it would not necessarily have selected exactly the same topics as being those most requiring discussion in 1975.

28. Some representatives of developing countries were still voicing the view that an earnest of the industrialized world's political will to reach a constructive consensus on the proposed agenda items was an essential prerequisite for the success of the seventh special session. That political will was manifest in the Declaration on Relations with Developing Countries adopted by senior Ministers of the countries members of OECD at their meeting in May 1975¹ and in the final communiqué of that meeting. The Declaration referred to the determination of OECD member countries "to intensify their efforts to co-operate" with the developing countries and to "make real progress towards a more balanced and equitable structure of international economic relations". With regard to the United Kingdom itself, the Prime Minister, in his speech at the 1975 meeting of the Commonwealth Heads of Government, had called for a new deal in world economics based on the fundamental need for more wealth which could be shared more equitably.

29. It might be concluded from the list of topics which the developing countries had prepared for discussion at the seventh special session that it was in those fields that

international co-operation was in urgent need of fresh impetus. Much, however, was already happening. For example, international trade provided the largest part of the foreign exchange earnings required by developing countries to finance their economic progress. The United Kingdom had been one of the pioneers of a generalized system of preferences and took pride in the considerably improved scheme recently implemented by EEC. The ACP-EEC Convention of Lomé concluded in February 1975 between EEC and 46 developing countries had provided increased trading opportunities for those countries and by its STABEX scheme had made a significant contribution to the stabilization of export earnings from raw materials an important new departure. The successful conclusion of a new International Tin Agreement, which had demonstrated that problems between producing and consuming nations could best be solved by co-operative international action, might point the way for future negotiations on other key commodities.

30. In the course of its preparations for the seventh special session, the United Kingdom Government had reached the conclusion that trade in commodities was one of the questions most requiring fresh international examination; it had therefore initiated a new study of the problem, as a result of which the British Prime Minister had presented to the meeting of the Commonwealth Heads of Government a number of proposals for bringing order into the trade in commodities, with special emphasis on the needs of the poorest countries. Those proposals were being further studied by the group of experts set up by the Commonwealth meeting, by EEC and by OECD. It was disappointing that there had been limited reactions elsewhere to the proposals and to the accompanying research paper, which had been made available to all delegations in New York by the end of April 1975. His delegation hoped that at the seventh special session the General Assembly would agree on some positive steps to carry forward detailed discussion and negotiations in the appropriate fora.

31. The other questions suggested by the developing countries for inclusion in the agenda of the seventh special session were already the subject of continuing important discussions elsewhere; transfer of resources was being handled by the Development Committee of IMF and IBRD; a conference on industrialization had been held at Lima;² work had begun in UNCTAD on the formulation of an acceptable code of conduct for the transfer of technology and there were proposals for a major conference on science and technology in development; lastly, the Council had before it an imaginative report from a Group of Experts (E/AC.62/9) on restructuring the social and economic sectors of the United Nations system — a process which would inevitably take some time.

32. He did not suggest that such activity *per se* had significantly reduced the seriousness of world economic problems. On the contrary, the problems of developing countries, especially of those which lacked valuable raw materials, were more pressing than ever and the repercussions of the deepening recession and accelerating inflation suffered by the industrialized world were adding

¹ For the text, see OECD Press Release PRI:SS/A(75)21, of 29 May 1975.

² Second General Conference of UNIDO, 12-26 March 1975.

to the difficulties of the developing countries. All those developments had created a different environment for the seventh special session from that envisaged when it had first been proposed. All countries were more aware of the complexity and difficulty of the issues to be dealt with at that session. Documents recently adopted such as the Declaration and Programme of Action on the Establishment of a New International Economic Order, the Charter of Economic Rights and Duties of States and the Lima Declaration and Plan of Action on Industrial Development and Co-operation had revealed differences of interest and approach between the industrialized and the developing countries on certain fundamental issues, but the meetings of which those documents had been the outcome had also revealed a general awareness of common interest and common purpose. The industrialized countries had moved a long way in a relatively short time: they had accepted the moral imperative for fundamental alteration in the world economic situation. His delegation hoped to see a continuing dialogue extending through the seventh special session and beyond it and was of the view that all countries should be guided by the moderate aims which the President had put before the Council in his opening address (1953rd meeting): namely, defining the limits and sectors on which negotiations could be initiated; agreeing on the principles which would govern negotiations in respect of each; and deciding on the fora, existing or to be set up, in which concrete negotiations would be conducted.

33. The nature and substance of the dialogue was more important than the forum in which it was immediately to take place. The significance of the seventh special session did not lie in the possibility of any dramatic results but in the fact that it gave the whole international community an opportunity for a comprehensive consideration of the problems, followed by a decision upon the framework within which more detailed future discussions should take place. He hoped that the developed countries would not be confronted by a demand for action which its proponents must realize to be unrealistic and unacceptable as well as politically unnecessary. The United Kingdom had demonstrated its political commitment to change and was entitled to ask for a degree of mutual comprehension on the part of the Group of 77. It could not and would not be forced into positions which it did not believe it could honestly accept. If the seventh special session gave the international community an opportunity to demonstrate its joint political commitment to orderly change and provided the necessary impetus for detailed discussions in more appropriate fora, it would, in his delegation's view, have more than achieved its aims and purpose.

34. Mr. LONGERSTAEY (Belgium) said that in its statement to the Council in 1974 (1907th meeting) his delegation had spoken of the increasing disequilibrium threatening the international community and the difficulty of deciding upon the appropriate corrective measures. The *World Economic Survey*, 1974, (E/5665, E/5681 and Add.1-4) confirmed the general trend which had been appearing at that time.

35. Since 1975 was the year designated for the mid-term review and appraisal of the Second United Nations Development Decade, it was natural to consider the entire period

from 1971 to 1974. It was clear from the *Economic Survey* that the period fell into two distinct sections: an opening period extending from 1971 to the beginning of 1974 and marked by considerable economic growth, and the later period in which economic activities had slowed down, particularly in developed market economy countries, with repercussions on the world economy as a whole.

36. The *World Economic Survey* provided a statistical analysis of the 1974 recession. The important point was its repercussions on the relations between the various economic groupings. Economic stagnation in the developed market-economy countries had caused a slowing down in the developing countries, particularly those which specialized in the export of manufactures. The same trend was noticeable with regard to the volume of exports from developing countries to developed market-economy countries. All the indicators demonstrated the interdependence of economies both between the groups and within them. Another general observation was the great disparity of achievement among the developing countries themselves. Although the figures showed a slight reduction in the gap between the *per capita* GDP of developing and developed countries and a considerable average improvement in the developing countries' terms of trade over the period 1971 to 1974, the results varied greatly from one country or group of countries to another.

37. Those general points should not only engender a certain diffidence about the possibility of predicting or directing the course of events but should inspire perseverance and redoubled efforts to attain the objectives laid down in the International Development Strategy.

38. As far as the quantitative targets of the Strategy were concerned, the general picture was encouraging in the areas in which results had been achieved, but provided food for thought about the corrective measures needed in fields where results had been disappointing or frankly negative.

39. Over the period as a whole, the developing countries had achieved promising results with regard to foreign trade, which had enabled them to attain the domestic savings target set in the International Development Strategy. In the industrial sector, production had exceeded the target rate, although results varied according to sector and region. The most satisfactory results had generally been associated with success in export markets, which demonstrated yet again the interdependence of economies. It appeared, however, that although the industrial sector had made a substantial contribution to increasing GDP, its contribution to the creation of employment had been much more meagre. The problem of maximizing the number of employment opportunities created by investment remained as urgent as ever. Better development planning would be furthered by identifying the type of industry which favoured the creation of employment.

40. It was unfortunate that results in the agricultural sector had not been as encouraging as those in foreign trade and industry. Agricultural development over the period 1971-1974 had achieved less than half the target set in the International Development Strategy. World agricultural production had remained at approximately the same level

in 1974 as in 1973 and stocks had not yet been built up again. Average food consumption appeared to have decreased in comparison with 1971. The gravity of the situation called for concerted international action to increase agricultural production in developing countries. The unemployed rural population must be integrated into the agricultural economy, a trend likely to entail changes in land tenure. A combination of economic and social reforms might prove successful.

41. Among the many other measures required in order to achieve increased agricultural production, he would refer only to the questions of fertilizers and training. With regard to the former, a policy must be developed which was based on the achievement of balance between supply and demand; Belgium would support measures to that end. Technical knowledge and training was a fundamental factor in agricultural development. Research in that field would be of limited value unless the information was passed on to the worker on the land and took account of local conditions. Such dissemination of information should be integrated into education in rural areas so that it spread through the intermediary of the school-child to his family.

42. Trade had played an important part during the period 1971-1974, and the developing countries had benefited from the general rise in international commodity prices. Factors that might be beneficial in one area, however, could be retrogressive in another. It was therefore important to introduce stabilization factors into trade relations which would ensure outlets and sufficient revenue for producer countries and which would provide a solid foundation for their development planning.

43. Another basis for development should be established in the industrial and agricultural sectors, which were not separate, but complementary sectors, requiring simultaneous development. The population of the developing countries was largely rural and an increase in its purchasing power would be a considerable stimulus for industrial production. Both sectors should generate employment. In order to overcome the paradox of the meagre contribution of industrial development to the creation of employment, a better adjustment should be sought between the requirements in manpower of the manufacturing sector and of the rural economy, which were complementary to each other in that regard. That was particularly so when industry could not absorb the labour resulting from a more and more modernized agriculture. There was also a relationship between the size of a country and its participation in foreign trade. Often, the volume of sales in a national market was not enough to reduce production costs and retail prices. Consequently, the developing countries should aim at establishing markets that were large enough to match optimum production capacity. A development plan taking full account of the relationship between the agricultural and the industrial sectors and forming part of a regional or sub-regional programme would be a powerful stimulus for increasing trade and would enable the developing countries to obtain a better share of world markets.

44. For the past 15 years Belgium had attained and often exceeded the target fixed in the International Development Strategy for the net transfer of 1 per cent of GNP to the

developing countries. With regard to net official aid, his Government was continuing its efforts to reach the figure of 0.7 per cent of GNP. It should be borne in mind that the percentage changes did not reflect changes in absolute figures because of substantial increases in GNP. In 1972, for instance, a growth of five points in official aid in relation to the GNP had corresponded to an increase of almost 22 per cent in relation to the assistance budget of the previous year, which was considerably more than the rate of inflation at that period.

45. Despite the economic difficulties which Belgium, like other developed market-economy countries, was experiencing, it intended to increase its financial and technical assistance to the poorer countries in so far as the basis of its economy was not affected by attempts to challenge an economic development experiment from which all countries had benefited up to now.

46. On the basis of the criteria established by DAC, the Belgian effort for 1975 would amount to 0.62 per cent of GNP, which would represent about 2 per cent of the State budget and demonstrated his Government's determination to keep its official aid in line with the growth of GNP. In that connexion, he pointed out that Belgium was placing more emphasis on multilateral aid. Belgian multilateral aid would increase from about 25 per cent in 1974 to more than 35 per cent in 1975.

47. An important innovation in his Government's contribution to development would be the co-financing of projects with non-governmental organizations, which were most active in carrying out various small projects for the benefit of the poorest sectors of the population.

48. Since the desired results had been obtained in the trade and industrialization sectors but not in agriculture and the transfer of resources, those two sectors should be given priority and action at both the national and the international level should be considered so that the targets fixed in the Strategy might be achieved before the end of the Decade.

49. His delegation was ready to accept the provisional list of specific areas and questions prepared by the Group of 77 as a basis for discussion of the agenda of the seventh special session of the General Assembly and attached particular importance to international trade, the first item on the list. In that field, Belgium was in favour of a dynamic approach to the problem of raw materials with a view to meeting the development needs of the developing countries and the requirements of the consumer countries, whether industrialized or under-developed. For that purpose, it would be useful to prepare a list of commodities of interest to the developing countries for which international agreements were desirable. Such agreements could establish remunerative and fair prices that would guarantee in the long term a balanced expansion of production and consumption. Belgium sincerely hoped that negotiations for that purpose would be undertaken as a matter of urgency in the framework of a comprehensive programme. Moreover, in cases where trade measures would be inadequate, his Government was in favour of considering international machinery for stabilizing the export revenue of the develop-

ing countries. Food, too, was of particular importance and it was essential to make special arrangements to ensure the security of world food supplies. The latter two measures would assist the least developed among the developing countries. It was also necessary to ensure that there was an adequate transfer of real resources to those countries.

50. In conclusion, he stressed that such an ambitious programme required not only the political will of States but also a thorough structural reform of the economic system of the United Nations. The report of the Group of Experts on that subject would no doubt be a valuable source of inspiration at the seventh special session of the General Assembly.

51. Mr. van LENNEP (Secretary-General, Organisation for Economic Co-operation and Development) said that, in the face of an unprecedented combination of difficulties during the past 18 months, the OECD countries had succeeded in evolving co-operative responses in five key areas.

52. In trade, to counter the risk of protectionist measures by countries faced with severe balance-of-payments deficits, they had adopted the "Trade Pledge",³ which stated their determination to avoid recourse to new restrictions on trade and other current account transactions and the artificial stimulation of current and invisible exports. The Pledge had been renewed for another year with effect from May 1975.

53. To supplement existing financial mechanisms and provide an insurance policy for countries faced with the cumulative burden of financing continuing large deficits, they had signed in April 1975 the Agreement establishing a Financial Support Fund of OECD. The Fund would not entail any pre-empting of the borrowing facilities of non-OECD countries, its purpose being to reshuffle capital flows within the OECD area.

54. In the field of energy, their immediate action had been directed towards conservation and the development of new resources through a co-operative effort which had been expressed in the creation of the International Energy Agency of OECD.

55. They had also considered it imperative that current balance-of-payments difficulties should not lead to a curtailment of aid flows to developing countries, and that objective had been officially endorsed.

56. Lastly, they had sought to develop a common strategy in the fight against inflation. Strong anti-inflationary action had become necessary not only for domestic reasons but also in the interests of the world economy. An accelerating international cost-price spiral, transmitted by foreign trade prices of essential inputs and investment goods, had been straining international economic relations, compromising conditions for the free flow of trade and payments and threatening social and political stability. They had accepted to run their economies well below their

productive potential in order to combat inflation. In so doing, they had been fully aware of the risks for their economies and of the implications for those of the developing countries, including their balance-of-payments problems, but they had no other choice.

57. As a result of those actions, trade restrictions had, by and large, been avoided, there had been no monetary crisis or collapse of international financial institutions, aid levels had been well maintained and the battle against inflation and recession was beginning to show some results.

58. Nevertheless, the present situation was still unsatisfactory. The recession had gone further than had been expected and inflation was still at high levels in many countries. The balance-of-payments positions of the developing countries and of a number of smaller OECD countries were becoming very difficult.

59. There were a number of lessons to be learned for the future. Firstly, both in the 1972-1973 boom and in the 1974-1975 downturn, national and international forecasters had failed to take sufficient account of the multiplier effects resulting from the synchronization of national cycles. That partly explained the serious errors in the timing and scope of counter-cyclical policy: countries had acted too late to prevent the excessive boom of 1973 and when, subsequently, higher oil prices had added to other deflationary elements, they had underestimated the strength and persistence of the recessionary movement.

60. Secondly, the way in which the OECD economies had reacted to external shocks and domestic policy measures had revealed structural weaknesses -- rigidities in labour and product markets and the mis-allocation of resources, partly reflecting the creeping inflation of the past -- as well as psychological, social and political factors. They had aggravated the effects of inflationary and deflationary impulses and limited the efficiency of the policies aimed at offsetting them.

61. Thirdly, sustained, non-inflationary growth would require major changes of domestic policies in the industrial countries and a better harmonization of the policies of all countries. There was need to reassess the prospects for sustained economic growth in the context of medium and longer-term structural change, bearing in mind the constraints arising from inflation. Consideration would have to be given to the question of how economic policy instruments could be improved and used more flexibly with a view to developing more comprehensive and prompt policy responses to changing situations. Such a fundamental reassessment was now taking place in OECD.

62. OECD was forecasting the beginning of a recovery in the near future. In the first half of 1976 the OECD areas as a whole should achieve an annual growth rate of about 4 per cent. Much would depend on the state of confidence in the private sector. Unemployment would not start declining until 1976.

63. Inflation remained a serious problem and the recovery would start at a time when inflation rates would still be very unsatisfactory in some countries. The disparities

³ Declaration adopted on 30 May 1974 by the Governments of OECD member countries; for the text, see OECD Press Release of 30 May 1974.

between inflation rates were an important source of international monetary instability and tended to become cumulative. He hoped that the first signs of reviving demand and decelerating inflation would not be smothered by new adverse economic developments outside the OECD area.

64. A major responsibility of OECD countries would be to ensure sustained non-inflationary growth in their economies and hence in the world economy, but it would have to be borne in mind that that task was being tackled in circumstances that differed considerably from those of the past.

65. Developments in the energy and commodity markets would obviously play an important part, both as cause and as effect, in the achievement of sustained, non-inflationary growth. He considered that there was a fundamental convergence of interests between producers and consumers which needed to be expressed in practical arrangements to ensure adequate supplies at more stable prices that would provide incentives for investment, production and conservation.

66. The OECD countries recognized that the world economy would have to adjust itself over the next 10 to 20 years to a substantially higher relative cost of energy than that prevailing up to 1973. Oil producers and consumers had a joint interest in carrying out that transition as smoothly as possible and, notably, without abrupt changes in prices and consumption. The OECD countries had declared their readiness for a constructive dialogue with the oil producers.

67. With regard to industrial raw materials, producers and consumers, irrespective of their state of economic development, had a common interest in avoiding upheavals such as those of recent years. The present weakness of demand had serious consequences for producers and presented the risk of curtailing future supplies and thus creating new bottlenecks in a few years' time that would rekindle inflation in the world economy. Practical arrangements needed to be agreed upon between producers and consumers to reduce the instability of markets and of export earnings, to ensure adequate levels of investment, and to improve and increase market outlets and the local processing of commodities. The OECD countries had set up a high-level group on commodities to explore the practical action needed with regard to industrial raw materials and to those basic foodstuffs which were of special export interest to the developing countries.

68. It should be remembered that shortages in basic food supplies had been a major factor in the sharp increase in food prices in 1972-1973 and had caused great hardship in some of the poorer developing countries. Consuming and producing nations alike must take the action needed to

avoid the risk of a recurrence of that situation. To that end, the best possible use should be made of the current improvement in output so as to build up stocks and maintain the incentives for a sustained production effort.

69. The specific problem of economic relations between OECD countries and the developing countries had been a major preoccupation of the OECD Ministers when they had met at the end of May 1975 in the Council and again in DAC in July 1975. The Ministers had adopted the OECD Declaration on Relations with Developing Countries, which expressed the determination of member countries to consider policies aimed at strengthening the position of the developing countries in the world economy, to discuss relevant issues with particular emphasis on food production, energy, commodities and development assistance for the most seriously affected countries and to pursue the dialogue with developing countries in all appropriate fora. Secondly, the Declaration was placed in the dynamic perspective of increased participation of the developing countries in the benefits of an improved and expanding world economy and of progress towards a more balanced and equitable structure of international economic relations.

70. OECD was undertaking a comprehensive review of economic relations with the developing countries that was designed to assist member Governments in promoting a wide range of constructive approaches where prospects for progress appeared most promising. There was general agreement that early and constructive action was especially required to respond to the needs of the lower-income countries, whose long-term development could only be promoted by aid. Members of DAC were concentrating their aid more and more on the lower-income countries as was illustrated by the emphasis they were placing on agricultural development. Most DAC countries were seeking to double their assistance for that purpose. In addition, various new initiatives for channelling assistance to the developing countries, such as the special Trust Fund to be administered by IMF and the International Fund for Agricultural Development, were under consideration and would, he hoped, soon come to fruition. The World Bank was already proceeding with the establishment of the so-called Third Window.

71. There was a wide measure of agreement on the need to accelerate the process of structural economic change in both developed and developing countries to provide greater opportunities for the trade of developing countries as part of an expanding world economy. Governments were faced with problems of unprecedented complexity and had to review jointly their systems of values and decision-making and to seek constructive, co-operative policies for the harmonious development of the world. He assured the Council that OECD would spare no effort in doing its part.

The meeting rose at 12.20 p.m.

1961st meeting

Tuesday, 8 July 1975, at 3.10 p.m.

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

E/SR.1961

In the absence of the President, Mr. Longerstaey (Belgium), Vice-President, took the Chair.

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. MWANGAGUHUNGA (Uganda) said that, on the occasion of the thirtieth anniversary of the founding of the United Nations, he wished to renew his country's dedication to the objectives of the Organization's Charter. Hitherto the United Nations had placed the main emphasis on political and security problems, but the international community must not lose sight of the fact that political stability could only be attained when juster economic and social conditions had been established. The Council's present session had opened against a background of grave crisis in the world economy; various solutions had been suggested, but the political will to put them in practice on a global scale was apparently lacking. He hoped that the Council would arrive at a political consensus by avoiding sterile confrontations and manifesting a spirit of compromise; nevertheless, when the strong refused to make concessions, the weak were obliged to revert to the protection of normal democratic procedures. History and recent events had demonstrated that harmony in international economic relations was not to be attained by "survival of the fittest", but by adjustment to changing conditions.

2. The importance of consensus was particularly evident in relation to two main questions before the Council: preparations for the seventh special session of the General Assembly, and the mid-term review and appraisal of progress in implementing the International Development Strategy for the Second United Nations Development Decade (agenda items 10 and 9 respectively). As to the former, the Group of 77 had drawn up and submitted in informal tables a provisional list of areas and concrete questions to be considered in preparing for the special session. The special session was to be preceded by a number of important meetings, including the OAU summit meeting, where the African stand would be worked out. His delegation was ready to participate in formal and informal consultations in order to arrive at the consensus necessary for the success of the seventh special session. At its sixth special session, the General Assembly had adopted the Declaration and Programme of Action on the Establishment of a New International Economic Order, which, together with the Charter of Economic Rights and Duties of States, must provide the basis for a new economic order; at its seventh special session, it would have to assess the obstacles

and constraints in the way of the establishment of the new economic order. In that connexion, it should be noted that some recent pronouncements and statements of intent, as well as the ACP-EEC Convention of Lomé and the achievements of the recent Conference of Heads of Commonwealth Governments in Kingston, Jamaica, seemed to indicate that thinking was moving in an encouraging direction.

3. His delegation was ready to participate in consultations on agenda item 9, on which the Group of 77 had already submitted a preliminary proposal (E/5693, annex IX) that might serve as a basis for discussion with other groups with a view to arriving at a consensus. The first half of the Second Development Decade had proved somewhat disappointing to many developing countries: at its sixth special session, the Trade and Development Board had confirmed that the situation of the majority had scarcely improved during the period and that the situation of some had even worsened.

4. The CDP had come to the same conclusions at its eleventh session in April 1975, and it had taken the view that no country at present on the list of the least developed countries should be removed before the end of the Second Decade (E/5671, para.130). In that connexion, he recalled that there had been those who had wished Uganda to be removed from the list, in spite of the fact that, as a land-locked country, it was among those which had suffered most severely from the current crisis. In 1974, its GDP had declined by 2 per cent in real terms, and although its industrial production had amounted to 9.3 per cent of GDP as compared with only 7.8 per cent in the preceding year, actual performance had declined, mainly as a result of difficulties in obtaining spare parts. In that connexion, he wished to thank UNIDO and UNDP for their endeavours to assist his country, in contrast with other international bodies, whose reluctance was possibly due to pressure from quarters out of sympathy with Uganda's independent economic policy, aimed at ensuring recognition of the sovereignty of States over their natural resources and economic destiny.

5. It was surprising that, instead of negotiations to resolve bilateral differences, there had been resort in some quarters to procedures alien to the Charter of Economic Rights and Duties of States: for example, although severely affected by the economic crisis, Uganda had been considered for exclusion from the list of countries to be granted emergency assistance. Fortunately, a sense of reality had prevailed, and he wished to thank the Secretary-General of the United Nations for the emergency aid given to his country, and to express the hope that more would be forthcoming. The situation of the least developed countries and of the land-locked countries should, in any event, be carefully

reviewed both at the seventh special session of the General Assembly and during the review and appraisal of the implementation of the International Development Strategy.

6. The present crisis had been compared to the crisis in the 1930s: only through major political and sociological reforms could it be hoped to solve problems of such magnitude. Particular interest, therefore, attached to the report entitled "A new United Nations structure for global economic co-operation" (E/AC.62/9). The proposed changes, together with further changes which Governments might wish to make, would give the Council more political will. At the fifty-seventh session (1970th meeting), his delegation had emphasized the need to make the Council more effective and had even advanced the idea that it might consider entering into permanent session.

7. Mr. KEGEL (German Democratic Republic) said that the development of egalitarian international economic relations, the achievement of economic independence by developing countries, and the abolition of all forms of colonialism and neo-colonialism were problems whose solution of the utmost urgency. From that point of view, recent events gave grounds for alarm. The capitalist economic system was passing through its gravest crisis since the end of the Second World War, and the *World Economic Survey, 1974*, part two (E/5681 and Add.1-4) suggested that the crisis had not yet reached its culmination. The crisis, whose causes were to be found in the capitalist system as such, resulted in great insecurity in international economic relations and was damaging to the majority of countries. The observer for India (1958th meeting) had emphasized the deleterious effects of such disturbances on the socio-economic progress of developing countries and had shown where the responsibility for them lay.

8. The baneful influence of transnational monopolies in international economic relations and in the exploitation of developing countries was particularly evident; the monopolies had thrown up numerous obstacles to the independent and harmonious development of those countries and were the great beneficiaries of the current economic crisis. According to a survey by the First National City Bank, the profits of 853 such companies had considerably increased between 1973 and the end of 1974. On the other hand, the majority of the developing countries were experiencing serious difficulties in their balances of trade and payments in consequence of the heavy volume of financial resources extracted from them by various means: the repatriation of profits, interest payments, exchange of goods of unequal value, etc. Such spoliation far exceeded what capitalist States described as financial aid for development.

9. For that reason, the German Democratic Republic supported all effective measures for combating the negative effects of the crisis and the deterioration of the developing countries' balance of trade. It was those who were responsible for and benefited from the crisis who should make good the damage suffered by the developing countries.

10. The reform of the international economic order was not a merely academic question: what was required was to

establish relations genuinely based on equality, respect for sovereignty, non-interference and peaceful co-existence; and, as far as the future of international economic co-operation was concerned, it was vital that a forthright stance should be taken up on that question.

11. The German Democratic Republic supported the struggle of the developing countries against forces standing in the way of development. On the solid basis of economic co-operation when CMEA, the GDR had concluded co-operation agreements with more than 60 States, had diversified its trading relations with developing countries, promoted the development of their resources and formed closer scientific and technical relations.

12. In the view of his delegation, if international economic relations were to be improved, it would be necessary to give new impetus to the relaxation of tension, to bring the arms race to a halt and accelerate disarmament, to implement the decisions taken by the General Assembly at its sixth special session and to put into effect the Charter of Economic Rights and Duties of States. Military expenditure amounted to considerable sums diverted from economic, scientific and technical assistance to developing countries. He recalled in that connexion General Assembly resolution 3093 (XXVIII), calling for a 10 per cent reduction of military expenditures by the States which were permanent members of the Security Council.

13. With reference to preparations for the seventh special session of the General Assembly, he observed that international economic co-operation was only possible on a sound political basis. One of the uses to which the special session should be put was to analyse the implementation of the decisions taken by the sixth special session and the application of the principles laid down in the Charter of Economic Rights and Duties of States, and to identify the obstacles and put forward solutions. It was in that spirit that the German Democratic Republic had submitted proposals at the second session of the Preparatory Committee on the following matters: political prerequisites of economic development and application of General Assembly decisions and provisions of the Charter; socio-economic transformations and the new international economic order; the role of the State sector and the broad mass of the people in the socio-economic progress of developing countries; and non-discrimination, equality and mutual advantage in international economic relations, particularly trade.

14. As to the reorganization of the United Nations system, his Governments was studying the proposals in the report concerning United Nations structure in the economic and social fields. Like others, his delegation held the views that the proposals for reorganization designed toward the more efficient implementation of the principles and purposes of the United Nations Charter might be approved. They touched on highly complex problems, however, and required careful study.

15. The present climate of *détente* was favourable to the seventh special session of the General Assembly, in spite of certain elements which favoured the cold war. The success of the Conference on Security and Co-operation in Europe should help to further *détente*. It was for the Economic and

Social Council to make its contribution to the application of the principles of peaceful coexistence. The Council must also contribute by constructive proposals to the implementation of the General Assembly's decisions on disarmament and arms limitation.

16. Mr. JARAMILLO (Colombia) said that five years after the adoption of the International Development Strategy, most countries had still done nothing to implement it and the problems of the third world were worsening: the growth of GDP was slowing down, food production was falling and not enough agricultural produce was being produced and exported.

17. The developing countries' foreign trade situation also left much to be desired: no agreement had been reached on the principles of a prices policy or of access to commodity markets. Only one international agreement had been concluded -- on cocoa; the developed countries' schemes of generalized preferences gave little advantage to the developing countries, particularly those of Latin America, because of the exclusion of agricultural products and certain manufactured products, and the application of non-tariff barriers.

18. It was essential, therefore, that at the present session the Council should consider the documentation transmitted to it by the Committee on Review and Appraisal in its report on its third session (E/5693), particularly the preliminary proposal of the Group of 77, contained in annex IX to the report, which called for the revision of the International Development Strategy in the light of the Programme of Action on the Establishment of a New International Economic Order and the Charter of Economic Rights and Duties of States.

19. It would be premature to comment on the Programme of Action, but his delegation noted with satisfaction how the Secretariat and the specialized technical bodies were preparing for their new tasks under the Programme.

20. So far as concerned the seventh special session of the General Assembly, he said that his delegation, which belonged to the Preparatory Committee, deeply regretted that the different groups had not yet been able to agree even on the agenda for the session.

21. He thanked the Secretariat for the useful documents it had prepared, in particular the report of the Group of Experts on the Structure of the United Nations System and the report of the Secretary-General on development and international economic co-operation (E/AC.62/8), concerning appropriate changes in international economic relations in the light of constraints on the implementation of the Programme of Action. The latter report gave a comprehensive picture of the world economic situation and would be of great help to his delegation in preparing for the forthcoming special session of the General Assembly.

22. Mr. NIKOLOV (Bulgaria) said that the fifty-ninth session of the Council was taking place against the background of an acute crisis in the market-economy countries. The crisis was having serious effects on inter-

national economic co-operation, on the economies of a large number of developing countries, and on the achievement of the objectives of the International Development Strategy. Many developing countries were still in a state of dependence on former colonial powers. The monopolies and multinational corporations were trying to shift the burden of the difficulties caused by the crisis and by inflation on to the peoples of the developing countries. Nevertheless, a genuine economic co-operation would ultimately have to be established, based on the principles of respect for the sovereignty of States, non-interference in internal affairs, equality of rights, mutual advantage and non-discrimination. All those principles were embodied in the Charter of Economic Rights and Duties of States, a basic instrument of economic decolonization the scrupulous application of which would enable developing countries to build up independent national economies and take a more active part in the international division of labour.

23. His country was systematically intensifying its economic co-operation with the countries of the socialist community, in particular the Union of Soviet Socialist Republics, in accordance with the socialist programme of economic integration adopted by CMEA. That kind of voluntary integration did not require the establishment of supranational bodies. Bulgaria was also developing its economic relations with the market-economy countries as well as with the developing countries, with which it was continually expanding its economic, commercial and cultural relations. It was particularly seeking to further the industrialization of the developing countries by setting up processing industries, and to promote the diversification of their economies, the training of national manpower and the consolidation of the public sector as the principal instrument of their industrialization.

24. His delegation hoped that at its seventh special session the General Assembly would give a new impetus to international economic co-operation. The proposed structural changes in the United Nations bodies concerned with economic and social affairs were designed to strengthen the co-ordinating function of the Council, increase its operational effectiveness and avoid duplication of activity.

25. In order to speed up development by means of genuine economic co-operation, every effort should be used to make the process of international *détente* irreversible and to restructure international, political, economic, commercial and other relations on the basis of the principle of the peaceful co-existence of States with differing economic and social systems. In particular, the Geneva and Vienna negotiations on the big problems of disarmament must be brought to a successful conclusion. His country supported the USSR efforts for the conclusion of an agreement between the great Powers on the prohibition of the development of new types of weapons of mass destruction. Efforts should also be intensified to secure implementation of General Assembly resolution 3093 (XXVIII) calling on States permanent members of the Security Council to reduce their military budgets by 10 per cent and to allot part of the funds thus released for the provision of assistance to developing countries.

26. Mr. KHANE (Executive Director, United Nations Industrial Development Organization) said that significant

first moves had been made in the course of the previous year towards establishing a new international economic order. UNIDO's contribution had been embodied in its Second General Conference, held at Lima in March 1975. Noting that the developing countries' share in world industrial production was still extremely small, the participants in the Conference had established as a target that their share should be increased to at least 25 per cent of total world industrial production by the year 2000. That would call for adjustments and improvements throughout the international community and would also imply that the developing countries should increase their industrial growth at a rate considerably higher than the 8 per cent recommended in the International Development Strategy. At the national level, the achievement of the target would necessitate a new surge in investment, and in many fields it would constitute an enormous task in view of the present limited technological capabilities of the developing countries. The developing countries must also be on their guard against overlooking the human aspects of industrialization and avert the disintegration of their sets of values and cultural identity. The establishment of new industrial activities could not be governed solely by production statistics or econometrics, for industrialization was not truly successful unless the advantages it offered were properly digested by the population and fairly distributed.

27. The Lima Declaration and Plan of Action on Industrial Development and Co-operation (E/5696, chap. IV) did not merely identify problems and set targets but also indicated solutions and methods of reaching targets. In particular, the drafters of the texts had given particular attention to agro-related and agro-based industries, thus lifting the traditional strict division between industry and agriculture. It was henceforward acknowledged that agriculture and industry were of necessity complementary and that there was a close interrelationship between the various production sectors.

28. The same was equally true of the organizations in the United Nations system. Research and activities in the industrial sector had to be closely co-ordinated with many other activities which were the responsibility of sister organizations. The Lima Conference had consequently requested UNIDO to establish closer links with the other organizations of the United Nations system in order to promote industrial development, and a first exchange of views on the subject had recently taken place at Geneva between the executive heads of the organizations concerned. He was confident that that form of co-operation would grow and would make it possible to realize the concept of an integrated and multisectoral approach to industrial development.

29. The Lima Declaration also made it quite clear where industrialization priorities lay by stating that "developing

countries should devote particular attention to the development of basic industries such as steel, chemicals, petrochemicals and engineering, thereby consolidating their economic independence while at the same time assuring an effective form of import-substitution and a greater share of world trade".

30. At the regional and global levels, the authors of the Lima Declaration regarded co-operation between the developing and industrialized nations as the basic principle to put into practice, particularly in the form of consultations with a view to facilitating the redeployment of certain productive capacities from industrialized countries and the creation of new industrial facilities in developing countries. Such consultations should lead to agreements, not only between countries, but also between individual enterprises.

31. Furthermore, the redeployment of productive capacities might well include the redistribution of technology, know-how, equipment, capital and other essential production factors. The success of such consultations, however, was contingent upon the willingness of all the parties to gauge the issues involved and to co-operate with each other. In the past few years, the world had seen numerous examples of certain productive capacities in the industrial field being redeployed from one industrialized country to another, including those of differing socio-economic systems, on the basis of agreements between enterprises of countries. By making that kind of industrial re-structuring more general and by establishing a new division of labour, interdependence in the world would certainly be increased. In that context, UNIDO, while maintaining a strictly catalytic role, would be instrumental in the process of consultation through a variety of measures. Initial studies carried out by the organization had indicated the willingness of certain industrial enterprises to co-operate with each other forthwith. Regional consultations would also be held to enhance co-operation among the developing countries themselves, and at that level it was imperative that UNIDO and the regional commissions should co-operate as closely as possible.

32. In the Lima Declaration, a strong plea was submitted for the strengthening of UNIDO itself, with the recommendation that it should be converted into a specialized agency. The Economic Committee had before it a draft constitution (E/5711) which the General Assembly would consider at its seventh special session. The General Conference had also reaffirmed the essentiality of establishing an Industrial Development Fund which would enable UNIDO to meet the needs of developing countries promptly. He hoped that the Council would reach favourable decisions on all those points, which were important for the establishment of a new international economic order.

The meeting rose at 5 p.m.

1962nd meeting

Wednesday, 9 July 1975, at 10.40 a.m.

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

E/SR.1962

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 and E/5713)

1. Mr. SMID (Czechoslovakia) said that the Council's fifty-ninth session coincided with the thirtieth anniversary of Czechoslovakia's liberation from nazi occupation and of the victory over fascism at the end of the Second World War. That victory had marked the beginning of a new era in Czechoslovakia's history, during which its people had gradually constructed a socialist society. The triumph of the socialist revolutions in many European and Asian countries had resulted in the creation of the world socialist system. As a result of 30 years' painstaking work the socialist countries had achieved good results. Their broad co-operation and mutual assistance had made it possible to restore their war-ravaged economies, build up advanced industries, develop collective and highly productive agriculture and ensure an unprecedented growth in the cultural and living standards of the working people. The socialist countries now accounted for more than a third of world industrial production, the volume of which had increased more than nine-fold in 25 years. Through the dynamic development of their national economies, science and culture in the socialist countries were making further progress and living standards and social security were steadily improving.

2. Following the establishment in 1949 of CMEA – the first international organization of States to decide to end the capitalist system of economy – its members had gradually achieved a stable, rapid and recession-free economic growth as a result of the efforts and initiative of the masses of working people freed from exploitation, the purposeful and planned management of the economy and the co-operation of member States. While its programme was directed towards socialism, CMEA had no desire to be an economic group closed to the rest of the world. It viewed the socialist division of labour in the broader context of the international division of labour. It was an open community, ready to co-operate, on the basis of equality and mutual advantage, with all who showed a sincere interest in such co-operation.

3. Profound changes were taking place in the entire system of international relations, in which growing respect was being paid to democratic principles, based on the principle of peaceful co-existence among States having different social systems. His Government fully supported the efforts towards a further relaxation of tension, the strengthening of international peace and security and the

expansion of co-operation among all States, irrespective of their social system.

4. The increasing efforts to relax international tension and secure lasting world peace and security had made it possible to convene the sixth special session of the General Assembly on the initiative of the developing countries. The results achieved at that session should contribute to the creation of a new international economic order, end the historic injustice in international economic relations and ensure equal participation by the developing countries in the international division of labour. The principles of the Declaration on the Establishment of a New International Economic Order – sovereign equality of States, equal participation of all countries in the consideration of important international economic issues, the right of each country to choose its socio-economic system and exercise permanent sovereignty over its natural resources, including the right to nationalization, and the right to control the activities of transnational monopolies – were prerequisites for improving the fortunes of the developing countries. His Government had also welcomed the adoption of the Charter of Economic Rights and Duties of States as a logical continuation of the Declaration in question and as an important document which could contribute substantially to the recovery of the world economic situation.

5. When the Second United Nations Development Decade had been proclaimed in 1970, Czechoslovakia and other socialist States had jointly declared their full support for the aims of the Decade, which should make a significant contribution to general economic and social development. They had expected that efforts would be made to bring the developing countries into an equal position in the international division of labour so as to facilitate their self-supporting development. Despite the steps taken by the United Nations and specialized agencies with a view to ensuring the intensified development of the developing countries, no marked progress had been achieved and it had had to be acknowledged that the implementation of the International Development Strategy for the Decade had so far been unsatisfactory. The increase in the developing countries' share of world production resulting from surpluses in their total national product had been insufficient to narrow the difference in the average incomes of developing and developed countries. Implementation of the Strategy had suffered from the neo-colonialist policy of imperialist States, the economic machinations of advanced capitalist States, the destructive influence of supranational monopolies, the monetary crisis affecting the capitalist world, inflation, conflict and the arms race. It was hoped that the application of the Declaration and accompanying Programme of Action and of the Charter of Economic Rights and Duties of States would make it possible to eliminate many of those factors. All States sincerely

interested in the accelerated development of the developing countries should direct their attention to such application.

6. The Czechoslovak delegation at the seventh special session of the General Assembly would defend the principles of international economic co-operation among all countries, regardless of their social system, based on the further reduction of international tension and the safeguarding of peace and security. Czechoslovakia would continue to support principles of equality, mutual advantage and non-discrimination in trade relations and to reject the use of economic aggression and pressure in relations among States as incompatible with the United Nations Charter. It regarded the transfer of the economic difficulties of individual States or groups of States to other States or groups as inadmissible. Manifestations of discrimination in relations among States with different social systems and between advanced capitalist States and developing countries should be brought to an end. In considering the conditions for the introduction of a new international economic order and the ways and means of intensifying the development of the developing countries, it had to be realized that disarmament and the reduction of military budgets would release enormous financial, technical and scientific resources for the solution of the most urgent development problems.

7. Czechoslovakia's attitude towards developing countries was in line with the general direction of its foreign policy. It had developed systematically with a number of developing countries a broad, long-term and mutually advantageous economic, commercial, scientific and technical co-operation based on intergovernmental agreements. Its assistance to developing countries was co-ordinated with their national interests and development programmes and was directed mainly at the development of production, which should help the developing countries to free themselves from their dependence on certain imports and to master modern means of production. With a view to widening their export possibilities, Czechoslovakia had in 1972 granted customs preferences for most goods imported from the developing countries. Its imports from them had increased from 2,800 million Czechoslovak crowns in 1970 to 3,700 million in 1974 and its exports for the same period from 3,700 million to 4,100 million Czechoslovak crowns. It had supplied them not only with production equipment but also with extensive technical assistance, including scientific and technical expertise, licences and patents, and professional and scientific training.

8. His Government was prepared to develop further economic co-operation with all countries, irrespective of their social systems. It would do everything possible to further the early introduction of the new international economic order as a means of accelerating the development of the developing countries, narrowing the gap in economic levels and helping the developing countries to participate fully, actively and as equal partners in the international division of labour. In his delegation's view, many pre-requisites for achieving those goals already existed.

9. Mr. KAUFMANN (Netherlands) said that the crucial test at the seventh special session of the General Assembly would be whether the necessary political will to give shape

and content to a new set of equitable international relationships conducive to sound world-wide economic and social development was forthcoming. Events since the sixth special session had shown that new international economic relationships could not be established overnight. The seventh special session would be part of a continuing process.

10. A number of recent events and Government statements augured well for progress at the seventh special session. The Convention of Lomé between EEC and 46 developing countries of Africa, the Caribbean and the Pacific had marked the beginning of a new type of relationship and the recent Commonwealth Conference had shown a similar trend. The Governments of States members of OECD had recently taken steps to review their economic relations with developing countries, particularly with regard to commodity problems, in a new and constructive spirit. A number of Governments had declared their readiness to work for constructive results. There appeared to be a growing recognition on the part of developed and developing countries of the need for new political action to deal with the essential problems of world-wide development.

11. The change in climate had been reflected in the informal preparatory talks for the seventh special session. A genuine will on all sides to avoid confrontation was gaining strength and there was ground for cautious optimism provided the wide expressions of good intention and understanding could be translated into genuine efforts for specific action.

12. His Government, which was aware of the need to mobilize that political will for the success of the seventh special session, had recently organized a symposium on a new international economic order, at the end of which the Netherlands Minister for Development Co-operation had stressed four elements of vital importance for the attainment of a new economic order which had emerged from the discussions: firstly, the recognition that world and economic power relationships had changed; secondly, the need for new political concepts, such as the establishment of world-wide criteria for minimum incomes and minimum human requirements in the perspective of a global incomes policy; thirdly, the need for action in terms of specific negotiations to provide additional resources for the poorest countries; lastly, the desirability of adequate decision-making machinery at the national, regional and global levels.

13. Those ideas were close to those of the President (1953rd meeting), who had stressed that a new international economic order should be based on equity, justice and fair shares and on the idea that the further growth of the world economy should be consciously directed towards eradicating poverty, disease, and ignorance, promoting development where it was needed and eliminating the waste and misuse of the planet's resources.

14. An innovative feature of the symposium had been the discussion of new ways of life leading to new patterns of production and consumption, which were needed in the developed countries as well as for the betterment of the poorer countries. Although difficult to define and even

more difficult to incorporate into national and international policies, the question of new life styles should form part of the discussions on a new international economic system, concerning as they did the essential distributive aspects and basic purposes of world development.

15. It should be possible to merge the provisional list submitted in informal talks by the Group of 77 and the suggestions for additional items submitted by other delegations into an agreed agenda for the seventh special session. Although a broad variety of problems would have to be covered, it appeared to be widely accepted that political decisions on a limited number of specific issues should be sought. Such decisions should be incorporated in a single or omnibus resolution with a coherent set of interrelated recommendations for action and should cover new ground in selected fields such as commodities, trade, transfer of resources and emergency needs, industry and investment, food and agriculture, science and technology and the restructuring of the United Nations system. In dealing with all those issues, the General Assembly should give due attention to the social and distributive dimensions of development. The mid-term review and appraisal of the International Development Strategy, which remained a valid basic instrument for policy guidance, was closely linked with the discussions that would take place at the special session. The texts to be adopted should indicate clearly which organs of the United Nations system should undertake the necessary follow-up action, within specific time-limits.

16. His Government attached great importance to adequate solutions to the problems of trade and commodities. The proposals by the Secretary-General of UNCTAD on an integrated approach to commodity problems (TD/B/530, paras. 36-52) were constructive. Their further elaboration was unlikely to reveal a fundamental contradiction between an integrated approach and a commodity-by-commodity approach, since individual commodities would require arrangements tailored to their particular characteristics. The general aim should be to secure stable, remunerative and equitable prices with a view to increasing the foreign exchange earnings from exports of primary products from the developing countries, in accordance with paragraph 24 of the International Development Strategy.

17. Commodity negotiations should preferably be pursued in conjunction with the timing of the GATT multilateral trade negotiations, which also dealt with certain commodities. The result could then be a network of agreements providing the greatest possible benefits for the participating countries.

18. The GATT negotiations, in which special treatment for the developing countries, as laid down in the Tokyo Declaration,¹ should be reconfirmed, were of great importance. Special attention should be given to the improvement

of the GSP, particularly in the field of processed agricultural goods.

19. In view of the world-wide implications of the various systems of indexation of commodity prices, it was still necessary to find out whether the advantages of direct indexation schemes were not outweighed by the disadvantages, since many of the less developed countries which were importers of raw materials without being major exporters might suffer losses in their balance of trade as a result of that form of indexation. A careful cost-benefit analysis was therefore necessary. Indirect indexation systems might not have that disadvantage and it might be useful to examine the possibilities of indirect indexation in conjunction with the promotion of commodity negotiations.

20. With regard to the transfer of resources to developing countries, renewed emphasis should be placed on the achievement of the official development assistance target of 0.7 per cent laid down in the International Development Strategy. Special attention should be given to channelling development assistance towards the poorest countries and the poorest parts of the populations in developing countries. In view of the disappointing experience with aid targets during the first half of the Second Development Decade, it might be necessary to study realistic ways and means for automatic mechanisms for the transfer of resources. Efforts should be made by the widest possible group of contributing countries to make the new financing facilities in the World Bank and IMF operational, and to strengthen them. He hoped that the new special funds would become operational as soon as possible. It might be worth-while to explore the need for measures to promote the flow of direct private foreign investment in accordance with the development requirements of the developing countries and taking into account the role of transnational corporations and permanent sovereignty of nations over their natural resources. In particular, at the seventh special session the General Assembly might request the appropriate organizations in the United Nations system to review the feasibility of a scheme for multilateral investment guarantees.

21. His delegation was impressed by the performance of the United Nations system in its role in the transfer of resources. The new dimensions in technical co-operation agreed upon at the recent (twentieth) session of the UNDP Governing Council (see E/5703, para. 54) showed that the latter could adapt itself to present-day requirements. A promising example of that capacity for adaptation was the United Nations Capital Development Fund. Because the Fund's resources were being directed towards the poorest groups of people, his Government had decided to make an additional contribution of \$2 million for 1975.

22. His delegation felt that the question of policy measures for meeting the immediate needs of developing countries and the institutional implications for the United Nations system of meeting those needs should be seriously considered at the seventh special session.

23. His delegation thought that at the seventh special session the General Assembly should take decisions of

¹ Issued at the end of the GATT ministerial meeting held at Tokyo in September 1973; for the text, see GATT document MIN(73)1.

principle on matters of structural reform such as the reaffirmation and revitalization of the role of the Council, the strengthening of the United Nations Secretariat and the over-all coherence of the United Nations system, including a reinforcement of ACC, in the light of the report of the Group of Experts on the Structure of the United Nations System (E/AC.62/9). The recent joint meetings between PPCC and ACC represented an advance towards a fruitful dialogue between the Council and the executive heads of agencies. In future, members of the Council should be represented at the highest possible level in order to reflect the importance of both the Council and ACC in the policy-making structure of the system. His delegation also considered that it would be worth while to explore the possibility of the Council and the General Assembly coming to some sort of arrangement by which certain highly sensitive issues directly affecting the economic policy of Governments should be dealt with by a negotiating process aimed at reaching a true consensus. On the other hand, for secondary matters such an arrangement could provide for a procedure on existing lines, in which the minority in a vote abided by the decision arrived at by democratic process. The seventh special session would also have to decide upon some sort of intergovernmental mechanism to prepare further decisions implementing any decisions of principle taken on structural reform. His delegation was ready to participate in informal talks to explore the possibility of taking such decisions of principle.

24. His Government firmly supported the recommendations of the World Food Conference (E/5587, chap. V), including the establishment of the World Food Council and the International Fund for Agricultural Development. In view of the failure of the first session of the World Food Council to produce satisfactory results and the fact that the International Fund for Agricultural Development was not yet operational, the seventh special session would need to give new impetus to the implementation of the Conference's recommendations. As far as agriculture was concerned, the recent agreement in principle by the FAO Council to hold a World Conference on Agrarian Reform and Rural Development and to ask the other relevant United Nations bodies to co-sponsor the Conference was a development of great importance, as was the decision to convene a Tripartite World Conference on Employment, Income Distribution, Social Progress and the International Division of Labour in June 1976, under the auspices of the ILO.

25. He hoped that the Council would proceed actively in both formal and informal meetings, with preparations for the special session in order to ensure that the two weeks of that session would be put to the best use.

26. As the President of the Council had stated earlier that year (1935th meeting), the higher reality which the United Nations had been established to serve had been man's search not merely for survival but for an order based on justice and reason. In that spirit, 1975 could become the year of decisions for change, not conceived in terms of one party's loss as opposed to another party's gain, but as a reflection of the renewed sense of joint endeavour in search of which the world might make peaceful, orderly and universally beneficial progress.

27. Mr. PETRESCOU (Romania) said that the Council was meeting at a time when peoples throughout the world were struggling, with considerable success, to build their own future. He welcomed the recent victories of the peoples of Indo-China and Africa in their progress towards independence, which would undoubtedly have a favourable effect on the international political climate. It was also a time when serious international economic problems had to be faced, such as the urgent need to eliminate under-development and to find solutions to the problems of raw materials, energy, the acute shortage of foodstuffs, continuing inflation, the need for monetary reform and the environment. The present world economic situation presented a sombre contrast with advances of science and technology, for the world possessed a vast economic and human potential capable of ensuring the well-being and harmonious development of all nations.

28. As the President of his country had stated recently, the economic crisis and the complex problems of the day could not be overcome on the basis of the old rules and principles which had governed relations between States and had divided the world into poor and rich; relations between all States would have to be established on a new basis of complete equality and equity.

29. The world must be built on the basis of dialogue and active co-operation among all peoples and there must be a more determined effort to implement the Declaration and Programme of Action on the Establishment of a New International Economic Order and the Charter of Economic Rights and Duties of States, to carry out the recommendations of the World Population Conference, the World Food Conference and the Second General Conference of UNIDO, and to adapt the International Development Strategy to those documents. Everything depended on the political will of States to assume firm commitments in the pursuit of progress and peace.

30. The establishment of equitable relations between the prices of raw materials, of agricultural products and of industrial products would give an impetus to the development of the world economy and would help to remove the sources of inequity in relations between States and to overcome the raw materials and energy crisis. Prices should be established on the basis of economic rules which would take into account both the use value of products and the value based on the labour necessary for their production. The lack of objective principles and criteria for determining prices, and the fluctuation of prices according to arbitrary market conditions, adversely affected the process of economic and social development of States and aggravated world economic instability. It was also necessary to ensure that all countries had access to raw materials, energy and modern technology. He hoped that the adoption of the integrated programme for basic commodities proposed by the Secretary-General of UNCTAD would solve many of those problems.

31. Measures decided by the international community as a whole were essential if the malnutrition and famine which still afflicted vast regions of the world was to be wiped out. Such measures should be aimed at speeding up the growth of agricultural production, development of agricultural land

and resources which had not been fully exploited, particularly in developing countries, irrigation, improvement of water supplies, land reform, production of new varieties of grain, new breeds of animals adapted to the developing regions, production in the developing countries of agricultural machinery, fertilizers and other agricultural chemicals, and training of specialized manpower.

32. Urgent measures were also needed to organize the international monetary system so as to encourage free and normal international trade and payments. The new monetary system should ensure the establishment of equitable relations between national currencies at realistic rates of exchange based on economic laws and objective values accepted by all participating countries. It should be a real factor in promoting world monetary stability, protected from fluctuation, distortion, disproportion and crisis.

33. The multilateral trade negotiations opened by GATT in February 1975 would also help in pursuing some of the aims of the Declaration and Programme of Action. Although negotiations were now open on all fronts and had been carefully prepared for some years, there had been little progress so far. In particular there was no indication of what additional advantages there might be for the developing countries, how the opportunities for those countries to participate in the expansion of world trade would be improved, or the means by which they would be assured special and more favourable treatment in trade. The GATT negotiations should therefore be given priority with a view to achieving the objectives of the Tokyo Declaration of OECD Ministers and the Declaration and Programme of Action as rapidly as possible.

34. His delegation still held that the speeding up of the economic growth of the developing countries, and hence the liquidation of their economic under-development, depended primarily on the efforts of those countries themselves to use their material and human resources to promote their essential interests and aspirations; but in the modern interdependent world those efforts would not be sufficient to enable the developing countries to achieve their economic progress targets if the developed countries failed to help them by providing more financial resources on favourable terms, facilitating access to modern scientific and technical advances and giving them preferential treatment in all fields. In that context, economic, technical and scientific co-operation and equitable trade should be regarded as a normal requirement, not a gift.

35. Attention should also be given to the vast possibilities of co-operation among the developing countries themselves. Romania was playing an active part in co-operating with other developing countries of all continents to promote their economic and social progress. Visits exchanged recently by the President of Romania and the Heads of State of a number of developing countries had opened up favourable prospects for the extension of such co-operation in all fields.

36. In the face of the complex problems of the day, the organizations of the United Nations system would have to redouble their efforts to promote international co-operation and improve their own structures and working

methods. His country had always attached special importance to increasing the role and effectiveness of the United Nations and it welcomed the report of the Group of Experts on the Structure of the United Nations System. With regard to the future role of the Council and its part in the establishment of a new international economic order, his delegation considered that its activities and working procedures would have to be reorganized and adapted so that it could enable the international community to deal promptly and effectively with urgent situations, to anticipate difficult world situations whose improvement would require international co-operation, and to help in building up true political and economic security for all States. Careful consideration should be given to the possibility of keeping the Council in permanent session, with special sessions devoted to the solution of urgent and important problems, holding sessions in the countries of United Nations Members in rotation, enabling all countries members of the Council to participate directly in its work, and adopting its decisions by consensus. Lastly -- and that applied to the Council and all other organizations of the United Nations -- it should be kept constantly in mind that, in the present world of growing interdependence, important economic and political problems could not be solved in a narrow framework limited to participation by a few States or representatives of certain groups of States. The solution of such problems called for continuous dialogue and active co-operation by all States concerned on an equal footing, regardless of size, level of development, social and political system or geographical group, and with due regard to the legitimate interests of every country. The universality and democratization of international economic and political relations were in fact two objective processes which were interconnected. In that context the small and medium countries could and should play a more active part in settling the important economic and political problems of the modern world.

37. His country's views with regard to the seventh special session of the General Assembly had been submitted at the second session of the Preparatory Committee in the form of a conference room paper. His Government fully supported the proposals on the draft agenda submitted by the Group of 77 in informal talks. It was of vital importance that real progress should be made at the seventh special session towards effective co-operation among all States on measures to resolve the major problems of development and international co-operation in a spirit of justice and equity.

38. His delegation would co-operate with all delegations in carrying out the important tasks before the Council at the present session.

39. Mr. FARTASH (Iran) said that his delegation shared the views expressed by the President at the opening meeting (1953rd meeting). At the present stage he proposed only to state his delegation's position on a number of issues which were of fundamental importance to his country, in the light of the new development imperatives which had emerged from the sixth special session of the General Assembly.

40. In the past few years profound changes had taken place in the relationship of forces in all fields of international economic activity. The third world had become a

powerful factor, with increasing influence, and there was growing awareness of the reality of the interdependence of all nations, developed and developing. Consequently, the interests of the developed countries could no longer be isolated from those of the developing countries and the third world should participate fully in the process of decision-making concerning the international community.

41. Perhaps the most salient feature of the new era in international economic relations was the realization that the days were over when massive exploitation of cheap energy resources of developing countries had enabled the industrialized countries to enjoy uninterrupted and virtually unlimited growth and prosperity, while those resources were being rapidly depleted and the developing countries deprived of the benefit of their own wealth. At the same time there was a growing consciousness that over-consumption and waste, which inevitably led to pollution and environmental hazards, must be ended and that the conservation, exploitation and use of non-renewable natural resources must be governed by rational considerations. It was in that context that he viewed the new development imperatives.

42. While his delegation still believed in the objectives of the International Development Strategy, it considered that the Declaration and Programme of Action on the Establishment of a New International Economic Order and the Charter of Economic Rights and Duties of States, which complemented and strengthened the Strategy, more truly reflected the new requirements of the third world in the face of continuing economic imbalance between developed and developing countries. So far, the implementation of the Strategy could be described as a sad history of non-achievement. To give but one example, far from reaching the 0.7 per cent target, official development assistance by the developed market economies to developing countries had declined from 0.33 per cent in 1970 to 0.29 per cent in 1973, so that one of the most important targets set by the Strategy had not been achieved.

43. The sixth special session of the General Assembly had provided a rare opportunity to revise the concepts of development and international economic co-operation and to re-define the purposes and functions of the United Nations system with a view to making it fully responsive to the requirements of the new economic order. In that context the Council had been called upon to co-ordinate the activities of all organizations, institutions and subsidiary bodies in the United Nations system with the aim of ensuring the implementation of the Programme of Action. That remained one of the Council's most important tasks. Between the previous and the present Council sessions there had been important developments. The World Population Conference, the World Food Conference, the Conference of Developing Countries on Raw Materials, Dakar, the Conference of the Sovereigns and Heads of State of the OPEC member countries and the Second General Conference of UNIDO had made important contributions to the cause of development and given added urgency to the task of implementing the Programme of Action. Those conferences had emphasized the need for prompt and concrete action to deal with increasingly difficult problems facing the international community. Among the most urgent tasks were

revalorization and stabilization of the prices of raw materials and other basic commodities exported by developing countries at equitable and remunerative levels; the formulation and urgent implementation of an effective food programme aimed at increasing food and agricultural products in developing countries through grants and assistance from the developed countries, particularly the major producers and exporters of food products; acceleration of the development processes and industrialization of the developing countries through transfer of modern technology; adequate protection against depreciation of the value of developing countries' external reserves; curbing the high rate of inflation; structural changes in world trade and the monetary system; and promotion of a new international division of labour. Inflation and currency depreciation were of particular concern to his country, since they eroded a large part of the value of price re-adjustment. That situation could not be allowed to continue unchecked.

44. Every effort should be made to ensure the success of the forthcoming seventh special session of the General Assembly. Experience had shown that it was not possible to deal with too many problems in too short a time; efforts should therefore be concentrated on a few of the most urgent problems. The provisional list of agenda items proposed by the Group of 77 offered a good basis for discussion. His country had actively participated in the preparatory work for the special session and would continue to do so.

45. In the context of the need to restructure the United Nations system to make it fully responsive to the problems of the developing countries and the requirements of the new economic order, he agreed with the general direction of the report of the Group of Experts on the Structure of the United Nations system and supported many of its recommendations. He shared the views expressed by the Norwegian representative (1958th meeting) that in the last instance everything depended on substantial results, and that the burning political issues of the time called for political action; they could not be settled through structural reform.

46. The sixth special session of the General Assembly had reached a conclusion of tremendous political significance, which should serve as an inspiration in future discussions on world economic problems. The time was past when a few countries had dominated international economic life to suit their own interests, without regard to the development needs of the third world. The essential condition for just and viable economic relations was full and effective participation by all countries in the formulation and application of all decisions concerning the international community. That meant that in the search for constructive solutions to world economic problems old ideas should be abandoned and the developed and developing countries should work together on the basis of co-operation and understanding. His delegation had never visualized the new economic order as a revolutionary dogma to be imposed on industrialized countries; rather was it an evolutionary process which might take years to materialize, and then only through joint effort and co-operation.

47. It should not be forgotten, in the joint endeavour, that, while the developing countries were mainly respon-

sible for their own development, the developed countries had special obligations and responsibilities.

48. Mr. PHAN VAN PHI (Observer for the European Economic Community), speaking at the invitation of the President, observed that the various economic maladjustments which had first become apparent in the second half of 1973 had become more acute over the past year against a continuing background of widespread recession. Apart from various structural problems in most sectors of the economy, the salient features of the general economic situation had been a parallel increase in the rate of inflation and the incidence of unemployment. The Community had continued to seek solutions to those problems in a liberalization of trade and in intensification of international economic co-operation, which had been reflected in a considerable increase in its imports in 1974 as compared with 1973. Although the increase was in large measure due to the general rise in prices, an increase of nearly 100 per cent in imports from developing countries deserved emphasis, especially in view of the much smaller rate of increase in imports from other countries. As the increase in imports had not been matched by an equally rapid rate of increase in exports, the deficit in the Community's balance of trade had risen from approximately 3,000 million European units of account in 1973 to almost 16,000 million units in 1974, and in relation to the developing countries had reached a level of nearly 25,000 million units. In practical terms, the deficit represented a net transfer of real resources from the Community to its trading partners.

49. At the ministerial session of the OECD Council in May 1975, the Community had supported the renewal of the May 1974 Declaration² by which the OECD Governments had affirmed their resolve not to resort to new trading restrictions in response to difficulties resulting from the international economic crisis. In the Community's view, the crisis, which had caused or aggravated imbalances in balances of payments, retarded growth, encouraged inflationary pressures and created mounting unemployment, could only be overcome by concerted international action bearing on all its aspects if recourse to protectionist measures aimed at national self-sufficiency were to be avoided.

50. With reference to the wider liberalization of international trade, he said that the Community welcomed the fact that the multilateral trade negotiations within GATT, on which it had expressed its broad views in 1973, were now taking place. The Community did not regard the negotiations – in which the developing countries were participating on a basis of full equality, and which were ambitious in scope, since their purpose was not only to seek new markets but to assure access to sources of supply – as an end in themselves. They had to be placed in a general framework of international action to overcome the current crisis in the international economy.

51. The Community had continued to expand its activities on behalf of international economic co-operation at the regional and bilateral levels as well as at the world

level. They had been directed towards a further expansion of existing Community policies towards the developing countries as a whole, the co-ordination and harmonization at the Community level of national and Community policies of co-operation for development, and the formulation of new Community co-operation policies, in particular the creation of new measures of financial and technical co-operation within the Community.

52. In 1974, adjustments had been made to the generalized system of preferences as a result of the enlargement of the Community, which reflected its increased responsibilities towards developing countries and were an earnest of its intention to give practical expression to its joint statement of intent on the development of trading relations with developing countries in Asia. For the year 1975, the Community had made further favourable adjustments in its system with regard to processed agricultural products and semi-finished and manufactured goods, and it had considerably reduced the number of products subject to quotas and taken steps to establish an objective balance of preferential advantages between beneficiary countries. Furthermore, it had widened the category "originating" products in favour of countries members of the Central American Common Market, the Andean Pact and the Association of South-East Asian Nations.

53. As a further mark of its resolve to increase the export earnings of the developing countries, to promote their industrialization and accelerate their rate of economic growth, the Community had decided in March 1975, to extend the generalized system of preferences beyond the initial ten-year period dating from 1970.

54. Recent movements in international commodity markets had occasioned an urgent policy review by the Community, which was endeavouring to find an appropriate response to the resulting problems, which were of vital importance to developing countries. The Community was also considering the proposals by the Secretary-General of UNCTAD for an integrated global programme for primary commodities. It had declared its readiness to negotiate international agreements – including, if necessary, the establishment of stocks – on wheat, maize, rice and sugar, and it had made specific proposals for an outline agreement on cereals in the multilateral trade negotiations within the framework of GATT.

55. At the world level, the Community had intensified its efforts to assist the numerous developing countries suffering from the acute food crisis and had increased its aid from 121 million units of account in 1973 to 212 million units in 1974, which, while in part reflecting the increase in food prices, was also an expression of its humanitarian response to the natural disasters suffered by the Sahelian countries, among others. In March 1975 it had drawn up a food aid programme covering the period 1974/1975 in accordance with the undertakings entered into under the Food Aid Convention of 1971.

56. In order to palliate the effects of the crisis on the economies of the most severely affected countries, the Community had already, before the sixth special session of the General Assembly, proposed international action. After

² For the text, see OECD Press Release of 30 May 1974.

the emergency operation decided on at the sixth special session, the Community had undertaken to contribute a sixth of the total amount, to a maximum of \$500 million, which had subsequently been paid in two instalments. Moreover, food aid to the most seriously affected countries for the period from mid-1974 to mid-1975 had been increased, and States members of the Community had also made bilateral contributions to the emergency operation.

57. As far as the harmonization of national and community policies in co-operation for development were concerned, the Community had agreed on various terms for financial assistance, on a number of joint principles for their improvement, to the special advantage of the 25 least developed countries, on suiting the terms to the particular circumstances of each recipient country and on further measures for the harmonization of terms in relation to the different developing countries. Its purpose in so doing had been to help towards the solution of the increasingly acute problem of the external indebtedness of the developing countries.

58. At the regional level, the historic Convention of Lomé recently concluded between the Community and 46 countries of Africa, the Caribbean and the Pacific had been signed at a particularly difficult moment for Europe, which was passing through the most acute economic crisis since the Second World War. The fact that the Community had nevertheless taken that opportunity to demonstrate its policy of openness to the outside world was the more remarkable. For the countries of Africa, the Caribbean and the Pacific, the Convention was a mark of the importance they attached to close co-operation with the Community. Probably never before had such a large number of industrialized and developing countries endeavoured to define, in conditions of complete equality and in such a short time, the terms of their co-operation, and never had it been made so clear that the concept of "donors" and "recipients" of aid was a thing of the past. He was pleased to note that the Secretary-General of the United Nations had recognized that the Lomé Convention, although of limited scope, affected a number of poorer countries and embodied some of the most important policies on primary commodities that had been propounded since the first UNCTAD Conference. The Convention was characterized by radical changes in the approach to co-operation between industrialized and developing countries. Of the four fields it covered — trade co-operation, the stabilization of export earnings, industrial co-operation and financial and technical co-operation — two were entirely new. In the commercial field, the Convention was based on the principle of free access of the countries of Africa, the Caribbean and the Pacific to community markets. The IMF compensatory financing scheme apart, the system for the stabilization of export earnings marked a major innovation in international economic relations in that industrialized countries and commodity-exporting developing countries had for the first time agreed upon a system guaranteeing the latter a certain level of export earnings. The provision for industrial co-operation was a further innovation and covered a variety of sectors. With regard to financial co-operation, the Convention introduced important reforms in aid management and administration and there was a new approach to meet new development needs. The total sum at the disposal

of the Community would amount to 3,390 million units of account, which represented an increase by a factor of 3.7 as compared with the second Yaoundé Convention.³

59. As early as the 1972 Paris summit meeting, the Community had stressed the importance it attached to the policy of association and the fulfilment of its commitments to the Mediterranean countries with which agreements had been or were to be concluded. The Community had also concluded or was negotiating bilateral agreements with a number of developing countries in Latin America and Asia.

60. The various decisions and actions to which he had referred showed clearly the will of the Community, at a time of economic difficulty, to find solutions on the basis of the enlargement and extension of international economic co-operation and increasingly free and open trading relations.

61. Mr. CAMARA (Guinea) said that the recent achievements by anti-colonialist forces in various parts of the world marked the beginning of a new era in world history. The present world crisis was not simply an energy crisis, but one that affected the entire political and economic system which had previously governed relations between countries. Since the end of the Second World War, the great economic Powers had undertaken a whole series of measures ostensibly to lessen the gap between themselves and the third world as far as economic development was concerned. Yet despite their good intentions, the results achieved had been precisely the opposite, as had been confirmed by the various economic and statistical experts who had been examining the problem. The explanation was simply that development assistance, as applied today, was merely a more subtle form of exploitation of the third world by the rich capitalist countries. Consequently, in speaking of an equitable new economic order, it should be borne in mind that the first point to attack was the real and increasing exploitation of the developing countries by the industrialized capitalist Powers. The gap between the two groups would not be lessened merely by the achievement of some growth in parts of the economy of the developing countries. As President Sékou Touré had said in 1974, it was a revolutionary rather than evolutionary approach that was needed. While it was essential that the international agencies should be restructured along the lines set by the Fourth Meeting of Heads of State or Government of Non-Aligned Countries at Algiers and codified at the sixth special session of the General Assembly, the real problem was that of the development and emancipation of the countries of the third world, together with international co-operation based on equitable principles. The independence which the peoples of the third world had regained implied national and international responsibility and required the presence of those peoples wherever the well-being of mankind was being planned. The achievement by men of conscience of the noble objectives that had been set depended upon the elimination of injustice, exploitation, oppression and all forms of dependence. There was nothing wrong in the fact that some countries were richer

³ 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.

than others or had more raw materials; what was a crime was that reasonable people should fail to harmonize their relationships on the basis of their joint interests and aspirations to freedom and justice.

62. Both suppliers and consumers, whether of raw materials or of manufactured goods, should cease to exploit each other and should endeavour to harmonize their own interests. In the present changing times, there was a new interdependence among peoples and their relationships should be based on justice and respect for each other's legitimate interests. Unfortunately, throughout the world, there were still peoples suffering under the yoke of colonialism, precisely because they possessed the resources that the forces of imperialism intended to continue to exploit indefinitely for their own exclusive interests. Although most of the third world countries had regained their sovereignty, the economic relations established under the colonial system continued to remain in force and to paralyse the peoples concerned. The old-style colonialist imperialism had become neo-colonialist, retaining its essential inhumanity and subtly adapted to each situation. There was thus a fundamental contradiction between the aspirations of the third world countries to economic development and sovereignty and the continuing determination of imperialism to enslave. The old order would not disappear gradually and naturally; on the contrary, it would increase its capacity for exploitation and its inhumanity. Consequently, when discussing development in the context of the appraisal of the First United Nations Development Decade and the first half of the Second Development Decade, it was essential to bear in mind that the world was not truly developed economically while one half owed its prosperity to the deprivation of the other half.

63. The decisions taken at the World Food Conference were a challenge to and a test of the world political and economic system, and the establishment of a World Food Council should be a land-mark in the history of international action to combat famine, poverty and malnutrition. Sad to say, the results expected from the first session of that Council were far from being achieved, since most of the wealthy countries had lacked the political will to ensure that Governments achieved the aim of eliminating hunger and malnutrition within the next ten years. The Director-General of FAO (1954th meeting) had drawn the Council's attention to the serious difficulties facing the international community and to the urgent need for a general effort to achieve economic and social development. It was essential that the decisions taken by the World Food Conference, such as the establishment of an International Fund for Agricultural Development, should pass from theory to practice, from pious wishes to concrete achieve-

ments. The Governments of the whole world should be mobilized to give new dimensions to international co-operation, to create the necessary resources for the development of the third world and to reduce the world economic recession. The international community had the means and the technical capacity to achieve that aim and to establish viable economic bases that would enable the developing countries to overcome their present difficulties which were the result of economic, technical and technological underdevelopment. As the Director-General of UNESCO had said (1958th meeting), the transfer of science and technology to the poorer areas of the world was a crucial problem facing the international community. If the economically underdeveloped countries were denied the material basis for development, no generosity in "giving" them a tiny part of the wealth derived from their own assets would ensure their true development. The people themselves must be allowed to exploit their own resources.

64. Although the economic liberation of independent nations which were still subjected to economic exploitation based on the inequality of the trade system was a key issue, it should not be forgotten that other nations continued to suffer under oppressive colonial domination. The United Nations should not tacitly accept the racist and fascist domination of the peoples of Zimbabwe, Namibia and South Africa. The nations that supplied modern weaponry to those barbarous régimes of oppression, in violation of United Nations resolutions, were being hypocritical in their declarations of friendship to the African peoples, but sooner or later the day of reckoning would come. Until all peoples were free, the efforts of the United Nations would be vain for the principles of the Charter were being flouted by the very States that had drafted them. The African peoples were weary of listening to pious declarations; what they wanted was strict respect for the contents of declarations and recognition of their determination to fight relentlessly for their right to be masters of their own destiny and their own resources.

65. Times had changed considerably since the foundation of the United Nations and the Organization now needed to be thoroughly restructured so that all its principles were in harmony with the right of peoples and nations – large and small – to protect their own interests. The seventh special session of the General Assembly should therefore take account of the recent changes and of the appraisals made by the Group of Experts established for that purpose. Economic justice remained one of the principal factors for international peace and co-operation and should be the most important item on its agenda.

The meeting rose at 12.45 p.m.

1963rd meeting

Wednesday, 9 July 1975, at 3.15 p.m.

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

E/SR.1963

AGENDA ITEM 3

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

1. Mr. CORRÊA da COSTA (Brazil) pointed out that at its present session the Economic and Social Council had the task of advancing and if possible completing the preparations for the seventh special session of the General Assembly and, at the same time, of trying to adapt the International Development Strategy for the Second United Nations Development Decade to the new international economic order. The two years that had elapsed since the first biennial review of the Strategy had seen significant realignment of forces, with the emergence of the developing countries as a new and powerful factor on the international economic scene. That situation, which had been reflected in the Declaration and Programme of Action on the Establishment of a New International Economic Order, offered a challenge and at the same time a hopeful prospect to the Council, whose aim should be to speed up the tempo of the development process and impart a real meaning to the interdependence of the developed and developing countries and also to the mutual solidarity of the developing countries.

2. The two dominant features of the world economic situation in 1974, namely the fall in the prices of most commodities and the combination of recession and inflation in the developed market-economy countries had had a cumulative negative effect on the development prospects of the developing countries. Nevertheless the results obtained by those countries, taken as a whole, during the first five years of the Decade were reasonably good in terms of over-all growth although there were substantial disparities between different countries and different sectors. At the same time, from the point of view of international co-operation, it was disappointing to note that the developed countries were tending to become more self-centred and to adopt policies less favourable to the developing countries, in particular in the fields of trade and of development financing. Payment imbalances and the recession had been invoked by some developed countries to justify measures damaging to the economies of the developing countries: in certain instances, the latter had actually been discriminated against instead of receiving preferential treatment. The efforts of the developing countries to diversify their production and industrialize had on many occasions been countered by the policies of the developed countries. Moreover, in spite of the efforts of certain developed countries, there had been a very definite decline in the transfer of real resources.

3. At the half-way mark of the Decade there was clearly an urgent need for a new commitment to the cause of development on the part of the international community, aimed at the establishment of the new international economic order. There was also a need to reinforce the International Development Strategy. Countries had to demonstrate solidarity and undertake new action, especially in the spheres of trade and the transfer of technology and resources. No-one disputed that the primary responsibility for development rested with the developing countries themselves. On the other hand, there was equally no doubt that the development prospects of those countries had been continuously frustrated by unfavourable external conditions. Developing countries had learnt that the doctrines of "*laissez-faire*" and "market forces" only applied where the exports and economic interests of the industrialized countries were concerned. It was worth recalling that the Strategy was supposed to be an articulated plan designed to maximize the external inputs of the development effort. The developed countries had been very generous, especially with advice, to the developing countries, but progress in international co-operation for development had been barely perceptible. What was more, the trend was rather towards regression, which called for urgent remedial action in various sectors. It was imperative that the developing countries, which were suffering the negative consequences of the existing pattern of interdependence based on subordination, should play the role to which they were entitled within the framework of a new and dynamic structure of relations based on equity. Those countries, which represented the great majority of the world's population, must exercise their right to full and effective participation in forging the future of international economic relations.

4. The Council's two tasks – of bringing the International Development Strategy up to date and of preparing for the seventh special session of the General Assembly – were closely linked. The Council should make a constructive and concrete contribution to the implementation of the new economic order.

5. Mr. AKSOY (Turkey) said that there was general concern over the development of the world economic situation and the continuing gap between developed and developing countries. It was true that all countries were feeling the effects of the world-wide inflation and that the efforts of the developing countries were being nullified by the fluctuations in exchange rates, the decline in the prices of commodities and the rapid deterioration of their balance of payments. However, the tone of the general discussion in the Council had been less pessimistic than in the previous year. Countries had not found a remedy for their problems, but they had at least become aware of their common interests, of the reality of interdependence and of the

futility of confrontation. The current crisis was too big for countries individually and required the concerted and harmonious action of the international community. The latter had shown wisdom in developing new forms of co-operation and new mechanisms for consultation and in adopting emergency measures which had made it possible to avoid the most feared consequences of the crisis. In that respect, the General Assembly, by adopting at its sixth special session the Declaration and Programme of Action on the Establishment of a New International Economic Order, had laid the foundations for future international economic relations to be based on equity and justice. The general framework of international co-operation having thus been established it now remained for countries to show the political will required to further co-operation and to assist the developing countries. It was with those considerations in mind, that the international community should prepare for the seventh special session of the General Assembly in the course of which it should concentrate on defining the questions on which negotiations could be initiated and agreeing on the principles governing them and on the forums in which they should be conducted.

6. The International Development Strategy was a first attempt at a global approach to development and a recognition of the responsibilities of the international community. At mid-term, it was observable that progress had been insufficient, largely owing to the world economic crisis. The revision of the Strategy should be one of the major tasks before the thirtieth session of the General Assembly. The needs of the international community had expanded considerably in the course of the previous 30 years and to meet those needs, appropriate ways of adapting to the new circumstances had to be found. The important thing was to avoid duplication and improve co-ordination, to rationalize the work of the United Nations system and to maximize the benefits derived from it.

7. Mr. SAKALA (Zambia) said that the establishment of a new international economic order required maximum collective efforts. The prevailing economic chaos and instability could not ensure the security of mankind. It was therefore essential that the international community should unite to create an effective international system for harmonizing the exploitation of the world's natural resources in the interest of all.

8. Referring to the remarks of the Director-General of FAO about the constraints which were hampering the development of the agricultural sector in developing countries (1954th meeting), he stressed that the Zambian Government attached particular importance to the agricultural sector, which had been given top priority in the second national plan. Like the Director-General of FAO, he thought that the constraints could be overcome if the Governments gave proof of the requisite political will.

9. With regard to co-operation and development in the fields of trade, finance, technology and industry, his delegation endorsed the views expressed in the ACP-EEC Convention of Lomé. That Convention could certainly be improved still further but it was a step in the right direction and he hoped that it would be effectively implemented. With regard to technical co-operation, Zambia, like other

countries, considered that a simple transfer of technology to developing countries was not enough; the training of nationals of developing countries could play a large part.

10. As to trade, Zambia was concerned at the situation created by large fluctuations in the prices of certain products, particularly copper, and would like the international community, in its quest for a new international economic order, to take action to stabilize commodity prices. With regard to industrial co-operation, Zambia was encouraged by the Lima Declaration and Plan of Action on Industrial Development and Co-operation (E/5696, chap. IV), which highlighted the importance of industrializing developing countries: in his country's view that was the best way of ensuring economic and social justice for those countries.

11. Zambia appreciated the special assistance it had been given and was concerned to learn that the funds needed for financing the activities of the United Nations advisory team for development in Zambia were exhausted. As a land-locked country, Zambia would always have certain problems and difficulties and would therefore continue to need the assistance of the international community. It hoped that countries which had just acceded to independence would be the recipients of assistance similar to that which it itself had received.

12. Mr. SADI (Jordan) said that two questions had priority in the general discussion: the preparation for the seventh special session of the General Assembly and the mid-term review and appraisal of the International Development Strategy.

13. With regard to the seventh special session of the General Assembly, he thought that the agenda should be confined to the most important and urgent topics, since the General Assembly could not be expected to solve all the problems of development in a few days. Negotiations on the subject could be initiated at the present session of the Council. One of the questions to be considered was that of appropriate structural changes within the United Nations system in order to make it more effective. In that connexion, the report of the Group of Experts on the Structure of the United Nations System (E/AC.62/9) was very useful, as had been the recent joint meetings of PPCC and ACC which had afforded an opportunity to hear the opinions of the specialized agencies on that report.

14. The mid-term review and appraisal of the International Development Strategy should serve to update the Strategy in the light of the Declaration and Programme of Action on the Establishment of a New International Economic Order. The effective application of the Strategy depended to a considerable extent on the political will of States -- a *sine qua non* of genuine co-operation and determined action to promote peace and the release of the resources at present tied to military expenditure.

15. The preparations for the seventh special session, the Declaration and Programme of Action, and the appraisal of the progress in the implementation of the Strategy were all subject to one enormous constraint -- the arms race. Thus, the continuing instability in the Middle East was liable to

provoke a new international crisis and constituted a threat to the economy of the countries of that region and of the whole world. Collective pressure must be brought to bear on that State in the Middle East which, by its intransigence, was responsible for the instability, in order to induce it to modify its position.

16. There were many other constraints on development, as the executive heads of the specialized agencies had made plain: population, education, food, labour, health and even climatic conditions. Of all those factors, the population explosion was one of the most dangerous, and it had been suggested that the solution of that problem was linked to an improvement in the status of women and that liberated and educated women could contribute more to the economic development on their countries and consequently of the world. That suggestion deserved careful attention.

17. Jordan was convinced that the interests of the nations of the world were interdependent and he was happy to note that that conviction was shared by many delegations which had taken part in the discussion.

18. Mr. COREA (Secretary-General, United Nations Conference on Trade and Development) recalled that at the Council's fifty-seventh session (1908th meeting) he had tried to highlight some of the major areas in which there was a compelling need to take action in order to further the establishment of a new economic order. Since then, UNCTAD had endeavoured, in the areas which concerned it, to concretize and implement the policies laid down by the General Assembly and the Trade and Development Board.

19. At its sixth special session, the General Assembly had called for the establishment of an over-all integrated programme for commodities (resolution 3202 (S-VI), sect. I, 3), and at the fourteenth session of the Trade and Development Board, the secretariat of UNCTAD had presented the broad outlines of a proposal for such an integrated programme. Following a mandate from the Board, it had prepared a five-point scheme: international stocks for a number of commodities, a common fund to finance stocking operations, a supporting system of medium and long-term multilateral commitments, a revised and strengthened scheme of compensatory finance, and a new thrust in the field of the processing of primary products. Having studied that programme, the UNCTAD Committee on Commodities had decided that it should be the main focus of UNCTAD's activities in that area; it had emphasized that the aim was not merely to carry out more theoretical research, but that intergovernmental consultations and negotiations should be set in motion; with that end in view, the Committee had decided to hold two further meetings before the end of 1975.

20. The secretariat of UNCTAD had just issued a document¹ concerning the setting up of a fund to support activities directed at stabilizing and strengthening prices of 10 commodities; for that purpose, the sum of broadly \$3,000 million would be needed in the near future, and it had been suggested that the fund should be financed by

exporters and importers of commodities, by some petroleum-producing countries and by multilateral financing agencies. He hoped for a breakthrough in that area at an early date, at the latest at the fourth session of UNCTAD scheduled to take place in Nairobi in May 1976.

21. With regard to trade in manufactures, UNCTAD had endeavoured to respond to the trade implications of the new goals for industrialization set by the Second General Conference of UNIDO at Lima. The secretariat of UNCTAD had recently presented to the UNCTAD Committee on Manufactures a policy paper setting out the new orientations and dimensions that were needed, calling for an approach to the problem which went beyond that of access to markets or trade liberalization; new areas of co-operation between UNCTAD and UNIDO could for instance be envisaged.

22. In the field of the transfer of technology, UNCTAD had launched a major initiative in drafting a code of conduct and had set up a permanent intergovernmental committee on the transfer of technology; additionally, it was studying the possibility of revising the patent system.

23. The Programme of Action adopted at the General Assembly's sixth special session had underlined the need for co-operation among developing countries: a basic paper on that issue would shortly be presented to the Trade and Development Board, and the UNCTAD secretariat was endeavouring to set the question in a perspective wider than that of narrow regional arrangements, and to ascertain the role which could be played in that respect by new instruments and new modalities, such as preferential trading systems, multilateral payment arrangements, and the flow of financial resources among the developing countries themselves.

24. At its sixth special session, the General Assembly had also emphasized the need for action and new initiatives in respect to monetary and financial issues: the UNCTAD secretariat was convinced of the need to break the present deadlock by initiating a far-reaching reform of the monetary system, and it would be presenting its thoughts on some aspects of that matter to the Trade and Development Board at its next session. The problem of external debt had become critical for several countries, and an intergovernmental group of experts, convened by UNCTAD, had unanimously proposed new guidelines and institutional arrangements for dealing with that question.

25. Turning to other constructive developments during the past year, he said that mention could be made of the adoption by the General Assembly of the Charter on Economic Rights and Duties of States, and the signing by 30 countries of the Convention on a Code of Conduct for Liner Conferences; there was also the successful negotiation of a renewed International Tin Agreement, while talks for a renegotiations of the Cocoa Agreement would begin before the end of 1975. Lastly, a newly established intergovernmental group on the problems of the least developed countries was currently in session.

26. But he considered all that only a beginning: the UNCTAD secretariat was now setting its sights on the

¹ TD/B/C.1/184 and Corr.1, Add.1 and Add.1/Corr.1.

fourth session of the Conference, which should help to bring about a decisive breakthrough in international economic relations. That session would be taking place in the aftermath of the seventh special and the thirtieth regular sessions of the General Assembly, and it should provide an opportunity to implement and concretize the political guidelines to be laid down by the General Assembly. The agenda for the session was to be discussed at the Trade and Development Board meeting in August 1975, and it was hoped that the outcome would be of value to the General Assembly in relation to the areas which the special session would deal with. The fourth session of UNCTAD would in some ways be different from the previous sessions, especially as three major innovations were planned: firstly, the session would be shorter, and that should make it possible for countries to be represented at a high level for a longer duration than was the case before; secondly, the agenda would be more selective, and the discussions would be able to concentrate on certain key problems where decisions were called for; lastly, it was intended that the Trade and Development Board would meet in special session before the Conference for preliminary negotiations; in that way there would be an initial exchange of views, followed by a break which would give Governments an opportunity to reflect on the questions and to determine their positions and responses in good time.

27. On the occasion of its tenth anniversary last year, UNCTAD had taken stock of its work: many were those who saw in UNCTAD a useful forum and a source of new ideas and initiatives in the field of trade and development, but UNCTAD should become a more efficient instrument for the negotiation of agreements and the taking of specific decisions. Present events had made that development even more necessary, and the fact that the General Assembly was concerning itself to an increasing extent with economic and social problems could help to bring about that result. UNCTAD should address itself to the task of translating into active decisions through intensive negotiations the policies laid down by the General Assembly and the Economic and Social Council; UNCTAD had already responded to that need, but its role in that regard would have to be strengthened and intensified.

28. The future role of UNCTAD could not be determined without reference to the reforms to be introduced into the United Nations system as a whole. In that connexion, he referred to the comments he had made at the recent joint meetings of the PPCC and ACC (see E/5704, para. 25). The proposals regarding the future of UNCTAD made in the report of the Group of Experts on the Structure of the United Nations System contained some elements of ambiguity: for instance, apart from the broader question of the merits of a centralized structure, there was also the question of how a merger of UNCTAD into a new centre could be reconciled with its later evolution into a comprehensive international trade organization. He drew attention to what seemed to him the unsatisfactory nature of the so-called insurance policy for a two-year transitional period where a new centre was to be given a period of trial and testing while UNCTAD remained, so to speak, as it was. It was difficult to see how the new centre could prove itself if UNCTAD did remain as it was, dealing with the central issues of trade and development. Or, in the alternative, how

UNCTAD could play its present role if some issues that were central to its concerns were transmitted elsewhere. Those and related issues called for deep study, and he was confident that such decisions as would finally be taken would reflect a full understanding and awareness of their significance.

29. The present crisis had seriously aggravated the difficulties facing most of the developing countries; the prices of raw materials had continued to fall and there was no evidence so far of a decline in the prices of manufactured goods exported by the developed countries, quite the contrary. For many countries the situation was now critical and, although it was true that there were some signs of recovery in the industrialized countries, the need for basic reforms was as urgent as ever.

30. Dr. MAHLER (Director-General, World Health Organization) said that development was an all-encompassing process requiring total commitment on the part of United Nations organs and Member States. The world was going through a critical period in which it could no longer afford fragmentation of effort or failure to understand the importance of social issues.

31. In the health sector, only a fraction of the population was receiving adequate care because the transfer of technology to developing countries was being carried out in ways which were unsuited to the situation of those countries and because health services were too frequently isolated from other activities. It was necessary for health care to be fully integrated with other factors of community development, particularly since the poor sectors of the population were generally those living in rural areas and since the improvement of the health situation was intimately linked to material and social well-being.

32. WHO therefore looked upon assistance to countries in accelerating their social development in order to alleviate poverty in rural areas as one of its major tasks during the coming two decades. Its past work had been centred on health services as such. Experience had shown, however, that those services had had little impact on rural populations. Action carried out at the health and community level must therefore be integrated in the over-all economic and social context and the Economic and Social Council could provide leadership in that respect. There should be one organ responsible for overseeing the problems and giving directives to the specialized agencies, other organs of the United Nations system and Member States. That was the Council's role. WHO could strengthen its links with Member States and help them to draw up national programmes on which international programmes would be based, bearing in mind that, in the health sector as in others, the primary responsibility for development lay with the Member States themselves. The new type of development co-operation known as "country health programming" would help WHO to fulfil that task. On the national plane, a permanent dialogue should be maintained at the highest level between the health planners and the planners concerned with other social and economic factors.

33. The twenty-eighth World Health Assembly had re-emphasized the socially and economically integrated

approach to the development of health programmes, as well as the need for reorganizing WHO programmes with the greater involvement of its regional committees in programme, policy, planning and execution, the development of regional and national activities and the strengthening of country level partnership. For that purpose, the World Health Assembly had decided to increase substantially the technical co-operation component in WHO activities so that the developing countries might make better use of the organization's programme and budget in meeting their national health needs. In taking that decision, the World Health Assembly and the WHO Executive Board had been guided by the Declaration and Programme of Action on the Establishment of a New International Economic Order and had looked ahead to the seventh special session of the United Nations General Assembly.

34. WHO was prepared to enter into any field of activity and to work with any institutions that could influence health directly or indirectly. It considered it essential to intensify its dialogue with the Economic and Social Council and the United Nations General Assembly, and to continue its endeavours to co-operate with other United Nations institutions. Along with the measures it was taking internally to improve its services to Member States, it was prepared to take part in any adaptation of the structure of the United Nations system that would further the system's collective goals.

35. Mr. HOLUB (World Federation of Trade Unions), speaking at the invitation of the President, said that, since its establishment in 1945, WFTU had been keeping international economic and social policy under continuous review. It had noted that in 1975 the market-economy countries, whether industrialized or developing, continued to experience a grave economic crisis, which was accompanied by unprecedented speculation and was producing tension between the industrialized capitalist countries and the developing countries, increasing antagonism among the capitalist countries themselves and, above all, engendering a serious social crisis. One of the manifestations of the crisis, with the most serious consequences for the workers, was that connected with inflation and unemployment, which had recently risen to a serious level. WFTU was convinced that, in order to combat inflation effectively, it was essential to take antimonopoly measures to preserve employment, end the excessive profits of the trusts and redirect the economic policies of the market-economy countries into democratic channels. It would certainly be impossible to defend the interests of the workers effectively without tackling the monopolies and, first and foremost, the transnational corporations.

36. The crisis of the capitalist system had particularly harmful effects on the developing countries, many of which

had to contend with widespread unemployment: according to ILO studies, there was a total of 300 million unemployed in the developing countries. Although the socialist countries, which enjoyed great stability and whose economy was constantly progressing, guaranteed stable prices for raw materials from developing countries and were purchasing increasing amounts of manufactures and semi-manufactures from those countries and furnishing them with capital goods, such aid was insufficient. The poverty which prevailed in the developing countries was due in large part to finance capital, transnational companies and the Governments of the imperialist Powers. The "aid" they were giving to developing countries was proving to be more profitable to those who gave than to those who received.

37. WFTU, which unreservedly supported the legitimate demands expressed by the developing countries in a number of recent instruments adopted by the General Assembly at its sixth special session and at its twenty-ninth regular session, by UNIDO at its Second General Conference held at Lima and by the World Conference of the International Women's Year just held at Mexico City, considered that efforts should henceforth be concentrated on the creation of the new international economic order proclaimed by the United Nations. WFTU, ICFTU and the World Confederation of Labour were therefore endeavouring, together with various autonomous regional trade union organizations, to be associated with the activities of the Commission on Transnational Corporations and the Information and Research Centre on Transnational Corporations, since, in their view, it was the harmful activities of such corporations and the passive attitude of the Governments of the capitalist countries which were obstructing all efforts for the establishment of the new international economic order.

38. It was no less true that the problems of the developing countries would not really be solved until the economic and social structures of those countries had been radically transformed. That was why WFTU emphasized that those countries should carry out democratic agrarian reforms and direct their industrialization towards the expansion of their domestic market and the raising of the living standards of their population and why it stressed the need for recognizing the right of those States to nationalize enterprises belonging to foreign capital.

39. In the conviction that peace remained the indispensable condition for all progress, WFTU also consistently supported all efforts for making the developing process of international *détente* irreversible and for gradually bringing about general disarmament.

The meeting rose at 3.5 p.m.

1964th meeting

Thursday, 10 July 1975, at 10.50 a.m.

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

E/SR.1964

In the absence of the President, Mr. Mills (Jamaica), Vice-President, took the Chair.

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. THAJEB (Indonesia) said that the fifty-ninth session of the Economic and Social Council was taking place at a crucial time in the evolution of economic and social relations among States. The moment had come to make a mid-term appraisal of the results of the International Development Strategy for the Second United Nations Development Decade, to review the work of the specialized agencies and other United Nations bodies, and to analyse the results of several important meetings and conferences such as the World Food Conference and the Second General Conference of UNIDO. The Economic and Social Council had to follow up those activities by decisions taken within the framework of the Declaration and Programme of Action on the Establishment of a New International Economic Order, adopted at the sixth special session of the General Assembly, which would be taken up again at the seventh special session.

2. Current economic trends had revealed the need for a change in the international economic order to bring it into line with the needs and realities of the present day world. The intensity of the economic shock waves of the previous two years, which had led, in particular, to instability in international trade patterns, a deterioration in the developing countries' terms of trade and world-wide inflation, had also brought out the need for a new system of international economic relations which would take full account of the interests of all countries and especially of the developing countries. The hopes that the latter had placed in the Second Development Decade had been unfulfilled and the disparity in living standards between the developed and developing countries, far from being reduced, had become greater.

3. In general, his delegation was satisfied with the analysis made by CDP in regard to trade policies in its report on its eleventh seventh session (E/5671), but did not agree with its views in all fields. It was in favour of an integrated programme for commodities, one aspect of which would be arrangements for achieving a satisfactory balance between the developing countries' main exports and imports, including services. Efforts should also be made to stabilize the purchasing power of those countries' export proceeds. The ACP-EEC Convention of Lomé could be considered a step in that direction but, in his delegation's opinion, it would

be more useful if its scope could be generalized and extended to all developing countries. His delegation hoped, therefore, that a similar agreement could be devised for the Asian countries in the near future. It also welcomed the very encouraging efforts being made by the United Kingdom in the field of commodity trade. In view of the very limited progress made in that field, further steps should be taken to facilitate access of developing countries' products to the markets of the developed countries, so as to further the process of diversification of production.

4. Measures should be taken to prevent the flow of financial resources, and in particular official development aid, from being subject to the economic cycles affecting the economies of the developed countries. In addition, the possibility of taking measures for the provision of export credit for capital goods for developing countries and the granting of long-term loans on favourable terms adapted to the economic strength of the recipient countries should also be considered.

5. During the third session of UNCTAD, the Indonesian delegation had declared itself in favour of establishing a link between SDRs and development finance, and it still was. But such arrangements should be in addition to existing forms of development finance. As the developing countries needed a greater volume of capital to reach the target laid down in the Declaration and Programme of Action, it was absolutely essential for the developed countries to increase their aid, which was still far below the target of 1 per cent of GNP set in the International Development Strategy.

6. All countries recognized the urgent need to establish an expanded programme of economic and financial co-operation for the benefit of many third world countries. The OPEC countries, in the solemn declaration which they had adopted at the Algiers summit conference at the beginning of the year, had agreed to provide increased aid to the third world countries and had, in fact, already given them substantial aid, both bilaterally and multilaterally. On the subject of aid, his delegation was of the same opinion as several other delegations, namely, that automatic machinery should be established for the transfer of resources to developing countries.

7. With regard to the transfer of technology, not enough attention had been paid to that question in the Strategy and additional measures should therefore be taken in the light of the Declaration and Programme of Action, including, in particular, the formulation of an international code of conduct for the transfer of technology and a revision of the international patents system.

8. His delegation hoped that at the seventh special session of the General Assembly it would be possible to reach

agreement, if possible by consensus, on several of the questions concerning international economic co-operation contained in the list submitted by the Group of 77 in informal talks, which were of vital importance for all the developing countries.

9. In conclusion, he stressed the significance attached by the Indonesian Government to strengthening the activities of the regional commissions and expressed the hope that ESCAP would make even more vigorous efforts during the second half of the Second Development Decade. In the light of the task incumbent upon them in furthering the establishment of the new international economic order, United Nations bodies, and in particular the regional commissions, should pay greater attention to the development efforts of sub-regional groupings and increase their co-operation with them, so that the International Development Strategy might be implemented effectively and the Asian countries enabled to make their contribution to the establishment of the new order.

10. Mr. BARCELÓ (Mexico) noted that the President, in his opening statement (1953rd meeting), had stressed the importance of the tasks before the Council and had mentioned in particular, among the instruments available to the international community in working towards the establishment of a new international economic order, the Charter of Economic Rights and Duties of States, which would contribute not only to international well-being and to peaceful co-operation among all nations but also the attainment of the third world countries' final goal of economic and social development.

11. It was important that the work of the Economic and Social Council should deal with matters of concern to countries and should concentrate on those serious world problems on which there was less and less co-operation whilst new or bigger obstacles were arising, particularly in such matters as under-development and colonialism. It could be understood why, in some cases, the peoples concerned were calling on the Council to pave the way for a solution to the problems and why the countries of the third world, which were growing in number and in determination to make their own way, were drawing closer together.

12. Thus, in the process of decolonization, peoples which, like those of Viet-Nam and Cambodia, had been victorious in their struggle had been greeted with joy by the third world countries, including Mexico, which, having survived many vicissitudes, was aiming towards a future of growing justice and independence. The Mexican Government, following the path of self-determination and seeking a new international economic order, was anxious to establish relations beneficial to all in the international community. Its essential aim was to raise its population's standard of living; Mexico's economic progress, however, was the result of hard and dogged work by the Mexican people and Government, who had received scant foreign co-operation.

13. Referring to the economic situation in Mexico, he noted that, despite extremely difficult conditions in 1974, it had been possible to attain a growth rate of 6.5 per cent in the GNP. To obtain that result, the Mexican Government

had undertaken investment in various sectors, including agriculture and exports, combined with a plan for dealing with inflation. The effects, although in some way spectacular – an increase in activity of 15 per cent in the petroleum industry and 11 per cent in mining – had not sufficed to overcome certain acute problems such as the slow pace of expansion in agricultural production. The short-fall in agricultural production was the more serious since the population was growing by over 3.5 per cent annually.

14. Among the structural problems, which some people thought were due to the activities of transnational corporations, he noted in particular the growing balance of payments deficit, the cost of acquiring foreign technology and the shortage of capital.

15. With regard to Mexico's internal situation, he mentioned that planning measures had been taken to give greater prominence to the regional development committees; he also referred to the country's social security system, which the Mexican Government had just extended to cover people employed in agriculture, and the national employment service, which was to undertake studies and research in order to improve workers' living conditions and find a solution to the unemployment problem.

16. International problems had weakened the efforts made at the national level to improve the Mexican people's living conditions; a large measure of interdependence, therefore, needed to be established among the countries which, like Mexico, were determined to do everything to establish the new international economic order called for in the Charter of Economic Rights and Duties of States. He drew attention to the World Conference of the International Women's Year, which had just ended at Mexico City; the report of the Conference (E/5725) would be submitted to the Council under agenda item 5.

17. The Council's current session was particularly important because it was taking place in the middle of the Second United Nations Development Decade and just before the General Assembly's seventh special session, at a time when the international community was seeking a genuine basis of agreement with a view to establishing the new international economic order. In preparation for the General Assembly's special session, the developing countries had selected certain topics which, because of their urgent nature, warranted priority consideration, and which raised difficult problems: regulation of commodity markets, indexation of manufactured and semi-finished goods exported by the developing countries and access to markets for those exports. The topics were ones in which notable progress could be made if the international community demonstrated the political will. So also was that of the transfer of real resources for financing the development of the third world countries – a particularly urgent requirement since official development assistance had not only failed to attain the level set in the International Development Strategy but had actually diminished in real terms.

18. His delegation stressed that the adoption of international instruments would be of no use without the political will to carry out the undertakings entered into. In

his Government's view, economic co-operation could no longer be based on goodwill alone but must now become an obligation; that had been the spirit underlying the preparation and adoption of the text which was now the Charter of Economic Rights and Duties of States, an instrument which expressed the many aspirations of the third world in seeking a more just order in international economic relations. If all the provisions of that Charter were implemented, the developing countries would have moved a long way towards economic, political and social autonomy.

19. It was in that spirit that Mexico approached the General Assembly's seventh special session, hoping that, during the Council's present session, the important consultations on the special session would progress and enable the ground to be prepared. Mexico appealed to the international community to renounce petty self-interest and devote its efforts to overcoming the gap which separated the rich from the poor, since otherwise the cause of development would suffer a reverse from which no one would benefit.

20. Mr. DAVIS (Australia) said that it was the poorest countries that were the hardest hit by the effects of inflation and recession. During the first four years of the current decade, the developing countries as a group had attained a growth rate of about 6 per cent, but that rate had not been uniform: a small group of countries had earned a lot from their exports, whereas at the lower end of the range one quarter of the developing countries, accounting for 45 per cent of the combined population, had attained no increase at all in *per capita* income. There were indications of a recovery in the industrialized countries; it was to be hoped that that would be confirmed, but care must be taken to ensure that economic ills would not be communicated to other countries.

21. After the meeting of Commonwealth Heads of Government in Jamaica in May 1975, the Prime Minister of Australia had stated that the most difficult challenge facing mankind was the need to find a new and equitable international economic order. In that connexion, it should be noted that some 460 million people were affected by malnutrition and an estimated 250 million workers in developing countries were earning considerably less than \$150 a year.

22. His delegation considered that the seventh special session of the General Assembly should provide an opportunity for taking up a limited number of issues requiring urgent action and susceptible to the resolution of differences. Nevertheless, the difficult issues should be negotiated as well. Australia, for its part, had shown its willingness to work for realistic objectives by its recent participation in such activities as the UNCTAD studies on an integrated programme for commodities, the development of a code of conduct for the transfer of technology and a code of conduct for transnational enterprises and the follow-up to the World Food Conference. Among the issues to be considered at the seventh special session, his delegation had already suggested those of international trade and food questions; it was prepared to take part in discussions on those and the other topics referred to in the paper submitted by the Group of 77 in informal talks.

23. With regard to international trade in commodities, Australia was not committed to any particular approach. In the past, it had supported commodity arrangements where feasible; it had participated in arrangements on wheat, sugar, coffee, cocoa, dairy products and tin. It preferred arrangements covering both producers and consumers to associations of producer countries; if the former proved impossible, however, there might be advantage in producer associations, on the understanding that the producers did not seek to exploit consumers. After the World Food Conference, the Australian Government, which had endorsed the 10-million-ton annual food aid target, had decided to increase its contribution by 50 per cent. It had also supported an international system of national grain reserves and had declared itself willing to contribute to the International Fund for Agriculture Development. The seventh special session must pay particular attention to food questions; in that connexion, he drew attention to the view of FAO that the future security of the world depended on the ability of the developing countries to increase their food production growth rate by at least 3.7 per cent a year, simply to match the growth in demand.

24. His delegation also considered that the recent report on a new United Nations structure for global economic co-operation (E/AC.62/9) could help to increase the effectiveness of the United Nations, and particularly the Economic and Social Council, in that sphere.

25. In conclusion, he reaffirmed the Australian Government's support of the Declaration and Programme of Action adopted at the sixth special session of the General Assembly, as well as the Charter of Economic Rights and Duties of States.

26. Mr. HAMID-ABDEL GHANI (Egypt) said that the reopening of the Suez Canal, closed exactly eight years previously, was the most important economic event of the year for Egypt. As President Sadat had declared, the Canal permitted trade and interaction among nations and peoples and served as a bridge between continents and civilizations. Yet the international community should spare no effort to ensure the necessary tranquillity of that vital area of the world, on the basis of the rights of peoples and nations and respect for the sovereign rights of States.

27. Egypt was rebuilding the Suez Canal zone, which had been devastated by long years of warfare. It appreciated the bilateral and multilateral assistance extended to it in order to reopen the Canal, to widen it, to rebuild the Canal cities and to reclaim the area round its banks. UNDP had agreed to participate in the financing of a feasibility study to establish a regional free zone in the Suez Canal area. Several other specialized agencies might take part in those activities.

28. In addition, new legislation had been enacted on investment, with a view to encouraging foreign, particularly Arab, investment in projects integrated in the economic planning of the country. In pursuance of its general economic policy, Egypt had set up joint bilateral committees with several countries, in order to strengthen economic, social and cultural co-operation. Many decisions had been adopted by the League of Arab States and OAU

concerning the new dimensions of co-operation among African States. The Arab-European dialogue, established in December 1973, was a manifestation of new relations between Arab countries and EEC, based on the concept of the interdependence of nations.

29. Turning to the question of preparations for the seventh special session of the General Assembly, for which the Economic and Social Council was mainly responsible, he said that the Council could not restrict its role to accumulating and trying to reconcile various points of view and proclaiming once again the principles set out in the Declaration on the Establishment of a New International Economic Order and in the Charter of Economic Rights and Duties of States. It should, above all, help the General Assembly to find practical ways and means of implementing those principles. To that end, agreement must first be reached on a precise agenda for the special session, concentrating on the focal points of development and international co-operation, namely, international trade and the transfer of real resources for development and industrialization. An attempt should then be made to reconcile the divergent views of nations of different geographical groups, so as to create an atmosphere conducive to strengthening co-operation. A real break-through could be made if the developed countries would agree to commit themselves to entering into negotiations in agreed areas with a view to establishing a meaningful relationship.

30. As a member of the Group of Experts on the Structure of the United Nations System, the object of whose study was to enable the Organization to deal with problems of economic co-operation on a world-wide basis, he reviewed the four main concepts emerging from the large number of recommendations contained in the Group's report. In the first place, there should be negotiation machinery for dealing with economic questions in the appropriate organs of the United Nations, including the Economic and Social Council; that was already a basic concept of UNCTAD's work. Secondly, the appropriate organs of the United Nations should continue to discuss those questions and their member States should continue to cast votes and make decisions or recommendations in that regard; in other words, there should be one forum for studying economic questions, discussing them and drawing public attention to them and another forum for negotiations with a view to reaching solutions acceptable to all the parties concerned. Thirdly, there should be both an element of "centralization" at the stage of drawing up policies and general directives and an element of "decentralization" at the stage of implementation; in other words, there should be a central authority to draw up the policy and provide directives on economic and social matters to all the components of the United Nations system, while leaving it to each component to carry out, on the basis of its experience and expertise, the activities entrusted to it. The result would be streamlining of economic and social activities, with a view to the economical and effective mobilization of all the resources of the various components, programmes and agencies of the United Nations system. Fourthly, the Economic and Social Council should be strengthened, or, rather, its role as the principal United Nations organ dealing with economic and social matters should be emphasized. It was true that the Council had

become more representative of the Membership of the United Nations and that the Organization was concentrating much of its attention on economic and social matters, but that had not always been the case, and it was for that reason that UNCTAD and UNIDO had been established. Those four concepts were acceptable to the Egyptian delegation, which was prepared to discuss any proposals on the subject.

31. In conclusion, he expressed the hope that at that crucial stage of international co-operation, the Economic and Social Council would serve as an adequate forum for promoting international economic relations, a forum in which the developing and the developed countries could begin to work together for the establishment of the new international economic order.

32. Mr. WATANAKUN (Thailand) noted that at the mid-point of the Second United Nations Development Decade, some of the problems which had already existed 15 years previously, at the outset of the First Decade, had not yet been solved; indeed, the present situation was even worse owing to an acute food shortage, rapid population growth, large-scale unemployment and the rising prices of fuel, fertilizers and pesticides.

33. With regard to the situation at the regional level, Thailand, as host country to ESCAP, believed that many development problems could be solved more efficiently through regional co-operation. It welcomed the decisions which had been taken at the thirty-first session of ESCAP with a view to reorienting the Commission's work to be more in line with the Declaration and Programme of Action on the Establishment of a New Economic and Social Order and the particular requirements of the region.

34. His delegation also considered that further decentralization of United Nations activities, in pursuance of Council resolution 1896 (LVII) on regional co-operation, might improve the capabilities of the regional commissions to implement the projects entrusted to them. It endorsed the view of the Indonesian delegation that further co-operation between the members of ASEAN, United Nations organs and other regional groupings and individual countries would enable the countries of the region to contribute more effectively to the establishment of the new international economic order. It noted with satisfaction the increasing co-operation between ASEAN and EEC.

35. World trade continued to be characterized by a deterioration in the terms of trade for the developing countries, which needed wider outlets in the markets of developed countries. To that end, the latter should progressively liberalize tariff and non-tariff barriers to exports from the developing countries, and Thailand hoped that the current multilateral trade negotiations would have beneficial effects on the trade of developing countries.

36. With regard to industrialization, Thailand reaffirmed its support for the Declaration and Plan of Action on Industrial Development and Co-operation, adopted at Lima by the Second General Conference of UNIDO (see E/5696, chap. IV). In its view, the possibilities for expanding the areas of agreement of the Declaration should be further

pursued at the thirtieth session of the General Assembly. Industrialization was a dynamic element in the growth process and provided one of the most important sources of employment for many developing countries in which unemployment was prevalent. UNIDO and ESCAP had agreed to set up a joint ESCAP/UNIDO Industries Division with a view to increasing the assistance for the acceleration of industrialization in the region.

37. Progress had been made with regard to the transfer of technology by the UNCTAD Committee on Transfer of Technology and the Council Committee on Science and Technology for Development. The ultimate goal should be the unhampered flow of technology to developing countries and the establishment of an international code of conduct. With regard to the transfer of real resources, his delegation concurred with the World Bank assessment that there should be a greater flow of public assistance to development and it supported the World Bank's plan to establish a new intermediate lending facility, known as the Third Window, to provide financial resources at reasonable rates of interest to developing countries which might not qualify for IDA loans.

38. The world food situation was a matter of particular concern to his delegation. Since the holding of the World Food Conference in 1974, various measures had been taken and some results obtained, as the Director-General of FAO had stated at an earlier meeting (1954th meeting). If it seemed that the danger of a food crisis had been warded off for the time being, it had not vanished; and the problem still remained "multidimensional". For most developing countries, agriculture constituted the major economic sector and also the poorest, the under-developed sector. Food problems were problems of under-development itself. In order to solve the food problem, it had to be viewed within the context of general socio-economic development aimed at ensuring for the peoples of the third world a satisfactory standard of living. Consequently, developed and developing countries and international organizations must act on various fronts. Developed countries must incorporate food aid as an integral part of world food policy and not as a by-product of their agricultural performances or at the expense of other developing countries which were food producers and exporters. If the new system of stock-building for world food security was to become a reality, developed countries would have to assume responsibility for building up adequate storage facilities and financing stocks.

39. Furthermore, new impetus must be given to food production in the developing countries, and the setting up of the International Fund for Agricultural Development was a step which should be encouraged and followed up as soon as possible. Developing countries in general had the potential to increase food production but they lacked capital, technology, fertilizers, pesticides and machinery, for all of which they had to depend upon assistance. Moreover, certain practices of some developed countries adversely affected trade and impeded incentives for agricultural production of developing countries. Thailand, as an agricultural country, had always tried to do its best with whatever limited surplus it might have, to be of assistance to its neighbours and other developing countries, both in

terms of humanitarian aid and trade. It had also regularly contributed both in cash and in kind to WFP and UNICEF. His Government wished to play a constructive role in the endeavours to eradicate hunger and malnutrition.

40. With regard to the review and appraisal of the achievement of the goals of the International Development Strategy, it was conceded that the targets for agricultural production and the transfer of real resources had not been reached. That fact, compounded by the continuing economic crisis from the beginning of the decade had hampered the efforts of developing countries which were combating inflation and recession, as well as other factors of economic and social chaos. It had become apparent that the present system of international economic relations was no longer adequate and that the world community was in need of a fairer new international economic order which gave more say to the developing countries. As the seventh special session of the General Assembly approached, there had been hopeful signs from some of the developed countries, as had been seen at the Second General Conference of UNIDO and during the multilateral trade negotiations. Developed and developing countries were continuing their dialogue on the form and substance of the special session to ensure its success; in that regard, his delegation supported the guidelines set out by the President in his opening statement.

41. Lastly, the report of the Group of Experts on the Structure of the United Nations System was a significant document which would be attentively studied by his Government.

Mr. Akhund (Pakistan) took the Chair.

42. Prince SADRUDDIN AGA KHAN (United Nations High Commissioner for Refugees) recalled certain tasks carried out under UNHCR's good offices and outside the regular activities described in his annual report (E/5688 and Corr.1 and Add.1).

43. In August 1974, the Secretary-General had requested him to co-ordinate United Nations humanitarian assistance in Cyprus. Since then, UNHCR had endeavoured to meet the essential requirements of persons representing a third of the island's population. Following an appeal launched in September 1974, bilateral and multilateral assistance totalling \$24 million had been provided to Cyprus, \$12 million of which had been contributed through UNHCR. Following a second appeal in January 1975, further assistance of approximately \$9 million had been furnished, nearly \$7 million of which had come through UNHCR. Requests for assistance were at present directed more towards economic self-sufficiency than towards emergency relief. The Secretary-General had requested the High Commissioner to continue to co-ordinate United Nations assistance until the spring of the current year.

44. In Africa, UNHCR had made considerable efforts to assist in the return of refugees and displaced persons to Guinea Bissau, Mozambique and Angola. In Guinea Bissau, the Government established in October 1974 had requested UNHCR to undertake the repatriation of refugees and persons displaced in the struggle for liberation. A pro-

gramme costing approximately \$4 million had been established for the resettlement of about 150,000 refugees (transport, distribution of food, household utensils, seeds and agricultural tools, provision of medicaments, construction of dispensaries, etc.). Governments had responded to his appeal with substantial contributions and in April 1975 WFP had approved a food contribution at a cost of \$1 million. UNHCR had sent a *chargé de mission* to Bissau and two additional officials to Regional Office in Senegal for the execution of its programme in Guinea Bissau; implementation of the programme was progressing satisfactorily.

45. UNHCR had made an initial allocation for the repatriation of refugees from Mozambique and, following a visit by a United Nations inter-agency mission in February 1975, an assistance programme of some \$7 million had been drawn up for the purpose. An appeal for contributions had been made to the international community in April 1975; the response had been generous, but further contributions would still be needed. The programme in Mozambique was technically similar to that in Guinea Bissau and was also progressing satisfactorily.

46. In Angola, although initial discussions had taken place, circumstances had not favoured the drawing up or execution of assistance projects. A UNHCR programme officer had been assigned to Angola in March 1975. He hoped that the situation would develop in such a way that the humanitarian work envisaged for that country could be carried out.

47. In Indo-China, UNHCR had adopted an initial budget of \$12 million; programme execution had progressed satisfactorily in North Viet-Nam and Laos; in South Viet-Nam, the dramatic change in the situation in recent months had called for a reassessment. UNHCR's role throughout the area was to facilitate the return of displaced persons, provide assistance in the agricultural sector and meet certain essential needs (medicaments, clothing, food, etc.). In Laos, UNHCR had financed the return to the Plain Lao Zone of some 33,000 displaced persons and the movement was to be resumed at the end of the rainy season. In the Democratic Republic of Viet-Nam, UNHCR had financed projects based on the self-help principle, for which the counterpart contribution of the recipient was considerably higher than its own input. A UNICEF/UNHCR emergency relief operation had been undertaken in South Viet-Nam, while Sir Robert Jackson, Under Secretary-General, had been requested to co-ordinate over-all efforts at United Nations Headquarters. In response to the appeal made to the international community, contributions amounting to \$25 million had been made, \$13 million of which had been channelled through UNHCR. Emergency assistance was being phased out to give way to the UNHCR regular programme.

48. Indo-China, UNHCR was also concerned with refugees outside their countries of origin. It was possible that more than 185,000 Cambodians, Laotians and Viet-Nameese had left their countries for various Asian countries, the United States of America or Europe. UNHCR officials had been sent to Indonesia, Malaysia, the Philippines and Singapore to deal with the problem; the local UNHCR offices in Thailand and Laos were also concerned with it. The Government of South Viet-Nam had requested UNHCR to facilitate the voluntary repatriation of Viet-Nameese refugees abroad; resettlement efforts were also being undertaken. He hoped that Governments would show understanding and that the countries of asylum would accept the integration of those groups of refugees if circumstances so required. UNHCR remained at the disposal of Governments in solving the many refugee problems.

49. Mr. CASTRÉN (Observer for Finland), speaking at the invitation of the President, said that Finland had joined in the consensus which had led to the adoption of the Declaration and Programme of Action at the sixth special session of the General Assembly. It had also voted in favour of the Charter of Economic Rights and Duties of States at the twenty-ninth regular session of the General Assembly. Its position with regard to the general principles for international co-operation in the economic and social field was therefore sufficiently clear. It was preparing for its participation in the seventh special session of the General Assembly on the basis of the draft agenda submitted by the Group of 77 in informal talks, which it regarded as a good point of departure for a more detailed study of the issues to be considered at that session.

50. His delegation wished to draw particular attention to the so-called integrated approach to development. During the 1960s, economic growth had been the sole criterion for measuring development. In the early 1970s the social aspects had received increased attention. In his delegation's view, the General Assembly at its seventh special session should confirm that development must be a global process in which not only all nations, but all segments of the population, participated actively, regardless of sex, race, occupation or social status. If the General Assembly closed its seventh special session with an appeal for an end to economic injustice at the international level, it should make an equally strong appeal for an end to economic injustice at the national level, in developed as well as in developing countries. His delegation fully supported the Norwegian representative's statement in that respect (1958th meeting).

51. His delegation sincerely hoped that constant attention would be focused on the social dimension of development, which was closely linked with all the issues raised in the above-mentioned draft agenda.

The meeting rose at 1.5 p.m.

1965th meeting

Thursday, 10 July 1975, at 3.10 p.m.

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

E/SR.1965

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. ASHTAL (Democratic Yemen) said that, since the fifty-seventh session of the Council, tens of millions of people had attained independence, in Viet-Nam, Cambodia, Mozambique and Cape Verde, after long years of armed struggle against colonialist and imperialist forces. The Council and all other interested United Nations bodies were called upon to extend all possible assistance to those newly independent nations, so that they could consolidate their economic reconstruction. Democratic Yemen also welcomed the delegation of the Palestine Liberation Organization, another movement determined to assert its national independence.

2. As recently as the fifty-seventh session, the very idea of reconstructing international economic relations had been shunned by some developed countries. Some progress seemed to have been made since then, for certain developed countries, with varying degrees of conviction, now made fewer reservations concerning the establishment of the new international economic order, which the Group of 77 regarded as an appropriate starting-point for preparations for the seventh special session of the General Assembly. It remained to be seen, however, whether both the developing and the developed countries meant the same thing by the new order.

3. While his delegation welcomed international economic co-operation based on equity and justice, it was more anxious to obtain practical agreements on trade and other economic issues than verbal agreement on a new terminology. Yet all that had taken place so far seemed to be an expression of intention by the developed countries to discuss international economic relations within the framework of the new order, while the developing countries earnestly sought some manifestation on the part of the developed countries of willingness to forgo their unenlightened self-interest in the quest for international economic stability and peace.

4. The developing countries were not greatly impressed by reports of the adverse effects of the so-called recession on the working masses in the developed countries. They believed that the recent slackening of the economic situation in the capitalist countries had been disproportionately exaggerated, in disregard of the situation of hundreds of millions of people in the developing countries who had known nothing but constant recession and poverty over the years. There was no need to adduce comparative statistics

to describe their plight, since cold figures could not convey the human dimension of misery and deprivation. Nor could it be assumed that the widening gap between the rich and the poor countries could be bridged by trickles of so-called assistance, which in any case was often tied to political considerations and represented only a fraction of the large profits made by transnational corporations operating in the recipient countries.

5. For the developing countries, self-reliance was a prerequisite for economic interdependence which, in the absence of equitable economic interplay, could be but a guise for neo-colonialism. Partnership could not be regarded as healthy when the contract favoured the strong. On the other hand, the new international economic order safeguarded the rights of all in justice and freedom. Some delegations were urging members of the Council to go into specific details and to leave aside general declarations; but the developing countries regarded the Council as a superior body which was responsible for establishing general principles and reaching broad agreement. Countries could not be expected to negotiate on technical matters when the primary need was a common stand on the basic issues. If all countries could agree to base the preparations for the seventh special session of the General Assembly on the provisional list of questions submitted by the Group of 77 in informal talks, without irksome reservations, a long step would be taken along the path of co-operation.

6. With regard to regional developments in his country's area, it should be borne in mind that in Western Asia there was a glaring disparity between countries enjoying the highest *per capita* income in the world and those living in abject poverty. Representatives of the developed countries would like to convince the world that the oil-producing countries in the ECWA region should circulate their liquid assets in Western banks and in various investments; but the countries of the region held that charity began at home and that all extra funds should be invested in development projects in the third world, particularly in the countries which were most affected by the increase in prices of food and other raw materials. ECWA was best equipped to channel development aid from the rich to the poorer countries of the region, where the highest *per capita* income was about \$10,000 and the lowest less than \$100.

7. With regard to the restructuring of the United Nations system for purposes of global economic co-operation, his delegation appreciated the valuable report of the Group of Experts on the subject (E/AC.62/9) and needed time to study it carefully. It hoped, however, that that report would not divert the Council's attention from the main issue of establishing the new economic order.

8. Mr. KACIMAIWAI (Fiji) said that the relative success of any United Nations initiative depended upon the

practical support given it by Member States. The International Development Strategy for the Second United Nations Development Decade was no exception and needed to be closely monitored and reappraised on a continuing basis, with vigilant co-ordination; in extraordinary economic circumstances, it might even need appropriate political and economic manipulation, especially on the part of the countries which usually determined the tone, growth and progress of the world economy. Indeed, the successful implementation of the Strategy called for the unstinting political determination of all nations and a genuine sense of motivation on the part of the United Nations bodies co-operating in its implementation.

9. The International Development Strategy embodied many of the hopes of the developing countries and represented a commendable constitutional basis for the aspirations of millions of the world's poor populations; accordingly, its recognized failure at the time of the biennial review, in comparison with the relative success of the first programme for international economic co-operation,¹ had created a profound sense of frustration and disillusionment in the under-developed world. That sense of disappointment had been one of the factors that had led the developing countries to support the convening of the sixth special session of the General Assembly in 1974. It might be said that the resulting Declaration and Programme of Action on the Establishment of a New International Economic Order represented the International Development Strategy reappraised, up-dated and set in the new dimension of concern for a better distribution of the world's resources, based on social justice.

10. The developing countries saw the new economic order as a new scheme of international economic and social relations, based on the principle of partnership of sovereign States, transcending national and regional limits and political and economic ideologies and systems. The frequency with which the third world and some industrialized countries had reiterated the need for realistic recognition of such a new framework indicated their mounting concern: it was in those new relations that the developing countries saw much of their economic and social salvation.

11. In its first preambular paragraph, the International Development Strategy reflected the noble ideals of the United Nations Charter for promoting social and economic justice; the Strategy, adopted by consensus in 1970, was a fitting tribute to the foresight and breadth of vision of the President of the United States who had originally proposed the concept in 1961. Yet there was a tendency for innovative ideas and philosophies to remain without support and to stagnate in national archives. That must not be allowed to happen with the Strategy and the principles of the new economic order: if they needed re-examination and modification, that should be done, for the sake of the millions of the world's poor.

12. The intense challenges of modern times must be faced squarely. The world economy was to be stabilized and hope put to the millions whose lives remained

largely unfulfilled. The past two years had witnessed unprecedented political and economic upheavals; wars and conflicts had occurred in various parts of the world, although peace and sustained harmony were essential to continued economic growth and stability; it was to be hoped that the last five years of the implementation of the Strategy and the beginning of the evolution of the new economic order would take place in peace and international co-operation and security.

13. Against that background of conflicts, inflation, rooted in rising demand unmatched by increases in supplies and reinforced by shortages of vital commodities, had created uncertainties about the value of major currencies, with the result that many of those currencies had been devalued and revalued – without any co-ordination – in the hope of bringing about a measure of stability. In view of the close interdependence of national and regional economies, such measures could be regarded only as temporary stop-gaps and in some developed countries inflation had reached the level of 20 per cent, creating an upturn in commodity prices which gave the countries of the third world only a false sense of economic security, growth and prosperity. Workers sought ever larger wage increases to offset higher inflation, producers increased costs to meet higher wage demands, thus completing the vicious circle of the wage-price inflationary spiral, and national counter-measures of lowering production had only given rise to a recessionary economic trend and to world-wide unemployment. Inflation and recession had had a particularly serious impact on the poor countries, especially those now called the “most seriously affected countries”, which in 1974 had reached a stage of near economic collapse.

14. It was generally recognized not only that national economies were interdependent, but also that the sustained growth of the world economy was pegged to those of the more prosperous nations. The Secretary of State of the United States of America had said in a recent speech that when the United States was in recession, recession spread, and that without American expansion the world economy tended to stagnate. Similarly, the increasing role of the aggregate economies of the EEC countries had a correspondingly expanding impact on many developing countries, for despite the fast pace of decolonization many former colonial territories continued to depend largely on traditional markets in the countries of their former administering Powers. Thus, although all economies were interdependent, some were more dependent than others and that was one reason why the developing countries had sought economic redress through the support of the developed world and, consequently, through implementation of the Strategy and the establishment of a new international economic order.

15. From the political point of view, national actions to hold down costs in order to overcome inflation, particularly in the wage sector, were often impractical or socially inequitable. The many counter-recessional measures adopted in 1974-1975 had entailed the risk of widespread unemployment and some countries had even cut down long established welfare schemes in the attempt to keep their economies afloat. For traditionally poor countries such measures only aggravated the plight of their already

¹ General Assembly resolution 1710(XVI), of 19 December 1961.

impoverished population. Since May 1974, wages in Fiji had risen at rates 4 to 5 times greater than the corresponding rise in consumer prices, a situation which represented a potential threat to its small economy; that trend probably applied to other small economies. The four-fold increase in the price of oil had had an unprecedented impact on national economies and on the level of world production. Moreover, the anticipated increase by over 700 per cent in the price of fertilizers constituted a serious threat to the expansion of the agricultural sector, particularly in view of the fact that only about 50 per cent of the Strategy target for agricultural growth in developing countries had been achieved. That situation was particularly alarming in that the rural population of the under-developed world constituted about 70 per cent of the total. The vast increase in the price of fertilizers could only lead to further deterioration of mass poverty, deprivation and social misery among the world's rural population by further increasing overhead costs and hampering recovery from inflation and recession.

16. Although inflation had had a direct impact on national balances of payments in both developed and developing countries, it was obvious that countries with large and viable economies were in a better position to initiate processes leading to an accelerated recovery from balance-of-payments deficits. Among the developing countries, the non-oil-producers had been the greatest sufferers: IMF had recently reported that their combined current account deficit had increased from \$9,000 million in 1973 to \$27,000 million in 1974 and was expected to reach \$36,000 million in 1975. External financing would therefore be a major problem for those countries for some time to come; at best, some of them would have to contemplate considerable reduction of their net reserve positions in order to finance the current account deficits likely to accrue in 1975. For those countries, the gains of the past five years would have been completely destroyed by the impact of the recent economic upheaval. The Development Strategy was intended to improve the terms of trade of the developing countries and develop their industries in order to provide a broader base for their national economies; yet, there had been a setback in the transfer of real resources: the developed countries had achieved only about 45 per cent of the target figure of 0.7 per cent of their GNP. The creation of self-sustaining economies, a primary aim of the Strategy, could only be achieved by a considerable improvement in the terms of trade of the developing countries. An increased inflow of resources was a primary necessity to enable the developing countries to cope with their deteriorating economies, and the developed countries should be prepared to make firm commitments to implement the target figures of the Strategy. In that connexion, the establishment of a lending facility at concessional terms would help to improve the economic situation of the developing countries, as would the new oil facility envisaged jointly by the OPEC group and IMF.

17. Nevertheless, the progress of economic and social development was primarily the responsibility of each Government, which had to determine priorities, implement development programmes, carry out the necessary infrastructural changes and mould national attitudes to

acceptance of innovations. The developing countries must endeavour to foster greater co-operation in the over-all development process. Much had been said about the need to strengthen co-operation between the developing and the developed countries, but that did not mean that the developing countries should be mere recipients of economic aid. They must improve their terms of trade, promote technical and financial assistance schemes among themselves and develop a greater spirit of co-operation; the concept of economic interdependence must not be regarded simply as the economic dichotomy between the developed and the developing countries. Initiatives already taken in that direction must be strengthened, particularly in the light of the current emergency situation. In addition, such measures would provide the necessary psychological motivation for the developed countries which were in a position to give assistance.

18. His delegation supported the general outline suggested by the President in his opening address (1953rd meeting). In its opinion, the seventh special session of the General Assembly should not be convened with a view to formulating yet another declaration, since the International Development Strategy, the Declaration and Programme of Action, together with the general framework of the Charter of Economic Rights and Duties of States, provided a perfectly adequate basis for constructive work. The most important task of the seventh special session would be to establish appropriate machinery for negotiation, to be followed by a constructive dialogue. The spirit of the Convention of Lomé between EEC and 46 developing countries of Africa, the Caribbean and the Pacific could, in principle, be extended to the United Nations development system: that Convention had established the so-called STABEX scheme for the stabilization of the export earnings of the developing countries concerned and, although it applied only to selected commodities, it could be the forerunner of a global scheme to ensure stability in the trade of the developing countries.

19. His delegation considered that from the practical point of view it was unwise for delegations to the Council to dwell unduly on past inequities. The economic and social imbalances of the old economic order were obvious but the equally obvious desire to change that order should serve as a basis for co-operation and common action. The constant act of blaming other nations often only stiffened the political will of individual countries or groups of countries.

20. The provisional list of topics proposed by the Group of 77 for the seventh special session provided a good framework for discussion, from which efforts should be extended to areas in which there were common aspirations, and negotiations should proceed as constructively as possible on areas in which there were differences. Only such concerted action could lead to formal acceptance of the new international economic order which would bring the first ray of hope to the millions who had lived continuously in poverty.

21. Mr. DUGERSUREN (Mongolia) said that it was encouraging to note that, 30 years after the end of the Second World War, the world community was witnessing increasing *détente* on the basis of the principles of peaceful

co-existence. World peace and security would be strengthened by the successful conclusion of the Conference on Security and Co-operation in Europe and by the victories of the Viet-Nameese, Cambodian and Laotian peoples over neo-colonialist aggression, and confrontation would give place to a concerted search for negotiated solutions to many cardinal problems. The proponents of the "cold war", however, were endeavouring to complicate the international situation and reverse the favourable trend. It was essential to halt the arms race if international peace and security were to be preserved. Vigorous, sustained efforts should be made to ensure the constructive participation of all States, especially the nuclear weapon States, in disarmament negotiations.

22. There was a growing perception of the need to translate the favourable opportunities offered by the improved international political climate into practical measures to promote social and economic development and international co-operation, which were the real benefits the international community could derive from peaceful co-existence. The current world economic situation revealed uneven and contradictory tendencies. The developed market economies were suffering from recession, inflation, and energy and monetary crises. Despite considerable isolated gains, the general situation of the economies of developing countries was far from satisfactory. According to the *World Economic Survey, 1974*, part two (E/5681 and Add.1-4), the rate of growth of agricultural and industrial production in the developing countries had declined from 1973 to 1974. Consequently, the International Development Strategy was still unfulfilled at mid-term. In addition, the crisis in the developed market economies was exerting a negative impact on the social and economic development of the developing countries. Although recessions and inflation might adversely affect the flow of resources to developing countries, they did not alter the fundamental need to reform the outmoded practices and methods in international trade and other economic relations. As was stated in the Declaration and Plan of Action on Industrial Development and Co-operation adopted by the Second Ministerial Meeting of the Group of 77 at Algiers in February 1975, foreign aggression, colonial domination and racial discrimination were still the main obstacles to the progress of developing countries.

23. Another negative influence on the economic situation in many developing countries was that of the transnational corporations, whose uncontrolled activities were a threat to normal political, social and economic development. His delegation strongly supported the just demands and aspirations of the developing countries for permanent sovereignty over their natural resources and the establishment of a new international economic order based on equality, justice and mutual benefit, as reflected in the Declaration on the establishment of that order and the Charter of Economic Rights and Duties of States.

24. The economies of the socialist countries were developing rapidly and becoming a dynamic factor in international economic life. Although those countries accounted for only 9.4 per cent of the world population, they produced over one third of world industrial output. In their international economic relations, they consistently

supported the fundamental transformation of international economic relations on the basis set forth in the Declaration. Their co-operation with and assistance to the developing countries had been described in the recent statement by the representative of CMEA (1956th meeting).

25. Mongolia was about to celebrate the fifty-fourth anniversary of the People's Revolution, which had placed it on the road to independent, democratic socialist development. As a result of far-reaching social and economic transformations, the assistance of the Soviet Union and other socialist countries and its membership of CMEA, it had become an agrarian-industrial country with a steadily growing economy. Such co-operation and assistance had been essential to bridge the gap in development levels between his country and the other CMEA members. The Comprehensive Programme for the Further Extension and Improvement of Co-operation and the Development of Socialist Economic Integration provided for special measures to accelerate his country's development through an increasing number of bilateral and multilateral projects. At present, the average growth rate of Mongolia's GNP was almost 7 per cent, its national income 5.5 per cent and its industrial output 9.6 per cent.

26. The success of the current session of the Economic and Social Council might be measured by its achievements in advancing the preparation for the seventh special session of the General Assembly, which would concentrate mainly on giving effect to the principles and purposes of the Declaration on the Establishment of a New International Economic Order and the Charter of Economic Rights and Duties of States and would thus become a landmark in the promotion of economic decolonization.

27. The complexities of the issues destined to bring about fundamental changes in the international economic relations inherited from the past should not serve as an excuse for delaying a solution to the pressing problems of those relations. The interdependence of the international community, which had been emphasized by some representatives, was not an entirely new phenomenon; it was, in fact, only co-operation between States based on equal sovereignty, non-interference, non-discrimination and mutual benefit.

28. His Government would study the report of the Group of Experts on the Structure of the United Nations System carefully and would support changes which would really increase the efficacy of the Council and other United Nations organs in social and economic matters. Restructuring should not, however, be made and end in itself at the expense of the solution of fundamental problems. Any changes introduced in the United Nations structure should not contravene the purposes and principles of the United Nations Charter.

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

29. Mr. SCHWARTZ-GIRÓN (Spain) expressed the regrets of the head of his delegation at being unable to attend the meeting

30. The world economy was not in a healthy state and it was impossible to see when or how it would recover. In view of the continuing problems of hunger and under-development, there was no room for optimism in the short or medium term, while the disruption caused by the sudden rise in oil prices had merely emphasized the fact that the crisis was not merely of a cyclical nature, but stemmed from a world economy that was structurally unsound. In particular, the market mechanisms must be restructured in view of the economic interdependence to which reference was constantly being made and which meant that the national growth of a few implied accelerated growth for the majority. The difficulties confronting nations were common to all and differed only in their appraisal in the light of each one's domestic situation.

31. During the coming six months, a more hopeful period should be opening under the inspiration of the Council and the seventh special session of the General Assembly, culminating in the regular session of the General Assembly. Spain was one of the signatories of the OECD declaration of 28 May 1975 on relations with developing countries. His delegation would do its best to contribute to the work of the special session and it agreed with the President that the current session of the Council must lay the foundations for its success.

32. Referring to the report of the Group of Experts concerning a new United Nations structure for global economic co-operation, on which he reserved his Government's position, he said that if, as was suggested, the Council was to be revitalized and to remain in permanent session, its membership should be universal. If some of its subsidiary committees and commissions were dispensed with, that would further reduce the number of countries able to make known their views to the Council, and if an annual ministerial session was to be held to consider the most important questions, it would be even more unjust to exclude any country from membership. Admittedly, it was not easy to make universality function effectively; but that was one of the inconveniences of parliamentary democracy: if there was parliamentary democracy, there must be universality.

33. Spain was now ending its term of membership of the Council and, in line with its increasing development, had played an ever-growing part in the Council's activities. There were four matters in which its participation in the economic and social system of the United Nations had been particularly satisfactory to his Government. Firstly, it had announced during the past year that it was finally able to give up the UNDP indicative planning figure and become a net donor, thus demonstrating its conviction that UNDP's assistance should be devoted to accelerating the development of the poorest countries. Secondly, his country had played an active part in the transfer of science and technology to the developing countries and hoped that an international conference or special session of the General Assembly devoted to science and technology would take place before the end of the decade. Thirdly, Spain had participated in investigations of the activities of trans-national corporations, thus using its own ample experience in that matter for the benefit of all. Lastly, his Government welcomed the recent establishment in Spain of the

headquarters of a new United Nations body, the World Tourism Organization. Spain was one of the world's leading countries in the tourist industry and had acquired immense experience in that field which it intended to place at the disposal of countries wishing to develop their tourist industry.

34. Mr. TOBAR (Ecuador) said that the present session of the Council was of particular importance, both as the culminating point in the mid-term appraisal of the International Development Strategy and as a preparation for the seventh special session of the General Assembly. It provided an opportunity to identify past successes and failures and to lay the foundations for a new strategy for the future.

35. All countries were to a greater or lesser degree affected by the present chaotic world economic situation and their difficulties could not be overcome within the present system. The only course, therefore, was to make a determined effort of international co-operation to change the present structures in the light of a new conception of the obligations of international interdependence. So far, no agreement had been reached between those who stubbornly supported the retention of the present system and those who advocated a new approach.

36. The United Nations was the best instrument available to mankind for achieving understanding. Its work for the establishment of world peace and the liberation of colonial peoples during the 30 years of its existence gave grounds for hope that it could play an equally effective role in the economic and social salvation of the third world. The essential condition for that, however, was the political will of the developed countries; in the absence of such will to lay the foundations of the new international economic order, any form of negotiation within or outside the United Nations system, was meaningless.

37. The general lines of the new order had received the support of many developed countries. It was to be hoped that friendly negotiation and constructive dialogue would enable States which still had reservations to revise their position and agree to the restructuring of the International Development Strategy in accordance with the principles enshrined in the Programme of Action and the Charter of Economic Rights and Duties of States approved by the General Assembly. The studies prepared by UNCTAD and the regional commissions fully justified the demands of the Group of 77. There could be no doubt that the failure of the Strategy was due in large part to the existence of a system of trade which exclusively favoured the developed countries.

38. For that reason, a global solution had been proposed for all the problems of production, marketing and prices of commodities. Experience with the existing international commodity agreements showed that such machinery was insufficient to ensure adequate marketing. Co-operation among the developing countries themselves was essential for the creation of new producers' associations and the strengthening of those already existing. The only solution to the problem of prices lay in indexation, the introduction into the international sphere of one of the regulatory measures used by the developed countries in their own

markets. For products which could be stored, the establishment of buffer stocks was essential, and for perishable products the adoption of machinery to ensure access to markets in fair conditions for the producing countries. The GSP had not yet been extended to all and it was regrettable that one of the great Powers had tried to use it as a means of exerting political pressure. The energy problem had been distorted by the spokesmen of the transnational corporations, who had tried to present it as the sole cause of the economic crisis, when in reality the disequilibria of the trading and monetary systems imposed by the industrialized world were the real cause.

39. The time had come to cease making theoretical declarations and to start specific negotiations. His delegation hoped that all Members of the United Nations would recognize the need for a change in policies and methods and would give a formal undertaking to set in motion the necessary machinery for the introduction of the new international economic order. The provisional list of topics submitted by the Group of 77, which represented a minimum basis on which negotiations should be undertaken, should be adopted.

40. Mr. MILLS (Jamaica) said that the general debate had revealed that the main preoccupation of participants was the forthcoming seventh special session of the General Assembly. The current session of the Council provided an opportunity to assess the real meaning of the cautious processes which had been taking place over the past few months as delegations had sought to establish an appropriate atmosphere and to outline a particular set of issues for negotiation. Clearly, there had been a remarkable change in the atmosphere which could be attributed to the determination of all delegations to work in harmony. A second remarkable achievement had been the emergence of the issue of the new economic order as a topic of first importance, an achievement due primarily to the persistence shown by the developing countries. Since that persistence seemed to have upset some developed countries, he would like to point out that the developing countries had done neither less nor more than other groups of people in the face of accumulated feelings of neglect or disadvantage. The history of both developed and developing communities was full of examples of such pressures and it was not fair to regard the actions of the developing countries as unusual, unwarranted or intemperate. They were merely a measure of the difficulties they had faced in gaining acceptance of their basic premise that fundamental changes were needed in the international economic system if they were to have an acceptable future.

41. Negotiations on matters of substance should now be started. That would require a change in style and approach on the part of all countries, developing or developed, and the dominant question was whether that point had been reached or would be reached in time for the seventh special session.

42. Among the factors contributing to the progress already achieved were the emergence of positive and favourable attitudes on the part of a number of developed countries and the recent economic and political events which had created the general feeling that the world must

be set on a different course if lasting progress and a viable system of international co-operation were to be achieved. As a result, a gradual review of assumptions, basic attitudes and beliefs was becoming apparent. There was evidence of a firm resolve on the part of some developed countries to move forward on a constructive basis, while others revealed no clear change of attitude. Even the latter, however, were preoccupied with the issues and aware of the serious challenge to old systems and beliefs, a challenge which had been made more potent by reason of the differences of view within those countries. The fullest advantage, therefore, must be taken of the new atmosphere.

43. A full understanding of the conception of the changes which the developing countries felt must be made in international economic relations was still far from being achieved. His delegation urged the developed countries to pursue the process of review and rethinking, and to recognize that the present economic system had been developed by subordinating the legitimate aspirations of peoples to the interests of the technologically advanced and more powerful societies. Without fundamental changes in the assumptions underlying the present system and in the machinery which operated it, there was no hope of significantly changing the prospects of the peoples on the other side of the system. The developing countries, too, must show greater understanding and not allow past considerations to be an obstacle to their progress.

44. The third world propositions were sometimes described as being based on "theological" foundations but they were no more so than the doctrines of "*laissez-faire*" and "market forces" of the industrialized countries. He urged the developed countries to have faith in the future and to cast aside their fear that the significant gains which the developing countries must make would lead to their own decline.

45. Much had been said about the forthcoming seventh special session of the General Assembly. His delegation welcomed the improvement in the general atmosphere but felt that it would be a mistake to underestimate the degree and nature of the improvements in the international economic system and in economic relations which must be made if the position of developing countries was to be advanced significantly. His delegation hoped that the improved atmosphere would lead to more frank and thorough approaches to the particularly controversial issues. Although the short time available would impose a limit on what could be attempted at the special session, his delegation was confident that the session could mark a major turning-point in international relations, for the challenge concerned not merely the position of the developing countries, but the future of the world.

46. He hoped that the report of the Group of Experts concerning a new United Nations structure for global economic co-operation, on which he had had the honour to serve, would receive favourable acceptance.

Mr. Akhund (Pakistan) resumed the Chair.

47. Mr. FASLA (Algeria) said that the present session was of particular importance in providing an opportunity for

members to appraise each other's willingness to work for success in international economic co-operation.

48. The crisis affecting international economic relations was all the more serious in that it imperilled the development of the developing countries. For the last few decades, the industrialized world had been assured of constant stability in its economic growth by the large profits derived from the exploitation of the natural resources of the developing countries. The developed world, however, had given only scant attention to the situation of the poor countries and had shown no political willingness to find viable and permanent solutions for the problems of development. The solutions which had been recommended were of a provisional and not a fundamental nature. Instead of curing the evil, efforts had been made to palliate it from time to time.

49. The monetary system, which was largely dominated and controlled by the developed countries for their own personal and national interests, had been disrupted by the unilateral decisions taken in 1971, which had accelerated the crisis that was to affect, first and foremost, the rich countries themselves.

50. The transnational corporations, which could play an important part in the promotion of international co-operation, had often displayed uncontrolled greed and had not hesitated to intervene in the internal affairs and violate the sovereignty of the host country in order to obtain large profits.

51. His delegation looked, however, to the future, which it hoped would be full of promise and would place a proper emphasis on human dignity and the right to a decent life, without hunger or poverty, illiteracy or disease. To achieve that purpose, the international community would have to agree to place development at the centre of its concerns and to take effective action in that direction.

52. The world economic crisis had perhaps been helpful in so far as it had enabled all countries, large and small, to become aware of the interdependence of their economies. That interdependence should be constantly borne in mind and should guide the members of the Council in their search for solutions for the present problems. There was little choice in the world of to-day: nations must engage either in co-operation or in confrontation. Just as co-operation could be beneficial and safeguard peace, so could confrontation lead to violence and its accompaniment of human suffering and misery.

53. His delegation considered that the seventh special session of the General Assembly should be the logical follow-up to the sixth special session and should make a substantial contribution to the establishment of the new international economic order, the principles and directions of which had been clearly defined in the Declaration and Programme of Action, and later in the Charter of Economic Rights and Duties of States.

54. It was impossible for the world to develop harmoniously without some planning or regulation of international economic relations and some large-scale projects

for development. His own delegation took a pragmatic approach to that problem and found it difficult to agree that the complete freedom of business enterprise in its broadest sense, and the law of the market in its most traditional form, constituted a guarantee for success in the economic field. It was impossible to accept that view when most developed countries were talking at the national level about indicative planning, programmes, controls and so forth and when it was well known that the transnational corporations and banks constituted the most highly developed tool of economic liberalism and possessed the best planning offices for drawing up schemes for sharing markets and fixing the prices of the raw materials which they exported or imported and of the manufactured products which they produced or exported. That view was unacceptable in the light of the knowledge that one or more countries completely controlled the monetary system, could act as they pleased with regard to currency and could increase or decrease their buying power in their own exclusive interests.

55. The sixth special session of the General Assembly had aroused great interest in both the developed and the developing countries, particularly in the intellectual and academic circles. Seminars, symposia and meetings on the new international economic order had been organized in all parts of the world. It was his belief that the developed countries, with the important resources at their disposal, could convince public opinion that the occasional sacrifices which their peoples were called upon to make would be in their own interest, since sooner or later they would provide a guarantee for world economic stability.

56. The struggle against under-development was essentially a national task, but the efforts of the poor countries would be in vain unless they were able to count on foreign and international assistance for some time to come. Co-operation between countries was an essential element in the new economic order. The neutral OPEC countries were an integral part of the third world, whose aspirations they shared and with which they were co-operating in a spirit of solidarity. There had been much idle talk about the fabulous financial resources of the OPEC countries, but the central banks of the rich countries were concealing enormous financial resources and no one spoke about the tremendous financial assets of the transnational corporations.

57. His delegation welcomed the emphasis that a number of speakers had placed on the need for a dialogue, for the value of dialogue had always been one of the fundamental points of his Government's national policy. Nevertheless, in order to yield results, a dialogue had to be based on real political willingness to co-operate to improve the lot of mankind, to correct the injustices inherited from the past and to replace relationships of economic domination by relationships of co-operation. Dialogues should go beyond statements of good intention and should lead to action. To prevent any misunderstanding, he wished to make it clear once again that such fundamental principles as the national sovereignty of States over their natural resources was a matter which was not negotiable. The International Development Strategy must be adapted to the needs of new

situations at a time when national sovereignty over natural resources was becoming increasingly recognized.

58. His delegation fully supported the ideas of the Group of 77 concerning the agenda for the seventh special session, and for the revision of the International Development Strategy (E/5693, annex IX), particularly with regard to the need to prevent waste and duplication in the work of the United Nations in promoting international relations and proper planning. It also supported the idea that UNIDO should be given the status of a specialized agency of the United Nations.

59. Mr. MARTÍNEZ (Argentina) said that one of the subjects which had aroused the greatest interest during the present session of the Council was the mid-term review of the International Development Strategy.

60. Circumstances which were not always under the control of countries and peoples had brought about far-reaching changes on the international scene and in the polarization of world power. A factor to be borne in mind in the review and appraisal of the International Development Strategy was the new attitude adopted by the developing countries, especially in the past two years. The dissatisfaction which the developing countries had shown in 1973 still existed but those countries had decided to reduce the areas of confrontation and to concentrate their efforts on specific points which offered opportunities for international co-operation with the industrialized world. It had been the desire to achieve a real consensus in the establishment of a new international economic order, for example, that had led the non-aligned countries to promote the convening of the sixth special session of the General Assembly.

61. The 15 years which had passed since the adoption of the first programme for international economic co-operation had been marked by many frustrations. The developing countries had come to realize that the development process was a slow one, full of obstacles and confronted at every step not only by "realities" but also by political attitudes of countries that were trying to disavow the responsibilities which interdependence laid upon all countries. The countries which had practised policies in the past which were incompatible with the goals of the International Development Strategy were generally those which were now refusing to accept the principles of the new international economic order and which were attaching minor importance to co-operation for development in their national policies. Nevertheless, his delegation continued to believe that the main strength of the new order lay in making development a key factor in the foreign policy of all countries in the international community.

62. His delegation considered that the mid-term review and appraisal of the International Development Strategy should provide an opportunity for adapting that Strategy, as a global tool, to the needs and guidelines reflected in the Declaration and Programme of Action adopted at the sixth special session of the General Assembly, together with the more specific objectives drawn up by the international community at recent conferences.

63. Another important question upon which the developing countries had reached agreement was that of energy and other commodities, a question which was still in the process of negotiation between the developing countries and the major industrial countries. The best way of putting that agreement into effect would be by making it a subject of analysis and discussion within the United Nations system. As a preliminary step, there should be a specific reference to the subject in the revised International Development Strategy.

64. With reference to the strengthening of international co-operation in the field of industrial development, he noted with particular satisfaction that there was an increasing consensus on the need to make serious efforts to increase the participation of the developing countries in world industrial production, as an essential means of contributing to their economic and social development. In accordance with that new spirit, embodied in the Lima Declaration and Plan of Action on Industrial Development and Co-operation, any adaptation of UNIDO to the new objectives, both budgetary and organizational, must be fully accepted by the international community in order to make that organization more effective and to extend its benefits to all the developing countries.

65. A clear distinction should be made between the review and appraisal of the International Development Strategy, as a part of the new economic order, and the next steps which the international community should take to arrive at effective agreements and tangible results in their implementation. He referred in particular to the seventh special session of the General Assembly: the careful selection and concentration of topics for that session was the best way of ensuring practical results, but it should not be forgotten that the action to be taken was designed to ensure the achievement of the quantitative and qualitative objectives set in the International Development Strategy.

66. In his opinion, the seventh special session of the General Assembly would be a real test for determining to what extent the discussion at the present session of the Council had been heard and interpreted. The efforts which both the developed and the developing countries were making there would help to set the new international economic order in motion. He hoped that that important meeting would not result in documents which, as was so often the case, were loaded with reservations or escape clauses.

67. The developing countries had preferred to select topics which would allow efforts to be concentrated on the adoption of a small number of inter-related measures. The General Assembly might, however, have to include in its decisions questions which were under consideration in other forums outside the United Nations system. He referred in particular to the multilateral trade negotiations going on in GATT and the work being done in the Interim Committee of the Board of Governors of IMF on the International Monetary System. There should be no delay in defining a broad political base which would make it possible to apply the principles concerning differentiated treatment and the equitable participation of the developing

countries in the international, commercial, financial and monetary decisions adopted during the past two years.

68. There had been no practical response to the proposals made by the developing countries for a comprehensive programme which would provide for the gradual reduction and elimination of tariff and non-tariff barriers which were preventing the access of their exports to the markets of the developed countries. The GSP which had at one time been considered a step forward, was now threatened by the appearance of discriminatory systems of vertical preferences. Moreover, the possible benefits of the GSP had been limited by delays in its implementation by important industrial countries or by their refusal to include products of interest to the developing countries, especially agricultural products or products with a high degree of processing.

69. The General Assembly would also have to include in its decisions a reasonable forecast for the future. His delegation hoped that it would be possible to conclude agreements which would make it possible to achieve additional progress in meetings such as the fourth session of UNCTAD, to be held in May 1976. The concertation of global efforts in the sphere of international development co-operation called for renewed efforts on the part of all countries, developed and developing, and the results of that co-operation would depend on the political will of all.

70. Among the items on the Council's agenda was the report of the Commission on Transnational Corporations on its first session (E/5655 and Corrigendum) which showed that much remained to be done in the Commission's programme of work. The formulation of a code of conduct for transnational corporations should of course have top priority; his delegation wished to emphasize that point, which it thought should form part of any new international economic order.

71. At the fifty-seventh session of the Council (1910th meeting) his delegation had drawn attention to the need for an exhaustive definition of the principle of the full, permanent and inalienable sovereignty of States over their natural resources. It had also referred to the work to be done by the Committee on Natural Resources, taking into account a general plan of action for all the programmes of the United Nations system related to natural resources. At its fourth session, the Committee had done a great deal of work which had enabled it to submit four draft resolutions for adoption by the Council (E/5663, chap. I). His delegation thought that those resolutions deserved unanimous approval. In view of the fact that his country had offered to serve as host to the United Nations Water Conference, to be held in March 1977, he wished to draw attention only to draft resolution II, which related to the preparatory work for that Conference and provided for the Council to authorize the Committee on Natural Resources to act as the preparatory committee for the Conference.

72. The Council also had before it the report on the third session of the Governing Council of UNEP (E/5710), which described the progress made by that body. UNEP had taken into account the Declaration and Programme of Action on the Establishment of a New International Economic Order

and the Charter of Economic Rights and Duties of States and would have to adjust its work increasingly to the real needs of the developing countries and the harmonious exploitation of their natural resources which would guarantee the quality of life for future generations.

73. In conclusion, he hoped that the Charter of Economic Rights and Duties of States would serve as a guide in relations between States, between States and international organizations and between organizations, regarding the basic principles to be followed for the achievement of the new order towards which the international community was aspiring.

74. Mrs. PSIMENOS de METZ NOBLAT (International Chamber of Commerce), speaking at the invitation of the President, said that, on behalf of the Secretary-General of ICC, she wished to stress the importance the ICC attached to bilateral and multilateral relations with the United Nations system.

75. Over the past twelve months, many major countries has experienced a severe recession, owing partly to the sharp increase in the price of oil, but there were some signs, particularly in the United States of America, which gave reason to hope for an upturn of the world economy in 1976. There was, however, no room for complacency.

76. Firstly, there was a risk that over-reaction from the present crisis could lead to another bout of inflation and a sequence of sharp rises and falls in economic activity. Such economic uncertainty could halt the steady rise in living standards which all peoples had come to expect and thereby result in political and social instability. With the increasing interdependence of nations, a principle which guided the ICC in all its actions, and the interplay of cyclical practice, government policies were inadequate without the collaboration of the business community.

77. Secondly, any further increase in government expenditure parallel to a government's growing participation in the national economy might interfere with the efficient allocation of resources in that country.

78. Thirdly, although the rate of inflation was slowing down, it was still too high in most countries. The strength of a government's policy lay in its ability to maintain price stability with satisfactory levels of growth and unemployment. Harmonious relations on the labour market could only be achieved through a policy of consultation and elaboration by governments with business and trade unions. Inflation also called for urgent action in international monetary relations, since unstable exchange rates and consequent fluctuations in the price of imports made it difficult to obtain stable domestic prices.

79. Fourthly, government financial policies should encourage investment. The lower the level of profit, the lower the funds available for investment, which in a market economy could only constitute a brake on growth.

80. Fifthly, a climate of increasing confidence between government and business must be established. That would require the considered action of all those who could

influence economic events, and primarily of public authorities, intergovernmental agencies and the business community.

81. One major area where that co-operative approach was urgently required was that of global resources. There must be dialogue between governments of oil-consuming and oil-producing countries and contacts between their business circles, which the ICC was seeking to foster. Flexible procedures should be devised to promote maximum use of the resources of private enterprises and to ensure their combination with those of the public sector if energy programmes held to be in the national interest but not complying with the profitability criterion were to be implemented with maximum speed and efficiency at minimum cost.

82. It was an over-simplification to link discussions on agricultural commodities and industrial raw materials with the problems of developing countries. In practice, the interests of developing and developed countries often coincided and would do so increasingly as industrialization became widespread. Developed and developing countries should therefore jointly tackle problems arising in the production of and trade in primary commodities, bearing in mind that world prosperity would not be increased by limiting production and that an integrated approach to commodity problems might soon lose touch with reality. The ICC would submit practical proposals for the solution of those problems to the seventh special session of the General Assembly.

83. International co-operation was also needed in foreign investment in both industrial and agricultural production, in particular in the developing countries. International economic activity was the result of efforts by partners representing different interests. Although conflicts of interest might arise between foreign investors and host countries, the ICC thought that the most equitable solution would be based on the principles set forth in the guidelines for international investment set up by the ICC and adopted unanimously by business in the developed and developing countries members of ICC. Nationalization and expropriation measures could only discourage the development of world resources and thus retard the industrialization process.

84. Joint endeavour by Governments, intergovernmental authorities and world business to further the expansion and liberalization of international trade was a major contributing factor in the growth of both rich and poor countries. If the decline in world trade was to be halted, the current GATT negotiations must succeed in reducing existing tariff and non-tariff barriers to trade in manufactures and agricultural products. That success depended on the introduction of greater stability in exchange rate movements by a system of controlled fluctuations, the return to balance-of-payments equilibrium by the industrialized countries and the extension of trade concessions on a non-reciprocal basis to the less developed countries.

85. In conclusion, the ICC's views on the future were, firstly, that any concept of *laissez faire* must be rejected; secondly, that the problems confronting the modern world

had deep social and political causes and were not susceptible to purely economic solutions; and, thirdly, that international co-operation based on mutual respect and confidence was needed for the benefit of economic and social development in every part of the world. As the business community was shouldering increasing responsibilities in such development, the ICC hoped that Governments and intergovernmental organizations would show increasing understanding of the contribution which private enterprise could make to such development.

86. Mr. AGUIRIANO (International Confederation of Free Trade Unions), speaking at the invitation of the President, said that the current world problems of recession, inflation, shortage of food, unemployment, rapid population increase, deterioration of the environment and depletion of natural resources always affected poor countries more than the richer ones. Those problems could only be resolved by fundamental and far-reaching changes in the structure of the world economy. The international free labour movement had therefore welcomed the adoption by the United Nations of the Programme of Action on the Establishment of a New International Economic Order.

87. Although the international economic system based on trade and monetary liberalization established after the Second World War had contributed to raising world living standards, its capitalistic and *laissez-faire* nature had led to uneven distribution of the increase in the world's wealth, had helped to create the conditions in which multinational companies could develop and thrive and had resulted in the creation of a highly unified world economy without effective means of managing it.

88. ICFTU would revert to the gap between the rich and the poor countries and the control of multinational companies when it spoke on the relevant agenda items. With regard to the need for more effective management of the world economy, which with the present combination of depression and inflation was obvious to all, the industrialized countries had allowed their economies to expand during the 1972-1973 boom which had prepared the way for the present slump without considering the over-all effects, thus placing unprecedented pressures on world resources. In the absence of any coherent world raw materials policy, shortages had developed and prices had soared as a result of action by speculators.

89. When oil prices had increased at the end of 1973, there had been definite signs that the boom in the industrialized countries had passed its peak. At that time, ICFTU had argued strongly that oil price increases would have a deflationary effect on demand and that counter-acting reflationary measures were required. It had also advocated that oil-importing countries should meet their oil balance-of-payments deficits through internationally arranged borrowing or recycling, special provisions being made for developing countries, and that the inflationary effects of the oil price increases should be neutralized by bringing down other prices through subsidies or indirect tax reductions. Unfortunately, many governments had acted without fully considering the effects of their actions on other countries and ultimately on themselves. Inaction or

the wrong action by major countries had made the situation worse for everyone. The 10 per cent decline in the growth of world trade between 1973 and 1974 had been without precedent in the post-war period. In addition to extensive unemployment and short-time working in the industrialized countries, a return of many migrant workers to their home countries had increased the vast number of unemployed in the developing countries. There could be no possible justification for an economic system which led to the existence, according to ILO sources, of 300 million unemployed throughout the world. That was one of the most powerful arguments for the introduction of a new international economic order.

90. When trade unionists urged governments to take action to reduce unemployment and to reflate their economies, they were often told that no action was required because recovery was imminent or that reflationary action would make inflationary problems worse. World trade, however, would only begin to expand again when the major economies in the world began to expand. The situation of millions of people would continue to deteriorate until the governments in the most favourable situation took the necessary reflationary measures to ensure economic recovery and even more fundamental action to introduce a new international economic order. Purely financial incentives for investment would have no effect while capacity utilizations remained low. Emphasis must therefore be placed initially on improving public services and on making structural improvements to reduce the bottlenecks which had brought growth to a halt in many economies in 1973-1974 and which threatened any further upswings. The prime objective must be to reduce unemployment rather than merely increase output. ICFTU was appalled that some governments were willing to contemplate high levels of unemployment for several years. It recognized that some governments feared that reflationary measures would intensify inflation. Nevertheless, although the workers bore the brunt of inflation, ICFTU rejected the view that unemployment was necessary to combat it.

91. World prices rose for many different reasons and governments must develop strategies to deal with all of them. Although raw material and some food prices had fallen considerably, another price explosion was possible.

To deal with such scarcity inflation, ICFTU thought that it would be in the long-term interests of all countries to establish commodity agreements.

92. Countries must also pursue more sensible demand management policies. Instead of trying to use traditional fiscal and monetary policies to stabilize their economies, governments should create a level of demand broadly consistent with full employment of people and capital. In fact, the central role of demand management policies controlling the economy should give way to supply management policies, such as active labour market policies, measures to improve productivity, especially in low-productivity sectors, competition and consumer policies, which should be used on a continuous basis to create more flexibility and to reduce bottlenecks generating inflation. *Laissez-faire* economies recognized the tendency of businessmen to raise prices in order to obtain maximum profit and to finance future expansion, but saw free competition as the safeguard. Free competition, however, was now rare. New safeguards for the consumer must therefore be introduced. ICFTU considered that in addition to strengthening monopoly and restrictive practices legislation, direct price controls were necessary and that international co-ordination of such controls was essential in an age of multinational companies.

93. The ICFTU strongly denied that wage costs were the only factor in inflation. Governments should deal with all the causes of inflation in order to create a situation in which workers were not forced to rely on high wage increases to protect themselves against inflation and falling living standards.

94. The difficult task of creating the necessary trust between trade unions, employment and government in order to cope with economic problems such as inflation was made more difficult when unemployment was deliberately allowed to rise, but in a democracy there was no viable alternative to establishing that trust. Enforced wage restraint policies not only failed to tackle the real cause of inflation and were likely to collapse after a short time but they made such trust impossible to achieve.

The meeting rose at 6 p.m.

1966th meeting

Friday, 11 July 1975, at 10.45 a.m.

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

E/SR.1966

AGENDA ITEM 4

Regional co-operation (E/5608/Rev.1, E/5608/Add.1, E/5619, E/5651, E/5656, E/5657 and Corr.1 and 2, E/5658, E/5700; E/L.1665)

1. The PRESIDENT invited the Council to take up agenda item 4, under which it would consider the work of

the regional commissions, together with the question of United Nations efforts for export promotion and development.

2. Mr. STANOVNIK (Executive Secretary, Economic Commission for Europe), introducing the Commission's annual report to the Council (E/5651), said that he would place particular emphasis on the implications for the rest of

the world of the economic development of the countries of the EEC region and would also deal with the contribution which regional co-operation within ECE could make to the establishment of a new international economic order. The discussions which the Commission had had on that question were summarized in paragraphs 44, 170 and 173 to 178 of the report. The Chairman of the Commission had summed up the resulting consensus by stating that just as world events had serious repercussions on the regional situation, increasing account would have to be taken of the consequences of regional action for the rest of the world in any efforts to solve regional problems. The interdependence of the regions, and the interconnexion of various problems, were the dominant feature of recent economic development in the ECE region and throughout the world.

3. He recalled the characteristics of the economic development of the ECE countries during the past five half-yearly periods. The growth rate of the western market-economy countries had fallen from 6 per cent in 1973 to nil in 1974 and had been negative in 1975. Movements in growth or depression especially were of course transmitted through international trade.

4. If the growth in volume of the international trade of ECE countries was examined, it would be noted that it had fallen from 13 per cent in 1973 to 4.5 per cent in 1974 and had given way to a decline in the first half of 1975. The place of exports and imports in that development had differed: in 1974 the former had increased by 7 per cent, while the latter had stood still. If the developing countries, including the petroleum producing countries, were considered, it would be seen that their exports for that year had remained static while their imports had increased by 22 per cent; that showed to what extent the capacities built up since 1973 had been utilized but also how the demand of those countries had still been able to stimulate and increase the exports of some industrialized countries in the first half of 1974.

5. To gain a full idea of the development of trade, however, price movements had to be considered. The growth in 1973 had been accompanied by accelerated inflation in the western industrialized countries of the ECE region, followed by accelerated price rises in international trade, particularly for primary products. From mid-1972 to mid-1974, export prices of primary products had risen by 130 per cent, as against only 28 per cent for those of manufactures. Then from mid-1974 to mid-1975, while prices of primary products, including oil, had stood still, or, in the case of products for industry, had fallen by 36 per cent, prices of manufactures had increased by 30 per cent.

6. Price movements in international trade had brought about profound changes in balance-of-payments and trade balances. The deficit in the trade balance of the industrialized countries of the ECE region, which in 1973 had been small, had changed in 1974 to a deficit of \$30,000 million. The balance-of-payments deficit of the non-oil-producing developing countries had increased from \$12,500 million in 1973 to \$29,000 million in 1974 and, according to GATT, would probably reach \$37,000 million to \$42,000 million in 1975.

7. Those figures should be analysed in relation to production capacity. The western industrialized countries of the ECE region had a population of 700 million and an annual GNP of \$2 million/million. The non-petroleum-producing developing countries had a population of 1,700 million and a GNP of only \$300,000 million. The same balance-of-payments deficit of \$30,000 million therefore represented 1.5 per cent of the former's and 10 per cent of the latter's GNP. If, therefore, the balance-of-payments deficit had been the most serious economic problem confronting the countries of the ECE region since the Second World War, it could be seen how much more serious it was for the countries with a much lower production capacity. That resumé of events and trends showed not only the reality of interdependence but also that, while prosperity only came with time, recession and depression spread very rapidly.

8. There was only remedy for those problems – namely, growth. That would make it possible to absorb unemployment, which had reached 15 million in the western countries of the ECE region. It would also make it possible to deal with inflation, which had already been brought down from 13 to 10 per cent, but at the cost of negative growth. It was only by producing that it would be possible to absorb excess liquidity of the economy. Only growth would make it possible to restore balance-of-payments equilibrium. The use of medium or long-term loans to satisfy short-term consumption merely staved off the problem and failed to solve it. Neither could it be solved by reduction of imports, which slowed down growth and increased unemployment. The solution lay in increased production and productivity. Increased production meant increased exports, and that was where interdependence came in, since the growth of the developing countries conditioned the exports of the developed countries. Regional and world problems could only be solved by world growth. The lesson of the development of prosperity and depression was that growth had to be shared. It was only by restructuring growth that it could be made universal and could be shared.

9. Interdependence and interrelationships could also be seen in the population field. Population growth in the ECE region had declined to only 1 per cent and would be nil in the year 2000. The population of the region, which had represented 30 per cent of world population in 1950, was now only 26 per cent and would be no more than 19 per cent in the year 2000. The region had, moreover, few natural resources. Its future growth could not therefore be a repetition of what it had been: it would be necessary to reconsider the structure of the ECE countries' growth so that it could be diffused and decentralized and so exert a social and cultural effect at the periphery. A slowing down of the population growth rate could then be expected in accordance with demographic laws; the diffusion and sharing of growth could consequently help to solve the problem of population growth.

10. It was in that economic climate that the economic co-operation activities of ECE were being developed. The political situation of the region happily favoured economic co-operation and would do so even more after the conclusion of the Conference on Security and Co-operation

in Europe. If thought was given to the effects such co-operation could have on the economic interests of other regions, the effects of trade diversion and the generator effects of trade had to be weighed.

11. In so far as the exports of the socialist countries of eastern Europe competed directly with the exports of developing countries, increased economic co-operation might entail trade diversion. Future intra-European trade, however, was not in the traditional trade pattern of the exchange of primary products or semi-manufactures for manufactured goods. The traditional specialization by branch should be replaced in the ECE region by specialization by product, which would make it possible to reap the full benefit of scientific and technical results at the international trade level. If the countries of the region specialized in trade in which their excellent technology gave them an advantage, there would be little danger of trade diversion at the expense of other countries. It was essential that ECE should apply its economic co-operation strategy in such a way that the promotion of internal co-operation would not harm the interests of third countries. With regard to the generator effects of trade, the strengthening of economic co-operation in the ECE region would undoubtedly bring about a more vigorous growth in both the East and West of the region and thus promote the growth of imports from the third world.

12. Turning to ECE's recent achievements, he gave an account of the most outstanding among them. With regard to trade, export promotion measures, and particularly the simplification of procedures, had achieved striking progress. In the field of technology, a successful seminar had been held on the organization and management of co-operative international research and a similar seminar on the management of the transfer of technology within industrial co-operation was to open shortly. Country delegations included a growing number of technicians and meetings were thus becoming increasingly theoretical and increasingly practical in character. Various meetings devoted to innovations in power technology had taken place (gasification and liquefaction of coal, use of steel in motor-vehicle construction, technical and economic aspects of the fertilizer industry) or were in course of preparation (use of coal of low calorific value).

13. With regard to the environment, the seminar on ecological aspects of economic development planning had made it possible to establish a dialogue between ecologists and economists. The main environmental problems were thus increasingly being reduced to the practical problems facing economists. During the past year, considerable interest had been shown in problems of thermal pollution by electric power stations and in techniques of waste-free production and recycling of waste. The role of transportation in the urban planning would be dealt with at a seminar to be held in Washington.

14. Long-term planning had also made remarkable progress. The ECE secretariat had published a study on measures which had been or might be taken to improve the conservation of energy and make its extraction, conversion, transport and use more effective.¹ The study showed that

energy could be utilized twice as effectively as at present in the ECE region. Even if such effectiveness were increased only by 50 per cent, member countries could save 70 years' consumption of coal and 10 years' consumption of oil and natural gas. Work had also been carried out on a system of long-term model economic projections, and sectoral projections had been formulated.

15. The exchange of economic and technical expertise among the most highly developed countries of the world of which ECE was the instrument (400 days of meetings, 35,000 pages of documentation) was a source of valuable technical assistance for the developing countries which should be at their full disposal if they so required.

16. He viewed the future with confidence and optimism. Economic co-operation would probably deepen rather than widen. ECE's activities were based on the non-convergence of the economic and social systems of its member countries. Nothing would change in that respect but more links would be forged. Industrial co-operation and specialization would assume far greater importance in ECE activities. The technical field offered great possibilities for joint research and the sharing of technological achievements. The infrastructure and transport also offered great opportunities; in particular, work was being carried out on a north-south road link project. With regard to the environment, surveillance and standardization would assume great importance in many sectors. Lastly, the political will of which the Conference on Security and Co-operation in Europe was an expression should facilitate exchanges between countries of different economic and social systems on the policies to be applied to the economy and to planning. Those exchanges would help Governments to see where possibilities for co-operation lay. Economic co-operation in the ECE region would have no meaning, however, unless it was so conducted that the growth structure of the region was directed towards its adaptation to the new role it should play in the world economy. Such internal adaptation to changing world circumstances should be ECE's contribution to co-operation and the new economic order.

17. Mr. MARAMIS (Executive Secretary, Economic and Social Commission for Asia and the Pacific), introducing the Commission's annual report to the Council (E/5656), said that the Council was meeting at a critical moment in the Second United Nations Development Decade. The development efforts of the countries in the ESCAP region were particularly vulnerable to such adverse effects of international developments as the world-wide food shortage, global inflation, the recession in the industrialized countries, the instability of the international monetary system, the energy crisis and the trend towards protectionism. All those things were clearly highlighted in the Economic and social survey of Asia and the Pacific, 1974 – summary (E/5699) which contained the mid-term review and appraisal of the International Development Strategy in the ESCAP region.

18. The developing countries of Asia and the Pacific had suffered greatly from inflation and, more recently, from the recession in the developed countries with which they were interdependent. Even if, in the short term, some of them

¹ ECE, document E/ECE/883 and Add.1.

had benefited by the rapid rise of raw material prices, a large number had suffered from the concomitant rise in import prices, as well as from the stagnation in the developed countries. At the same time, the breakdown of the international monetary system and the difficulties experienced by all countries in establishing a new economic and monetary order had affected the region both directly and through the reduced ability of the developed countries to assist them.

19. The world-wide food shortage and the sharp rise in prices of the main sources of energy had been interrelated but distinct aspects of the general economic situation in the region. The low-income countries, where food consumption was already at a minimal level for a large part of the population, had been the worst affected by the food shortage, which was reducing the availability of food aid, raising the prices of food imports and restricting domestic supplies. At the same time, the energy crisis had inhibited development programmes, contributed to inflation and increased the balance-of-payments problems of most of the countries of Asia and the Pacific, regardless of their economic situation.

20. The authors of the regional mid-term review and appraisal also drew attention to the urgent need of reorienting development strategies so as to secure self-reliance and the social objectives of economic growth. On several occasions, the Commission had already emphasized those fundamental elements of development planning and the fact that development efforts should be aimed primarily at giving effective assistance to the member countries in attaining those objectives.

21. The ultimate purpose of development was to improve the living conditions of all sections of the population by eliminating inequalities in the distribution of income and by preventing the spread of mass poverty. The renaming of the Commission and its annual survey clearly showed the importance which ESCAP attached to the unified approach to development. What was called for in the longer term were fundamental changes in strategies and, in particular, "planning for the masses" and thus a complete refashioning in all spheres for the benefit of the poorest classes, decentralization and the participation of the people. Among other things, it would be necessary in the coming years to mobilize human resources for development, and particularly women and young people.

22. The results achieved by the developing countries of Asia and the Pacific had been uneven. Some of those countries had succeeded in, or had come close to, achieving the Second Development Decade target, but they were still vitally dependent on their exports. Those with a slow rate of growth were the most heavily populated ones, which had nevertheless made some progress in social development, particularly in the fields of health and education, although that progress was still woefully inadequate in the light of rapidly increasing needs. As a general rule, the slow-down in growth noted in 1974 was likely to increase in 1975, and poverty, unemployment and under-employment would continue to be serious problems in several relatively populous countries of the region. On the other hand, the cessation of hostilities in Indo-China was an encouraging

fact and the Commission was prepared to help the countries of that region.

23. In the agricultural sector, the growth target of 4 per cent had been attained hardly anywhere, due both to the scarcity of imported agricultural inputs and to climatic instability. ESCAP had therefore accorded priority to the expeditious implementation of a pragmatic and multi-disciplinary programme: in the immediate future it would be necessary to secure adequate inputs for production, if possible from local sources, and to improve rural standards of living and settlement. It was also necessary to secure a greater participation of small farmers in decision-making, and ESCAP's 1975 survey would therefore be directed towards their problems: the development and transfer of farming technology, the marketing of inputs and outputs, the mobilization of financial resources, and land and institutional reforms. However, the problems of nutrition, which were affecting a large part of the rural population, had not been neglected: methods were being studied for improving the use and processing of organic manures and encouragement was being given to regional co-operation in the production, distribution and utilization of chemical fertilizers. Among other things, the Commission had started a major project for the production of bio-gas and had established the Asian Rice Trade Fund, which was a modest step forward towards the stabilization of food supplies in the region. It was also anxious to take urgent action to increase the production of coarse grains and pulses, which had hitherto been neglected; the newly established Committee on Agricultural Development was going to review in detail what had already been done, and what remained to be done on a national level for further follow-up in the field of agricultural development.

24. At the same time, efforts were being made to strengthen the rural sector by encouraging social welfare programmes and community organization, by improving the relevant services and by securing the active participation of women and young people in development. It was clear that for that purpose it was necessary to adopt a multi-disciplinary approach and to ensure co-operation between such disciplines as education, health, industry, agriculture, etc.

25. Most developing countries in Asia and the Pacific had pursued a policy of industrialization, but in some cases industrial production had levelled off because of the lack of agricultural raw materials and energy resources, the increasing cost of import requirements, infrastructural inadequacies and external obstacles to the export of manufactured goods. Those countries among them which were exporters had increased their production, but that increase was slowed down by the rise in import prices, particularly fuel prices, by recessionary trends in the developed countries, while at the same time the boom in commodity prices was phasing out. For presentation to the Second General Conference of UNIDO (Lima, March 1975), the Commission had, at its thirty-first session, adopted, with reservations from certain countries, the Declaration of the Ministers of Industry of the developing countries of the Asia and Pacific region, which reflected the desire of those countries to increase their share of industrial output from 2.7 per cent to about 10 per cent by the end of the

century. The main components of the strategy recommended in that Declaration had been reflected in the conclusions of the Lima Conference (see E/5696), and the ESCAP secretariat was taking action to bring its programme of work into line in pursuance of the directives of the Commission.

26. In order to alleviate the shortage of raw materials and to solve the problems of energy, ESCAP was endeavouring to evolve common strategies and actions for the development, regeneration and conservation of natural resources and to remedy the present under-utilization of industrial capacities. It was also seeing to it that the multinational or transnational corporations would continue to play a positive role in the national efforts of the developing countries. It was necessary for it to give further consideration to means for re-investing the financial resources of certain countries, particularly the oil-producing countries, in the developing countries, and for that purpose to formulate specific programmes and projects.

27. The development of agro-industries continued to receive attention, and the Commission was encouraging possibilities for regional co-operation in that field. A meeting of top planners and entrepreneurs had recently been convened to consider further measures to implement the Asian Industrial Survey.

28. For some time, the Commission had also been interested in the transfer of the technology needed to promote the self-reliance of the developing countries. The preparation of policies and programmes along those lines was well under way, and in its resolution 159 (XXXI), the Commission had emphasized the need to establish a centre for technology transfer in the region. A group of experts from the region had been convened to make a feasibility study of that proposal and to draft a report which would be considered by the Commission at its next session. Meanwhile, considerable progress had been made towards the establishment of the Asian Centre for Agricultural Machinery in the light of the recommendations of a preparatory meeting.

29. The question of energy and raw materials was of major concern to the developing countries. The latter had suffered to a greater or lesser degree from the energy crisis, according to the extent of their dependence on oil and their ability to adjust their economies to price fluctuations. An integrated programme of work, therefore, provided for a whole range of activities, both short-term and long-term, designed to assist the developing countries to solve those problems. In the coming years, it would be necessary to identify and develop new sources of energy, while exploiting and producing various indigenous kinds of energy. For the immediate future, a project for the development of certain non-conventional energy sources, including, among others, work on bio-gas technology and utilization, was going to be implemented on a priority basis. Another project, which was intended to promote regional and sub-regional co-operation in the development of raw materials, had also been formulated.

30. The results obtained by several developing countries of Asia and the Pacific in foreign trade, particularly in

exports of manufactures, were more promising. However, exports of agricultural products, still the most important item, were tending to decline. The Commission welcomed the recent establishment of the Asian Clearing Union and the progress made by the Trade Negotiations Group. Before the fourth session of UNCTAD, it would be necessary to intensify the efforts made to ensure greater participation by countries of the region in multinational trade negotiations under GATT.

31. All those things presupposed an effective population strategy, and the Commission was going to give careful consideration to the report of the Regional Post-World Population Conference Consultation. The programme planned for 1975-1977 aimed at incorporating the formulation and implementation of population policies and programmes in the development process. In addition, in the coming years, attention would be given to raising the level of employment by promoting the labour-intensive sectors, by increasing the consumption of locally produced goods and by reorienting the educational system.

32. The mid-term review and appraisal also dealt with problems of land-locked and island countries of the region and was accompanied by a programme of work for those countries. A priority project for trade promotion had been adopted for them.

33. The progress made in transport and communications had been uneven, particularly in the field of shipping. The Commission had decided in principle to establish a single forum to deal with ocean shipping and ports. While awaiting its final decision, intensified efforts were being made to implement a comprehensive programme of work in the field, on the basis of the recommendations of an expert group set up at the end of 1974, while at the same time ensuring the supply of relevant statistical data.

34. During the course of the year, an over-all review had been undertaken of the regional training institutions supported by UNDP, namely the Asian Institute for Economic Development and Planning, the Asian Statistical Institute, the Asian Centre for Development Administration and the new Asian Centre for Training and Research in Social Welfare and Development. In its resolution 158 (XXXI), the Commission had endorsed several recommendations and proposals aimed at securing a better integration of the activities of those institutions and making a more effective use of their resources; separately it had decided that the Asian Institute for Economic Planning and Development should henceforth be called the Asian Development Institute.

35. In order to encourage social development, including human settlements, ESCAP had devoted particular attention, in connexion with the International Women's Year, to the integration of women in the development process and had adopted a regional plan of action in that regard (resolution 157 (XXI)). It had also shown much interest in the growing relevance of housing to industry and human environment, and in June 1975 in collaboration with the Habitat secretariat and ECWA, had organized a preparatory regional conference on human settlements in Teheran, in preparation for the United Nations Conference-Exposition on Human Settlements in 1976.

36. Efforts towards interregional co-operation remained marginal, in spite of the great desirability of exchanging information, experience and expertise. Thought should be given to practical measures for intensifying that co-operation, for example, by acting in co-operation with the UNDP measures aimed at promoting technical co-operation among the developing countries in pursuance of General Assembly resolution 3251 (XXIX).

37. ESCAP was also greatly interested in inter-agency co-operation and was glad that various agencies and bodies were co-operating in its activities. It hoped that over-all inter-agency co-ordination and co-operation would increase in the years to come, and was particularly grateful to UNDP for its continuing support.

38. In 1975, the Commission had adopted a programme of work aimed at meeting its priority tasks and major problems in the region, and it had finalized a detailed exercise on the rationalization of its structures. For example, in the New Delhi Declaration (resolution 154 (XXXI)), it had defined its contribution to the establishment of the new international economic order and to the forthcoming seventh special session of the General Assembly.

39. ESCAP expected to have available the necessary resources for implementing its programmes, which it would have to adjust from time to time in the light of changing circumstances. For that reason, its secretariat was setting up a progress-monitoring and programme-control system as a means of achieving the objectives laid down in Economic and Social Council resolutions 1896 (LVII) and 1911 (LVII).

40. However, the success of all those efforts would largely depend on the financial and technical support of the countries and institutions which were in a position to furnish such support. The regional commissions would also have to be entrusted with the work not only of conceiving and formulating the necessary policies but also of formulating and implementing the projects. In that connexion, he recalled that the Economic and Social Council, in its resolution 1896 (LVII) had requested the Secretary-General in consultation with the Administrator of UNDP, to make the necessary arrangements allowing for the delegation of the appropriate functions of an executing agency to the regional commission for regional, sub-regional and inter-regional projects financed by the Programme. At their last meeting, the Executive Secretaries of the regional commissions had expressed the opinion that those functions should be delegated to the commission as soon as possible (see E/5700, para. 39), so that the latter could assist more effectively in the development effort, especially at the present critical juncture of the world economy.

41. At its thirty-first session in New Delhi, the Commission had once again manifested the collective wisdom and determination of the peoples of Asia and the Pacific while confronting their future at a particularly difficult time. He therefore asked the Council to consider and approve the report of ESCAP on the work of its thirty-first session.

42. Mr. IGLESIAS (Executive Secretary, Economic Commission for Latin America), introducing the Commission's annual report to the Council (E/5608/Rev.1 and Add.1), recalled that at its sixteenth session in May 1975, ECLA had given its full attention to certain critical problems with which the Economic and Social Council in particular was concerned. Member Governments had discussed thoroughly the present international situation and that of Latin America within the framework of the regional appraisal of the International Development Strategy. The Chaguaramas Appraisal (resolution 347 (XVI)) adopted by the Commission on that occasion should greatly assist the work of the Economic and Social Council. ECLA had considered the establishment of a regional "safety net" to deal with balance-of-payments problems and had decided to set up, in addition to the similar committee already established for Central America, a Caribbean Development and Co-operation Committee to encourage co-operating among the island countries of that region. The Commission had moreover indicated new fields of activity to which the ECLA secretariat should give its attention: transnational corporations, various aspects of technology, and population problems. Many of the activities of the ECLA secretariat and of member Governments had been inspired by resolutions of the Economic and Social Council and by matters causing concern at world level.

43. During the period under review, ECLA had organized a number of meetings, including the Second Latin American Meeting on Population in Mexico, the Meeting on Science, Technology and Development in Latin America, and the Latin American Conference on Industrialization.

44. Referring to the ideas with which ECLA had been mainly concerned during recent months, and which were the basis for views expressed by Governments in the Economic and Social Council, he said that one of the region's difficulties arose from the profound changes of all kinds to which it had been subjected. As the members of ECLA had pointed out at the sixteenth session, the gross product of Latin America amounted to \$220 million, which was the equivalent of the gross product of Europe in 1950, and, further, that it had increased fourfold in constant prices since that year. If the present growth rate was maintained, in 1985 Latin America would have the same gross product as Europe in 1960. The rate of investment was also very high in Latin America and the countries of the region had made an unprecedented effort to export new products. Latin America had an enormous potential which it was discovering more and more every day, and it had carried out considerable institutional reforms. Moreover, a new society was being born there, much more aware of its problems but also much more dependent on international relations and the behaviour of the world economy.

45. The figures he had quoted concealed great differences as between countries: in some the growth rate had been 10 to 12 per cent, in others it was nil. Moreover, Governments were the first to admit that social problems (distribution of income, mass poverty, growth which benefited only certain sections of the population) were not yet solved. He had no doubt, however, that Latin America, which was so rich in natural and human resources and in experience, would overcome them.

46. Another difficulty arose from the fact that growth depended more than even on the international situation. It had been found in the more dynamic countries of the region that in order to increase the rate of growth by 1 per cent it was necessary to increase imports by from 1.2 to 1.9 per cent, and that meant absorbing a certain volume of capital goods and raw materials. Latin America had, during recent years, enjoyed a favourable situation in respect of prices for its traditional and new exports. Nevertheless, prospects were not encouraging with regard to the balance-of-payments, the over-all deficit of which had risen in 1973 to \$600 million. If the present trends continued in 1975 the over-all deficit in the trade balance could reach \$12,000 to \$13,000 million. In fact the international situation caused great instability in the economic situation of Latin America, which was faced with the choice either of reducing its rate of growth, which would have social and political repercussions in all the countries of the region, or of incurring a large debt which would be a heavy burden on the international budgetary balance. What was Latin America to do? The countries of that region were well aware that they had entered on a new phase in international economic relations, and their political ideas had been clarified. At the international level Latin America, which had a sound tradition of co-operation, must participate in the establishment of the new international economic order. At the regional level, if the international crisis had any compensatory feature it was that it obliged States to recognize their weaknesses, to reflect upon them and to think out new forms of regional co-operation that would enable them to turn to good account the sum total of human and natural resources, the industrial experience gained and even the financial resources possessed by certain countries which they could use to the benefit of the region.

47. The countries members of ECLA must pursue an open-minded economic policy. Some sectors of the economy were progressing much less quickly than others (production of capital goods, semi-manufactures, chemical products) and it would be an illogical and short-sighted policy to choose isolation.

48. At the national level there could be no generalization, since each country had its own characteristics, but it was clear that States had entered upon a period when they were discovering a domestic market and were realizing the need to make the population participate in consumption and production. In his view the weakness of Latin America was still agriculture, which was very backward compared with other sectors of the economy. Agricultural development was a challenge to the Latin American countries which they must take up for the sake of the economy as well as social justice.

49. All those problems could not, of course, be solved overnight, but they impeded growth. The Latin American countries knew that they would have to make internal adjustments and perhaps decrease their rate of growth; since it was no longer possible to change direction abruptly, countries had realized the need to reassert the fact that Latin America, like the rest of the world, was an active, not a passive factor in the international situation, that the countries of the region were not merely recipients of conventional aid but rather a stimulating factor in the

international situation, for instance from the point of view of purchasing power. Moreover, the problems of Latin America, like those of the rest of the developing world, required solutions peculiar to them alone.

50. ECLA and its members knew that all countries were interdependent and that all problems were world-wide, but that did not mean only economic interdependence; interdependence was political also and would be difficult to maintain in a climate of peace and security unless the developing world succeeded in solving its problems in a universal context. The seventh special session of the General Assembly would play a great part in that respect, and would help States to equip themselves with the political will necessary for progress. Nor would it be possible to establish a new international economic order unless international relationship were changed. How would the advantages of the treatment for primary commodities be shared? How could the developing world be enabled to make its voice heard in international bodies, for instance? In that great task the regional commissions had an enormous part to play.

51. Mr. ADEDEJI (Executive Secretary, Economic Commission for Africa), introducing the Commission's annual report to the Council (E/5657 and Corr.1 and 2), recalled that the third meeting of the Conference of Ministers of the countries members of ECA (twelfth session of the Commission), held at Nairobi from 24 to 28 February 1975, had been devoted to a review of the measures which could ensure the implementation of the Declaration and Programme of Action on the Establishment of a New International Economic Order;² on that occasion, the medium-term plan of the activities of the Commission for the period 1976-1979 had been adopted. On that subject, the Council had before it a summary of the Survey of economic conditions in Africa, 1974 (E/5682) in supplement to the annual report of the Commission.

52. The economic and social situation in Africa was characterized by a general decline in economic activities, large increases in prices, acute inflation, serious balance-of-payments deficits, reduction in the flow of external finance, stagnation of agricultural production, shortage of commodities' supplies, mounting unemployment and social tensions. According to preliminary estimates for the period 1970-1974, the average over-all growth rate of the African countries had been 5 per cent, a little lower than the 6 per cent envisaged in the International Development Strategy. In only 27 per cent of the States members of ECA had the growth been higher than 6 per cent; in 22 per cent it had been between 4 and 6 per cent and in 51 per cent (22 countries) it had been less than 4 per cent. Four of those latter countries had in fact registered a negative growth. That situation was mainly due to the slow growth of agricultural output (scarcely 0.5 per cent per year at constant factor cost between 1970 and 1974, compared to 4 per cent envisaged in the Strategy) which had even declined by 1.2 per cent *per capita* yearly.

² General Assembly resolutions 3201 (S-VI) and 3202 (S-VI), of 1 May 1974.

53. During the past year, the Commission had concentrated its activities on the promotion of multinational co-operation and inter-country trade in agricultural products, as a means of increasing farm production and income, and on assessing possible relationships between coastal and land-locked countries and between small and large ones. It had also continued its activities relating to the organization of agricultural services and livestock development.

54. As a result of the drought in the Sahel, ECA had revised its livestock development programme in West Africa to give priority to the eradication of trypanosomiasis and tsetse fly in order to complement the action undertaken in the same field by the Permanent Inter-State Committee on Drought Control in the Sahel. It had also completed a study of the possibilities of an agreement between meat and meat product producing and consuming countries and had participated in the establishment of the International Livestock Centre for Africa.

55. In the food sector, the African countries had decided to set up, under the aegis of OAU, an African Ministerial Committee on Food which would carry out at the regional level the functions performed by the World Food Council at the global level. Through its preparation for the United Nations Conference on Desertification and through various activities in the fields of agriculture, water, transport and social development in West and East Africa, ECA was participating in national and international endeavours to deal with the problem of drought. The ECA/FAO Advisory Group on Forest Industries had been strengthened and the ECA/FAO Agriculture and Food Industries Advisory Group had been established with the financial support of UNDP.

56. In the social sector, African countries had not yet achieved the minimum target set out in their national development plans and in the International Development Strategy. In 1974, the population of Africa was 400 million and it was expected to double by the end of the century. As it was expected that the birth rate would fall from 47 to 38 per thousand and the death rate from 21 to 13 per thousand, unless over-all output and employment opportunities were radically increased African countries would face more and more difficulties in providing an indispensable minimum level of education and health services.

57. Between 1970 and 1972, only half the persons entering the labour market had found gainful employment, the rest being unemployed or under-employed. As the rate of increase of school enrolment was 10.1 per cent for primary education, 9.5 per cent for secondary education and 15 per cent for post-secondary education, school leavers in increasing numbers were joining the ranks of the unemployed in urban areas along with the migrant unskilled labour and under-employed from the rural areas. In spite of the limited resources, progress had been made in the health field. In 1972, there had been one doctor per 17,000 persons and one hospital bed per 710 persons, as opposed to one doctor per 20,000 persons and one bed per 720 persons in 1968.

58. In the social sector, ECA had promoted various rural development projects, including resettlement schemes, and

had organized short itinerant training courses: for International Women's Year, it had carried out studies on pre-vocational and vocational training for women and girls and had assisted the United Nations Centre for Social and Humanitarian Affairs in convening a Regional Seminar for Africa on the Integration of Women in Development, with special reference to population factors. Within ECA's own secretariat, a Pan-African Training and Research Centre for women had been established.

59. In June 1974, the Commission had organized a regional meeting on human settlements in preparation for the United Nations Conference-Exposition on Human Settlements to be held at Vancouver in 1976. At the request of member States, it had, *inter alia*, planned the transfer of the capital of the United Republic of Tanzania to Dodoma, examined the possibilities of establishing a low-cost housing scheme at Juba in southern Sudan, considered the establishment of a housing finance company in Sierra Leone, etc.

60. In accordance with the decisions adopted by the Second Conference of African Ministers of Industry in December 1973, the Commission had studied the relative price trend of commodities and manufactured products. It had organized in September 1974 the first meeting of the Follow-up Committee on Industrialization in Africa. Contacts with potential investors had been maintained and follow-up activities on certain industrial projects had been continued. In accordance with the Lima Declaration and Plan of Action on Industrial Development and Co-operation (see E/5696, chap. IV), the Conference of African Ministers of Industry and its Follow-up Committee on Industrialization would continue to foster the harmonization of the industrial development programme, to draw up programmes for new exports and multinational industries and devise the measures required for the redeployment of production facilities, the mobilization and allocation of the financial and technical resources needed for industrial development in Africa.

61. In the field of trade, the ECA secretariat had participated in the establishment of the West African Economic Community and the organization of the first meeting of the Association of African Trade Promotion Organizations at Rabat in March 1975. It had continued its analysis of the trade of African countries with the developed market-economy countries in preparation for the multilateral and international trade negotiations. It had assisted the African countries in their negotiations with EEC and would provide them with the assistance needed for the implementation of the ACP-EEC Convention of Lomé.³ In addition, in preparation for the seventh special session of the General Assembly, the secretariat had started work on prices of commodities of export interest to African countries.

62. Although one quarter of the quantified resources of African countries was derived from trade, the place of Africa in world trade was yet small: during the period 1970-1973, it had accounted for only 4.2 per cent of world

³ Convention between the European Economic Community and the African, Caribbean and Pacific States, signed at Lomé on 28 February 1975.

exports (moreover, more than half those exports came from the six African petroleum-exporting countries). It felt the repercussions of all the events taking place in the developed market-economy countries which, between 1970 and 1972, had provided 73 per cent of the manufactured products it imported and received 80 per cent of its exports.

63. The most serious problem facing the African countries was the erratic movement of the prices of their exports and the steadily increasing prices of their imports. The prices of African imports had risen by 4 per cent in 1971, 8.7 per cent in 1972, 23 per cent in 1973 and 38.8 per cent in 1974. The prices of its exports, with the exception of petroleum, which had been low in 1971 and 1972, had risen sharply in 1973 and 1974. Thus, the terms of trade had drastically deteriorated, but the deterioration had not been uniform for all countries. For the oil-exporting countries, there had been a steady improvement between 1971 and 1974. For the rest, the terms of trade had been below 1970 levels during the period 1971-1972 and above those levels during the period 1973-1974. That improvement represented a net transfer of resources of about \$1,890 million (or 28 per cent of the value of total exports in 1972), while the net aid flow from the DAC member countries and multilateral agencies had risen in 1972 to \$1,410 million. For Africa as a whole, including oil-exporting countries, the improvement in the terms of trade was equivalent to a net resources transfer of about \$3,620 million between 1972 and 1973, compared to a net development assistance flow of \$2,200 million in 1972. The reversal in the trend since mid-1974 was estimated to have cost the non-oil-exporting countries a loss of revenue of about \$3,000 million.

64. For the African countries, which were impatiently awaiting the seventh special session of the General Assembly, the new international economic order was of direct relevance on two grounds. First, the traditional pattern of the international division of labour must be altered so that Africa could improve its position in world trade through the establishment of equitable relationship with the industrialized countries. An equitable link between the prices of traditional African exports and the prices of manufactured imports from industrialized countries was certainly required, together with an increase of African exports to the industrialized countries and a restructuring to include a higher proportion of processed and manufactured products. Regional integration should also be speeded up.

65. A second essential for Africa was a readjustment in the institutions, principles and practices of the international financial system. It was clear that external institutional financing would continue to be a major prop to the African countries' capacity to import and that new arrangements would have to be made to increase the flow of capital to recipient countries, on conditions which would enable them to reduce their trade gap without involving them in excessive indebtedness. In that respect, progress should be made on numerous proposals, such as the suggested link between SDR allocations and the flow of additional financial assistance to developing countries. Moreover, it must be borne in mind that the new international economic order needed to be completed by a new internal economic order.

66. In Commission resolution 256 (XII), the Conference of Ministers had requested the Executive Secretary to take immediate steps to institute action-oriented programmes for the exploration and development of natural resources, the establishment and further development of African raw material producers' associations, the setting up of centres for promotion and co-operation in industry, science and technology, transport and communications, the control of drought, the channelling and mobilization of existing available finance for speeding up the economic and social development of African countries, the strengthening of economic integration and the promotion of economic and technical co-operation among developing countries.

67. In preparation for the seventh special session of the General Assembly, the ECA secretariat had undertaken studies on the production, pricing and marketing of four commodities, namely, palm oil products, phosphates, potash and iron ore, with a view to discovering how countries could reap greater benefits from their production. It had also prepared background documentation for the African countries which would participate in the session.

68. In order to assist African countries to exercise fully their sovereignty over their natural resources, the ECA secretariat had taken practical steps at the intergovernmental level to set up organs concerned with prospecting for and developing natural resources and the training of the necessary manpower. The agreement establishing the Regional Centre for Services in Surveying and Mapping had entered into force in March 1975, while the one for establishing the East African Mineral Resources Development Centre was open for signature. In May 1975, the ECA secretariat had organized the first meeting of the Technical Committee for the Planning of the Development of Lake Tanganyika Basin.

69. During the period under review, close attention had been given to the development of non-conventional sources of energy and preparations had been made for a meeting of the working group on geothermal and solar energy. An inter-agency mission had visited the Sahelian countries in May 1975. The ECA secretariat had completed the first phase of the project relating to a general study of the natural and human resources of the Liptako-Gourma area and had embarked on the study of infrastructural projects which would connect that land-locked area with the other regions of West Africa. In July 1974, the ECA secretariat had organized the second meeting of the Intergovernmental Committee of Experts for Science and Technology Development in Africa and had convened a meeting of donor agencies interested in the African Regional Plan for the Application of Science and Technology to Development.

70. In the field of transport and communications, the Commission had taken preliminary measures for the establishment of a port management association for Eastern Africa. A UNDP/ECA/UNCTAD/IMCO mission on maritime training requirements for the region had been organized and a shipping advisory services unit would be set up in the secretariat. Study of air freight and the establishment of an air freight brokerage system had continued. The second General Assembly of the Union of

African Railways had adopted the organizational structure of the Union's secretariat. The two sub-committees on the Trans-West African Highway network dealing with the Dakar-Ndjamena and Nouakchott-Lagos Highways had been entrusted with co-ordinating the planning, construction and improvement of the highways. As regards the Trans-Saharan Highway project, a start had been made on studies financed by UNDP and construction work, under the direction of the Trans-Saharan Road Liaison Committee, while the ECA secretariat had prepared a five-year programme of studies and construction work for the Lagos-Mombasa Trans-African Highway.

71. On the completion of the pre-investment study concerning the Pan-African Telecommunications Network, its Co-ordinating Committee had mobilized about 80 per cent of the necessary capital, which had been estimated in April 1974 at \$140 million. It had also studied the establishment of an African Telecommunications Union. The restructuring and development of the African transport and communication systems to open up the land-locked countries would promote trade and foster co-operation among countries, as also the integration of their economies. The Association of African Central Banks had endeavoured to promote co-operation in payments and monetary matters among the member States of the Commission, and the ECA secretariat had prepared a draft legal instrument for the establishment of an African centre for monetary studies under the aegis of the Association.

72. With regard to the countries which were gaining their independence, the most urgent needs were the economic and social reconstruction of Guinea-Bissau and Mozambique, which were less well endowed with natural resources than Angola. Agricultural production for export and the construction of oil refineries and shipyards had been a by-product of the Portuguese military presence in Guinea-Bissau. Mozambique had been largely dependent on invisible earnings from South Africa, Malawi, Southern Rhodesia and Zambia. About half its budget had accrued from transit fees and the earnings of the 80,000 Mozambicans working in South Africa. Fifteen per cent of its foreign exchange earnings had come from providing invisible services to Southern Rhodesia. Should Mozambique decide to apply the United Nations economic sanctions, it would have to forgo its invisible and trade income and the international community would have to compensate it. Angola was fortunate in possessing petroleum. It also produced coffee, timber, sugar, diamonds and iron and should receive a considerable income from all of them once the political situation had been stabilized. In the three countries, the exodus of skilled Portuguese and the return of impoverished nationals who had fled from the war of independence had led to a slowing down of economic activity. There would be a great need for manpower to set their economic recovery on foot.

73. Zambia, which shared borders with Angola, Mozambique and Southern Rhodesia, had become an economic hostage of the political struggle in Southern Rhodesia. By the end of 1974, the closure of the Rhodesian frontier had cost it more than \$150 million. The ports of Dar-es-Salaam and Mombasa had suffered heavy congestion. Malawi had

allocated part of its own limited resources for the financing of sections of its road and railway systems to handle the increased tonnage of Zambian goods.

74. In conclusion, Africa, which was heavily dependent on exports of raw materials, placed great emphasis on the establishment of a new international economic order which would bring about greater stability in export earnings in the short term and just and remunerative prices to raw material producers in the longer term. The efforts of UNCTAD to set up a unified system of international commodity stocks and of EEC to institute a compensatory financing scheme to stabilize export earnings were also of great interest to Africa. Africa was of the opinion that a system of indexation should be part and parcel of any integrated scheme of commodity stabilization. In addition to the serious deterioration in Africa's terms of trade and balance of payments, it faced problems of inflation, recession, mounting unemployment, stagnation in agriculture, famine and malnutrition and generally unfulfilled expectations. The Governments of the African countries needed considerable additional international support. The Secretary-General of the United Nations had rightly emphasized, in his statement at the opening of the session (1953rd meeting), the need for immediate multilateral action to resolve the problems facing the international community and the unique opportunity to create the conditions for a more equitable distribution of benefits throughout the world.

75. Mr. MINAI (Secretary-General, Regional Co-operation for Development), speaking at the invitation of the President, said that he welcomed the opportunity to address the Economic and Social Council for the first time on behalf of RCD. RCD had been founded in 1964 by Iran, Pakistan and Turkey to foster economic co-operation between the three countries and to promote their development through a widening of their economic basis (a market of 100 million consumers), a better utilization of production facilities, a stronger bargaining position in negotiations with other countries and the capacity to undertake joint projects. RCD had been born of political necessity; rather, it was the fruit of a genuine desire to create machinery for effective co-operation in economic, social and cultural fields. Contacts between representatives of the three member Governments had been established at three levels: a Council of the Foreign Ministers of the three States met annually to take decisions; a Regional Planning Council, composed of the heads of the planning organizations of the three countries and meeting annually before the ministers met, studied the development plans and made appropriate recommendations to the Council of Ministers; six committees of experts (on trade, industry, cultural affairs and information, technical co-operation, transport and communications and the petrochemical industry) worked at the RCD secretariat at Teheran, which co-ordinated all the activities of the organization, under a Secretary-General appointed for three years on a rotation basis from the three countries.

76. Although in its 11 years of existence RCD had not produced revolutionary changes, it had, nevertheless, made a start in co-operation in various sectors: in the field

of trade, negotiations were under way to conclude preferential trade arrangements; in the field of industry, a number of joint venture enterprises were functioning at Karachi, Teheran and Istanbul and a study was to be undertaken to clarify the area of co-operation; in the field of technical co-operation, hundreds of students and trainees were moving about between the member countries and studying in the universities and institutes of the three States, which were also co-operating in the field of atomic energy; cultural exchanges had been developed; and in regard to transport and communications, the organization had played a very active role: a highway and a railway would soon connect Karachi to Teheran and Ankara and postal tariffs between the three countries were going to be unified.

77. RCD was deeply interested in the action undertaken by the United Nations and other international bodies in the field of economic development. The establishment of a new international economic order was not only a challenge, it was also an opportunity for all. RCD would, therefore, follow with great interest the deliberations of the Economic and Social Council and those of the General Assembly at its seventh special session and at its thirtieth regular session. There was no doubt that the initiatives taken by the United Nations system would assist its own endeavours on behalf of the economic and social well-being of its constituent peoples.

The meeting rose at 1.15 p.m.

1967th meeting

Monday, 14 July 1975, at 10.40 a.m.

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

E/SR.1967

ANGENDA ITEM 4

Regional co-operation (*continued*) (E/5608/Rev.1, E/5608/Add.1, E/5619, E/5651, E/5656, E/5657 and Corr.1 and 2, E/5658, E/5700, E/5721; E/L.1665)

1. Mr. AL-ATTAR (Executive Secretary, Economic Commission for Western Asia) introducing the Commission's report on its second session (E/5658), said that the world was going through a period of fundamental change, entailing the restructuring of the international economic order. It was not clear what form the new economic order would take, but it was of crucial importance that it should be a universally acceptable one.

2. Many issues of immediate relevance to the welfare of mankind had not yet been resolved: the widening gaps between the living standards of developed and developing countries, the high rates of population growth, food shortages, environmental degradation, balance-of-payments deficits and maldistribution of resources. The situation was made even more complex by the current challenge of the international power structure: developing countries were seeking an effective role and a representative participation in all efforts to construct and implement a new economic order. That required adjustments by both developed and developing countries and the sooner they took place the smoother the transition to a new economic order. It was the developing countries that suffered most from the present uncertainty in the world economy; they, and particularly the least developed among them, were particularly vulnerable to international problems of trade, monetary stability, balance of payments, inflation, food and recession, despite the fact that the economic position of certain developing countries, especially the oil-exporting countries, had improved.

3. The first biennial review and appraisal of progress in implementing the International Development Strategy for

the Second United Nations Development Decade and the sixth special session of the General Assembly had shown clearly the economic problems and concerns of developing countries. The Declaration and Programme of Action on the Establishment of a New International Economic Order, adopted at the sixth special session, defined principles which would provide a just and equitable international division of labour. The Programme of Action included measures on a number of problem areas but did not provide practical measures for implementation, apart from the Special Programme to provide emergency relief and development assistance to the developing countries most seriously affected by the economic crisis and the establishment of a Special Fund for that purpose. The implementation of the Programme of Action would depend more on co-operation by the developed countries than on the formulation of practical measures, but the reservations expressed by some of those countries could reduce the Programme's chances of success. The seventh special session of the General Assembly offered an opportunity to test the spirit of co-operation and responsibility prevailing in the international community.

4. The outlook for the ECWA region had been drastically altered by the October 1973 war and by developments in the oil industry. The shift in the balance of power from the international oil companies to the producing countries in respect of price-setting, as also increased national control over the exploitation of oil resources and ancillary operations, had caused a sharp rise in the producing countries' actual and expected oil revenues and had greatly enhanced the region's growth prospects and its role in international economic relations. Although aggregate output in the region had exceeded the average growth target of 6 per cent per annum in real terms as set by the International Development Strategy, the benefits of increased productive capacity had not been evenly distributed. There were large discrepancies between and within countries. With the intensification of inflationary pressures and rapid popu-

lation growth, the need for a new pattern of income distribution was urgent. The prospect of a considerable accumulation of funds in the region brought to the forefront of development issues the need to find new investment openings, both external and domestic, and the problem of the proportion and geographical distribution of their investment abroad. The region's newly acquired wealth could thus help to bring about closer co-operation between its members and developing countries elsewhere. The oil-exporting countries of the region were providing bilateral and multilateral aid and loans, including a substantial contribution to OPEC official aid, which at the end of September 1974 had totalled \$8,600 million, excluding a contribution to the IMF oil facility of \$3,100 million and a loan to IBRD of \$1,000 million.

5. The oil-exporting countries of the region had given direct assistance to other developing countries facing natural disasters. The capital of the Kuwait Fund, the Abu Dhabi Fund and the Arab Fund had been substantially increased in order to expand their lending capacity to all developing countries. New institutions had been established in Saudi Arabia and Iraq for that purpose. They had also made large contributions to the Islamic Development Bank, recently established with an authorized capital of \$2,400 million, and the Arab Bank for Industrial and Agricultural Development in Africa, with a capital of \$231 million. Contributions to the United Nations specialized agencies had been increased and Saudi Arabia and the United Arab Emirates had contributed \$30 million and \$10 million respectively to the United Nations Special Account for emergency assistance. Within the region, contributions by way of grants and loans had been made to the non-oil-exporting countries to expedite the development of their economies. Most of the oil-producing countries had provided a far higher percentage of their GNP in the form of assistance than had the industrialized countries.

6. Agriculture was of vital importance to the region's economy, despite a gradual decline over the past ten years. It contributed an average of 20 per cent or more of the total income of the non-oil-exporting countries, was the largest single employer and source of livelihood in most of the countries, and accounted for a significant share of regional exports. The world food crisis had affected the region by inflating the cost of food imports and thus contributing to internal inflationary pressures. Agricultural production, which had increased at an average of 2.3 per cent *par annum* during the 1961-1973 period, had fallen considerably short of the annual increase in food demand of 4 to 5 per cent had failed to match the population growth. The region was at present the highest *per capita* food importer in the developing world. The countries of the region had given top priority to better utilization of their agricultural resources. Major irrigation projects being constructed in Syria, Iraq, Jordan, Saudi Arabia and other countries would move additional large areas into farming. New projects were planned and being implemented for cattle and poultry breeding, to increase the region's animal food production. Industrial production generally light industries such as food processing and textiles still occupied a modest place in all the countries of the region; production capacity was not fully used and the proportion of manufactured goods in total exports was low.

7. The inflow of substantial funds to the region's oil-exporting countries and the increased domestic and potentially higher international demand for industrial goods had enhanced the prospects for industrialization in the region. In 1974, industrial production had improved and new projects had been started in fertilizers, petrochemicals, textiles and canning. Agreements had been reached with industrialized countries to establish new industrial projects in Syria, Iraq, Saudi Arabia, Kuwait, Jordan and other countries. Investment in industrial projects was expected to continue to rise.

8. Foreign trade played an important role in the economies of the region. Oil production and export provided the largest source of income for the oil-exporting countries, where exports were the principle source of foreign exchange and public revenue and consequently the major determinants of the level of imports and public expenditure. Exports of goods and services were also a significant factor in the non-oil-exporting countries. Insufficient diversification of the economic structures and a limited production basis made the countries of the region heavily dependent on imports of capital goods, manufactured products, foodstuffs and raw materials. All the countries were experiencing high inflationary pressures. After almost a decade of relative price stability consumer prices had begun to increase in 1968. In 1974 most Governments of the region had adopted measures, such as wage increases, direct price cuts, rationing of necessities and government subsidization of certain food items, to alleviate the adverse economic and social impact of inflation of low-income groups.

9. The relative homogeneity of the region's population facilitated intra-regional labour movement and helped regional co-operation. Despite high rates of population growth in all the countries of the region, population pressures were not yet a serious problem in the majority of them. Intra-regional migration was largely accounted for by the high income levels in the Gulf States. With current rates of growth all the countries of the region were expected to double their population within 25 years; if the present rate of immigration continued the Gulf States were likely to do so in about 10 years. Regional consultations had been held at Doha, Qatar, at the end of March 1975, as a result of the World Population Conference.

10. The countries of the region had made considerable progress in education, health, social welfare, and women and youth participation. There had been a rapid expansion of educational systems, with higher enrolment at all levels, more teachers, a broader range of education, easier access to education, and education planning.

11. Mortality rates had fallen and life expectancy rates risen and control of communicable diseases had been more effective. Budgetary allocations for the health sector had continued to increase and most countries were planning their health programmes systematically in relation to national development. Social services were being rapidly expanded to meet physical needs in general and the special needs of marginal groups in particular. Social services were being gradually incorporated in the national planning. There had been important changes in the status and role of

women in the development process as a result of political and legislative reforms, wider educational opportunities for girls, and the acceleration of industrialization and urbanization.

12. There were still many major problems urgently requiring solution, apart from such problems as inflation and the increasing dependence on food imports. The ECWA countries' dependence on the production of primary products as the main economic activity and source of foreign exchange had made them vulnerable to price changes, shifts in demand and the production of substitutes by the industrialized countries. The problems were aggravated by the low level of intra-regional trade.

13. Growth in the region had been uneven, not only among and within countries but also in its impact on major sectors and activities. Recent developments had increased the region's dependence on oil production and export; despite the undeniable benefits, the risk involved in heavy dependence on oil was for greater than a similar degree of dependence on other commodities, in view of the exhaustible character of oil and its strategic importance to the world economy. In several countries, however, output continued to be biased in favour of the production of services. While heavy reliance on services had not prevented the rapid development of some countries in the region, the argument for diversification in favour of the industrial sectors remained very strong.

14. Another major problem was the striking disparity in economic and social development among the countries of the region. They could be divided into three groups. The oil-producing countries had a high *per capita* income and substantial financial resources but were short of trained manpower and lagging behind in social development. The second group, the non-oil producers, had a low *per capita* income, lacked capital, but had more balanced economic and social structures. The third group consisted of countries in an unsatisfactory position in both economic and social development. Yemen was regarded as one of the 25 least developed among developing countries and in certain respects Democratic Yemen also qualified for benefit from the special measures designed to assist those countries. Taking *per capita* income as an indicator of the stand of living, the disparity among the countries of the region was alarming. In the early 1970s it has been less than \$100 in Yemen and about \$100 in Democratic Yemen, but over \$3,500 in Kuwait and Qatar, with the other countries somewhere between those two extremes. In 1974, while the figures for the least developed countries had hardly changed, some of the wealthier countries had attained *per capita* incomes in the region of \$8,500.

15. The widening disparity in economic and social development was a major challenge to the ECWA countries. Fortunately the region possessed the financial resources for a concerted effort to narrow the gap. Almost all the countries of the region lagged behind in social development and, while in many of them economic growth targets had been achieved or surpassed, many goals such as full employment, greater income equality and balanced development had been only partially achieved. Impressive advances had been made in health, education and social

welfare, but that had had little if any impact on the rural masses and the urban poor. Economic development itself had accentuated the differences between technologically advanced and backward sectors. Factors associated with development, such as high population growth, rapid urbanization and migration, had also accentuated disparities and inequalities.

16. There was a clear need in the region for a population policy as an integral part of development planning. Population would continue to grow rapidly and the implications for education, employment and food supply had not been seriously examined. The issues related to achieving a satisfactory dynamic balance between a growing population, its productive capacity and available resources should be a matter of primary government concern in the coming years.

17. There was room for considerable improvement in education, particularly in restructuring secondary and higher education to meet manpower needs and development priorities and in reducing wastage in the educational system. Emphasis should be placed on the relatively inexpensive process of raising literacy rates. The reorientation of education structures was necessary in order to eliminate unemployment among the educated while at the same time training enough students in fields where there was a shortage. Greater emphasis was needed on vocational, technical and non-formal training for agriculture and industry to redress existing imbalances.

18. There were many deficiencies in the health sector. Almost every country suffered from inequitable distribution of health facilities and concentration on curative rather than on preventive medicine. Nutritional deficiencies were still widespread. Although there had been some improvement in medical manpower resources, the ratio of physicians to population remained low throughout the region.

19. Obviously more vigorous action was needed in social development. Practical objectives in that field should form an integral part of national development plans and would have to be translated into specific projects to be implemented during the period of the plan. More co-ordination was needed between public and private institutions and among government agencies providing social services, in order to avoid overlapping and to cover all existing gaps in the social sector.

20. The process of increasing the concentration of development activities in certain regions and towns had created problems which would have negative repercussions on the development potentials of the countries of the region. All the countries were experiencing rising urbanization rates ranging from 11 per cent in Yemen to 80 per cent in some of the Gulf States. In many cases the enthusiasm of policy-makers for accelerating the development process led them to overlook the costly and often irreversible damage to the environment. Clear awareness of the environmental consequences should characterize the formulation of development policies. The provision of adequate housing in large towns was increasingly overtaken by population growth and the supply of public services

such as water, transport and telecommunications was already under pressure. Programmes for the planned development of human settlements encountered administrative and other difficulties. Rural settlement planning had been undertaken and implemented in only a few areas in the region. Provision of services, land reform measures and distribution of settlements must also be considered and integrated into rural settlement plans. In general, efforts to close the widening gap between urban and rural areas should not be limited to agricultural development. The oil reserves of the region were more than 55 per cent of the estimated world total. The large financial surpluses of its oil-producing countries provided foreign exchange and not only enhanced the development efforts of those countries but enabled them to make a positive contribution to the development of the region, developing countries elsewhere and the world at large.

21. Countries of the region also possessed valuable natural resources other than oil which contributed to their development: a good example was phosphate in Jordan and Syria. Other natural resources such as potash, copper and iron-ore had been identified but had not yet reached the stage of exploitation. There was urgent need for a more comprehensive survey and identification of natural resources in the region, particularly mineral resources and underground water. Another area of development potential lay in the expansion of agricultural production, including crops, animal resources and fisheries. The utilization of modern techniques, improved seeds and the appropriate fertilizers would increase agricultural production.

22. More of the financial resources of the region should be channelled into new industrial projects. Since the market in each country of the region was small, and since the main objective of the industrialization process would be import substitution for some time to come, better co-operation and co-ordination between countries was needed to avoid costly duplication of industrial projects.

23. Manpower was a major factor in the development potential of the region. Human resources were not only essential to the economic development process but their improvement was one of the final objectives of the process. The region was fortunate in having the possibility of developing human resources unconstrained by excessive population pressures. Education, health and other social services would have to be expanded and improved; with two thirds of the region's population under the age of 25, plans were needed for the integration of youth into development activities. There should also be greater opportunities for women to participate in the labour force.

24. Special emphasis should be given to high-level manpower in the region. Better working conditions and greater incentives were necessary to stop the "brain-drain"; high-level manpower was needed by Governments in their efforts to reform the administrative machinery and to fill serious gaps. Development plans in the majority of the countries of the region had recognized the need for administrative reforms.

25. Science and technology were important in the process of development. In many countries scientific research

institutes had been established and were playing an active role in the planning and execution of research related to development. In the ECWA region the main constraint was non financial limitations but the shortage of trained indigenous high-level manpower in the various fields of science and technology. The pace and quality of development in the region depended on the effective utilization of its human, international and financial resources. Co-operation among the member countries would have an impact on development, particularly in the spheres of industrialization, intraregional flows of labour and capital, utilization of water resources and tourism.

26. The main objectives for the ECWA region were to develop a cohesive, multidisciplinary and action-orientated programme as an integrated approach to the region's development problems; to select programmes and projects which were mutually reinforcing and had maximum impact on the development of the region; and to ensure that specific activities produced results and related directly to the relevant programme components and to the programme as a whole. The 1975 ECWA work programme concentrated on priority areas such as water resources, food deficit, the petrochemical and fertilizer industry, manpower, tourism, public finance and administration, natural resources, population, transport, communications and electricity. The 1976-1979 medium-term plan, and in particular the 1976-1977 biennial programme of work, followed essentially the same areas of priority. A growing concern for an integrated development approach and the need to achieve greater regional co-operation had prompted ECWA to give emphasis in its work programme to such other important areas as development planning and policies, intra-regional and interregional trade, human settlements, science and technology, and various social dimensions of development efforts.

27. In its continuing efforts to foster economic co-operation and integration, ECWA had acted as a catalyst in initiating processes leading to working agreements between itself and several regional institutions as well as organizations and agencies of the United Nations system. Agreements in principle had been reached on the outlines of a programme of co-operation between ECWA and the League of Arab States, the Arab development funds and the Arab Labour Organization. Discussions were under way to formalize co-operation with the Council of Arab Economic Unity and the Industrial Development Centre for Arab States.

28. The member countries of ECWA considered that the regional commissions should play a more prominent part at the operational level with regard to both policy-making and the execution of projects. Because the regional commissions knew the objectives and needs of their regions, they were able to avoid the generalization of rules which were not suited to certain countries or regions. For that reason they considered that both the Economic and Social Council and the General Assembly should adopt measures to strengthen the part played by the regional commissions in operational activities.

29. Mr. KANNAWAT (Thailand) said that, as host country to ESCAP and an active participant in its work, his

country attached particular importance to regional co-operation, which made for greater efficiency and was a major factor in the acceleration of social and economic development. He welcomed the considerable progress in various fields reflected in the ESCAP annual report (E/5656). Much, however, remained to be done in the priority areas identified by the Colombo Declaration of 1974,¹ especially in agriculture. The negative growth rate of agricultural production for the region as a whole, mentioned in paragraph 92 of ESCAP's report, must be considered alarming in view of the rapid population growth of the region, which had been adversely affected by rising fuel, fertilizer and pesticide prices and erratic climatic conditions. His delegation supported the UNFPA and considered that its programmes should be improved and strengthened, and that the Fund should make greater financial resources available to ESCAP for the effective implementation of regional population projects. It also thought that ESCAP should intensify its efforts to assist countries to expand their food production.

30. His delegation has supported all the seven resolutions which ESCAP had adopted at its thirty-first session for submission to the Council. Resolution 156 (XXXI) calling for the establishment of an Asian centre for agricultural machinery was most timely, since most developing countries of the region depended on agriculture for their livelihood and foreign exchange earnings. His Government also welcomed the proposals in resolution 158 (XXXI) as concerned the establishment of an Asian centre for training and research in social welfare and development and had contributed \$10,000 to the project. The New Delhi Declaration in resolution 154 (XXXI), on the subject of the regional contribution to the establishment of a new international economic order, was an expression of the determination of ESCAP member countries to bring their approach to development into line with recent events, to develop greater co-operation and understanding and to contribute "to the early establishment of a new international economic order and to a new development strategy by focusing special attention on the common people and the improvement of the quality of their life and living conditions through growth with social justice".

31. His delegation had supported Council resolution 1896 (LVII) on regional co-operation, which requested the Secretary-General, in consultation with the UNDP Administrator, to make the necessary arrangements allowing for the delegation of the appropriate functions of an executing agency to the regional commissions in respect of regional, sub-regional and interregional projects financed by UNDP; he hoped that it would be implemented as a matter of urgency.

32. His delegation was glad to note from the report of the Secretary-General on United Nations export promotion and development efforts (E/5619) that efforts were being made to promote the exports of developing countries by technical assistance provided through various bodies in the United Nations system, including the regional commissions.

It was convinced that closer co-ordination among those bodies would further increase the efficiency of the export promotion programme.

33. Mr. BOYESEN (Norway) said that at the April 1975 (thirtieth) session of ECE there had been general agreement that it would be an inopportune moment to depart from well-established patterns, particularly with the Conference on Security and Co-operation in Europe still in session. It was hoped that the third stage of that Conference, which was to begin shortly, would give great encouragement and a valuable stimulus to ECE. Although ECE had not lived up to all the hopes it had inspired at the time of its establishment, it had nevertheless managed, even during the most difficult period of the cold war, to remain an important meeting ground for high officials and experts from East and West. A high level of analysis of economic and social problems had been reached and had been maintained ever since.

34. He felt that the time had come to take a considerable step forward and to give a higher degree of practical direction to ECE's work. The machinery and staff were there and the need for greater co-operation between East and West in Europe was only too obvious.

35. It had also been clear at the April session of ECE that regional economic problems were becoming more and more inseparable from those of other parts of the world. In trying to settle regional questions, it had become necessary to give even greater attention to the implications for the rest of the world. Members of ECE were, on the whole, the more prosperous countries of the world, and by becoming more outward-looking, while at the same time resolving their own regional problems, they could make an effective contribution to the redistribution and development of the global productive capacities that a more just economic world would call for.

36. Mr. MARTOHADINEGORD (Indonesia) said that his delegation always took great interest in the review of the reports of the regional commissions. That item had become more serious in the light of the present economic and political situation and the forthcoming seventh special session of the General Assembly. The regional commissions served as a point co-ordination for the efforts of the United Nations system for development co-operation, for they were most familiar and in closest contact with the problems facing the countries in their respective regions.

37. His delegation felt that ESCAP had responded adequately to the call for policy measures for meeting the immediate needs of the developing countries in that region as set out in the Colombo Declaration and reaffirmed by the Commission at its session earlier that year, when it had succeeded in strengthening and revitalizing its role and its conference structure, including the integrated programme of action within the over-all framework of the United Nations system.

38. In view of the new trend of ESCAP's activities, the Executive Secretary (1966th meeting) had rightly drawn attention to the urgent need for adequate financial and technical support from the United Nations. In particular, he

¹ ECAFE resolution 140 (XXX) of 5 April 1974; for the text see *Official Records of the Economic and Social Council, Fifty-seventh Session, Supplement No. 5, part III*.

had referred to the recent meeting of the executive secretaries of the regional commissions, at which it had been agreed that the executing agency functions in respect of regional, sub-regional and interregional projects should be delegated to the regional commissions as soon as possible (see E/5700). His delegation had noted with satisfaction that funds for meeting overhead costs were soon to be allocated to the commissions.

39. ESCAP's future programme of activities in the field of population was of vital importance. In view of the size of the population, the number and scope of active population programmes and the total national expenditures for investment in population activities, it was essential that the region should receive an increased share of financial support from UNFPA.

40. Of equal importance was the effective support of the United Nations in assisting the developing countries in the ESCAP region in the rapid implementation of the integrated and comprehensive programmes in the fields of food, agriculture, raw materials, commodities and industry which ESCAP had already adopted.

41. His Government was convinced that sub-regional co-operation was an important element in economic and social development at national, regional and global levels. It considered that endeavours such as those undertaken by ASEAN should be strengthened by the entire United Nations system. Those views were in conformity with the Declaration and Programme of Action on the Establishment of a New International Economic Order: the primary responsibility for development lay with the developing countries themselves and the growing interdependence and collective action of all nations was a manifestation of an inescapable and promising reality.

42. Mr. CHANG Hsien-wu (China) said that since the sixth special session of the General Assembly the third world had further developed its struggle against colonialism, imperialism and hegemony in economic matters. One feature of the struggle was the continuous strengthening of regional co-operation among the developing countries on the basis of self-reliance, in order to support each other and co-operate with each other in common endeavours to safeguard State sovereignty and their developing national economies. The developing countries had to consolidate their political independence and strive for economic emancipation because they were suffering from the aftermath of prolonged colonialist and imperialist oppression and enslavement and from latter-day pillage and exploitation by imperialism, neo-colonialism and the super-Powers.

43. Fortunately, they had great potential for developing their national economies and would certainly be able gradually to rid themselves of poverty and backwardness and to achieve prosperity, provided that they made unremitting efforts to achieve self-reliance. The strengthening of mutual co-operation by the developing countries did not prevent them from having economic and trade relations, on a basis of equality, with the developed world. As they progressed, the developing countries would have to overcome the obstacles raised by the super-Powers in their

struggle for world hegemony. Despite talk of *détente*, the two super-Powers were still heading towards a new world war. He was convinced, however, that the developing countries were experienced enough to see through and resist their machinations.

44. His delegation was glad to note that some of the regional commissions had referred in their annual reports to the Declaration and Programme of Action on the Establishment of a New International Economic Order. The New Delhi Declaration adopted at the thirty-first session of ESCAP emphasized that the serious problems facing the developing countries were due to colonial domination and neo-colonialism. It also called upon the developing countries in Asia and the Pacific to strengthen their co-operation and promote self-reliance. Resolution 256 (XII) adopted at the third meeting of the Conference of Ministers (twelfth session) of ECA called for the removal of all forms of constraint to the exercise by African countries of permanent sovereignty over their natural resources and for the promotion of economic co-operation among those countries. At its sixteenth session ECLA had adopted the Chaguaramas Appraisal (resolution 347 (XVI)), and other resolutions putting forward proposals for the establishment of a regional unit for the surveillance of transnational corporations operating in the region, for supporting and strengthening existing commodity producers' associations and for increasing technical co-operation and mutual assistance among the developing countries. All those were manifestations of the strong desire of the developing countries to persevere in their struggle against imperialism and hegemony, to consolidate political independence and to achieve economic self-sufficiency.

45. His delegation was glad to note that the Palestine Liberation Organization, which had been continuing its just struggle against Zionism, had been unanimously accepted as a permanent observer to ECWA at the latter's second session.

46. The seventh special session of the General Assembly would build upon what had been decided at the sixth special session and would continue to work towards the establishment of a new international economic order. His delegation hoped that the regional commissions would take action in the light of the actual situation in their respective regions and make strong efforts to establish the new order. The meeting of the executive secretaries of the commissions should review and examine the progress being made in that direction and should play a part in the promotion of the new order.

47. Mr. GONZÁLEZ-DAVISON (Guatemala) said that his delegation regretted that in the various statements made to the Council, there had been no sign of a general desire to solve the urgent problem of international monetary reform. It also regretted the lack of interest shown by the developed countries in matters concerning international trade, particularly with regard to guaranteed prices for the raw materials that were the basis of the economies of developing countries. His own country was encountering serious difficulties as a result of the fall in the world prices of coffee, cotton, meat and sugar.

48. It was essential that great changes should take place in the next few years, and at a faster pace than in the past. The negative attitude adopted by the wealthy countries created the need for a new assessment of the social and economic phenomena so that a more flexible system could be devised that would assure positive results in the sphere of international co-operation.

49. In the course of establishing a new international economic order, it was essential to introduce new ideas into the International Development Strategy. Since the sixth special session of the General Assembly, there had been various clear indications of the need to establish a new international economic order; as yet, there appeared to be no way of overcoming the irregularities of the international economic system. Regional co-operation was becoming an urgent necessity because of the need to co-ordinate efforts. His delegation considered that the international economic position should be assessed as a continuing process in which the assistance of both developed and developing countries was needed to overcome the present crisis, which had had the most serious effects on developing countries like his own. Both developed and developing countries should participate actively in the establishment of the new international economic order so as to avoid the conflicts which had occurred in the past and which had prevented a more equitable and rationable relationship between States.

50. His delegation thought that, with a new system of appraisal and methodology, the objectives of the International Development Strategy should be broadened so that it would express the manifest needs of the developing countries and achieve the purpose for which it had been prepared. A new concept of work and action was required in the United Nations and the failures of the past should serve to show the way to positive achievements in the future.

51. Mrs. AUGUSTE (Trinidad and Tobago) said that in the year under review ECLA had concentrated its activities on the regional mid-term review and appraisal of the International Development Strategy, culminating in the approval of the Chaguaramas Appraisal. The review at the regional level had provided an opportunity for countries in the region to examine the international economic situation from a Latin American perspective. Of equal importance was the opportunity it had provided for a certain degree of introspection on the part of individual countries and the region as a whole. Her delegation considered that the instruments adopted at ECLA's sixteenth session represented a judicious balance between proposals for action at the international level and measures to be taken through co-operation and joint action within the region itself.

52. Her country had participated actively in the discussion and formulation of the conclusions and recommendations at the preparatory meeting of government experts and at the subsequent session of ECLA. Her delegation attached particular importance to ECLA resolution 348 (XVI), in which the ECLA secretariat was asked to give top priority in its immediate work to one of the most urgent and critical problems facing the countries of the region, namely their immediate balance-of-payments problems. The Executive Secretary of ECLA had suggested the establish-

ment of a financial "safety net" for Latin American countries and her delegation looked forward to receiving in the near future the conclusions and recommendations of the group of experts that was to be convened to study that and other possible solutions to the balance-of-payments problems of the Latin American region.

53. At the sixteenth session, her delegation had initiated a proposal for the establishment of a Latin American centre for the surveillance of transnational corporations operating in the region, which would use ECLA's facilities. She hoped that the initiative would come to fruition at the present session of the Council and that, within the regional commissions, joint units of the United Nations Information and Research Centre on Transnational Corporations would be set up. Her delegation considered it essential that the operations and activities of transnational corporations in the developing world should be monitored in the regions where they operated.

54. Another matter that deserved priority attention was the question of the level of technology in developing countries, the transfer of technology from developed countries and the terms of transfer, and the development of an indigenous technology appropriate to individual countries.

55. She expressed her delegation's support for the establishment of a Caribbean Development and Co-operation Committee within ECLA, which would be an important means of strengthening the Commission's work with regard to the special needs and problems of the Caribbean, as also of maintaining the historical and cultural identity of the Caribbean countries. She hoped that the new Committee would meet at an early date.

56. Like the United Nations as a whole, ECLA had unanimously decided to re-examine its own structure. The Executive Secretary had been instructed to undertake a study of ECLA procedures and to report his findings within the year. Her delegation had noted with interest that, in the report of the Group of Experts on the Structure of the United Nations System (E/AC.62/9), one of the problems identified, in the section dealing with regional structures, was that of membership patterns in some regional commissions. Members of ECLA had given considerable thought to that problem during the sixteenth session.

57. Mr. ZVEZDIN (Union of Soviet Socialist Republics) observed that, in spite of a recent tendency to convene *ad hoc* international meetings to discuss various problems on a world scale, the importance of the regional commissions had continued to increase, partly because they served as bridges between national and global economic policies. They were essential parts of the United Nations system of economic bodies and their contribution to economic, commercial, scientific and technological development deserved to be further encouraged as a major factor in the strengthening of international peace and collective security, progress in which would, in turn, create increasingly favourable conditions for the commissions' work.

58. His delegation congratulated the executive secretaries on the successes achieved over the past year. As the

Executive Secretary of ECE had bought out (1966th meeting), the period under review had been characterized by a further reduction in tension, an increase in understanding and a widening of mutually advantageous co-operation between member countries of ECE. The successful conclusion in the near future of the Conference on Security and Co-operation in Europe would contribute not only to the further strengthening of world peace but to a widening of economic, scientific and technical co-operation. As a step towards the attainment of those objectives, the Executive Secretary had been asked at the thirtieth session of the Commission to prepare, in consultation with the Governments of member countries, proposals for adapting the Commission's activities to the requirements of the new situation and for increasing its effectiveness.

59. The annual report (E/5651) showed that the Commission had carried out a great deal of useful work in the four priority areas, and that such matters as energy policy, engineering and transport had also received particular attention. But the main achievement was its contribution to the development of economic co-operation between the region's countries with different socio-economic systems. His delegation agreed with the executive Secretary that, after the successful conclusion of the Conference on Security and Co-operation in Europe, it was the very backbone of the Commission's work that it should continue to contribute to the development of East-West co-operation. Full advantage should be taken of the opportunities that were opening up for new forms of economic, scientific and technical co-operation, involving long-term agreements on joint industrial projects, such as the major European projects in the field of energy resources, utilization of raw materials and transport, mooted on various occasions by the USSR. The economic potential and natural resources of Europe created favourable conditions for co-operation on a regional and sub-regional basis.

60. The scope of the Commission's activities would have overstrained the secretariat's resources had it not been for the assistance received from member countries, which was a reflection of their recognition of the importance and value of the Commission's work. That example might, he thought, be usefully followed by other regional commissions.

61. Turning to the question of shortcomings in the Commission's work, he drew attention to resolution 1 (XXX) in which the Commission had adopted a number of recommendations for improving its methods of work and achieving greater concentration and integration of its programmes.

62. During the discussion, at the Commission's thirtieth session, of resolutions on its work adopted by the Economic and Social Council and the General Assembly, general support had been given to the Executive Secretary's suggestions for an intensification of ECE's ties with the other regional commissions through document exchanges, common research on problems of mutual interest and wider participation of experts from developing countries in ECE

activities.² He was pleased to note from the Executive Secretary's statement that some progress in that direction had already taken place. As a further step, the Executive Secretary might be requested to expedite access to the wealth of scientific, technical and economic material in the Commission's documents by transmitting a number of copies of selected documents to the secretariats of all the other regional commissions.

63. The reports of the other regional commissions and the statements by their Executive Secretaries showed a realistic approach to the problem of understanding the true causes of the social and economic difficulties of their regions. His delegation had been pleased to note the considerable measure of agreement that had become apparent in the general discussion under agenda item 3 on the present crisis in the capitalist economy. Demands were being voiced for a restructuring of international economic relations on just and democratic principles, the implementation of the progressive decisions of the sixth special session on the General Assembly and the application of the Charter of Economic Rights and Duties of States.

64. The regional commissions had made considerable progress over the past year in such important areas as agriculture, industry, trade, natural resources, and science and technology. He was pleased to note from the ECLA report (E/5608/Rev.1) that efforts were being made to adjust to the new political and economic situation and that there was a general willingness to learn from the experience of countries with different social and economic systems. Evidence of the effectiveness of a co-ordinated approach to economic and social problems was furnished by the co-operation of the countries of that region on measures to limit the activities of transnational corporations.

65. His delegation also welcomed the measures being taken in the ECA and ESCAP regions to integrate women and young people into the development process. It noted as a positive development the establishment, within the framework of the commissions, of a number of new regional institutions and information and training centres.

66. He welcomed the statement by the Executive Secretary of ESCAP (1966th meeting) that priority was to be given to a number of important aspects of industrialization. In the past, much importance had been attached to the development of agriculture, but that had not been the case with industrialization, although it was generally recognized that the establishment of national industries was a necessary basis for stable and balanced economic development. The importance of that factor was particularly evident at a time when soaring prices of industrial goods were causing the importing countries of Asia great difficulties.

67. In spite of the diversity of the problems facing them, the regional commissions were united in the aim of contributing to the rapid development of the countries of their regions in order to eliminate mass poverty and to give all classes of the population the change of a better life. The experience of the First United Nations Development Decade and of the Second United Nations Development

² ECE, document E/ECE/875, para. 53.

Decade so far had shown that, in general, the countries of Africa, Asia and Latin America had not been able to achieve the goals they had set themselves. The explanation for their failure was to be sought in the inadequate attention they had paid to such factors as the need for progressive social and economic reforms, the building up of major branches of the economy as a source of internal capital accumulation, the strengthening of State and co-operative sectors of the economy, the extension of the planned economic base, the enactment of budgetary and fiscal legislation as a means of building up national revenue, and strict control of foreign capital.

68. Soviet representatives spoke of those matters with conviction in the light of the wide experience of their own country. They had no wish to impose that experience on others, but were justly proud of it, since it was only in socialist countries that stable and high rates of economic growth were ensured and protected from all crises and such social evils as unemployment and poverty had been abolished.

69. His delegation was convinced that the starting-point for remedying the relative economic backwardness of the developing countries should be that complex of socio-economic measures to the implementation of which the regional commissions should give the highest priority.

70. There had recently been some expansion of co-operation between the regional commissions and CMEA, and a number of those commissions, such as ECE and ESCAP, had granted CMEA the status of observer. Further strengthening of that co-operation would undoubtedly serve the interests of both sides.

71. The regional commissions had long proved their worth, and their activities certainly deserved further consolidation and expansion. One point, however, still aroused some concern. Participants in sessions of the commissions who delivered statements and heard those of others received the impression that all was proceeding smoothly; yet there might well be some anxiety concerning the extent to which the widespread activities conducted in the regional commissions themselves actually affected the member countries for whose sake the work was being done and the degree to which those countries, especially the developing countries, actually made use of the commissions' experience. It would seem that the situation with regard to the practical application of the regional commissions' work was still not entirely satisfactory.

72. Nevertheless, the Soviet Union was prepared to continue its support of all the useful initiatives of the regional commissions, to develop its co-operation with them and to share with them its experience of socio-economic construction.

73. Mr. TARCICI (Yemen) said that a common denominator of the statements of the executive secretaries and the reports of the regional commissions was the inevitable and increasingly apparent economic interdependence of the world. Another common denominator was the inequality of incomes in the different regions. The prosperity of a well-endowed country or region was bound to have an

effect in the long run on other countries and regions just as the impoverishment of a country or region was bound to affect the others. The subject of economic interdependence and the unequal distribution of wealth, with its dangerous repercussions on international stability and progress, had been well explained at the preceding meeting by the Executive Secretary of ECE. His delegation hoped that that statement would be given the place it deserved in the report of the proceedings of the Council.

74. His delegation had naturally been most interested in the statement of the Executive Secretary of ECWA and in that Commission's report. Although it had arrived late on the scene, ECWA was endeavouring to study and to solve the complicated problems of the region. Two of the six chapters of the Commission's report deserved special attention. Chapter III reproduced the resolutions adopted by the Commission on the most urgent problems of the region. Chapter IV showed how ECWA had selected the problems which were of greatest priority for the region. The Commission had not lost sight of the imbalance in the economic and social fields between the different countries of the region. That imbalance and a preoccupation with future development were the reason for the choice of priority problems in the report, namely, agriculture, natural resources, transport and tourism, development planning, industry, social development and human settlements, and population.

75. His delegation was pleased to note that the Commission and the Executive Secretary had given a special place to water and agriculture. He hoped that ECWA would carry out pilot projects in those two fields. In particular, the desalinization of sea water and the recycling of waste water in large and small towns would provide useful pilot projects, which could be carried out with the collaboration of FAO, UNESCO and UNEP.

76. There were two aspects which he felt should be given greater emphasis in future reports. The first aspect was concerned with energy. The report considered oil chiefly as a source of energy, listing it among the energy-producing products -- which was of course in accordance with the reality of the present situation. Oil was above all a primary commodity and was perhaps the most precious primary commodity in the world because it was not renewable. It was the only primary commodity which could be transformed into more than 5,000 different products, ranging from medicines to all kinds of construction materials. It was surely not right to continue to burn that primary commodity by using it as fuel at a cheaper price than bottled water. He considered that it was ECWA's duty to consider urgently the replacement of oil, at least in part, by another source of energy in order to preserve it for the production of the thousands of by-products developed by the petro-chemical industry. His delegation was pleased to note that ECWA was planning to carry out a rational examination of energy in general; he hoped that the Commission, which covered one of the richest regions of the world, not only in oil but also in solar radiation, would submit a report on the possibilities of using solar energy to replace energy produced by oil. ECWA could collaborate on long-term plans for the use of solar energy with countries such as the Soviet Union, France and the United States of

America. Thus, whilst the countries with little sun developed power stations using dangerous nuclear energy, the sunny countries of ECWA could develop the healthy and inexhaustible energy of the sun. If the countries of the region continued to imitate the countries with little sun by installing nuclear power stations. They would become dependent by the end of the century on the developed countries, which would be the sole suppliers of the fuel needed to run nuclear power stations. The ECWA countries should concentrate on developing solar energy so as to dispense with oil before the year 2000, so that what was left of that precious commodity could be used by the petro-chemical industry.

77. His second point was that there was an enormous disparity in the region between different countries in

respect of the petro-chemical industry. Some were under-populated with very high *per capita* income whilst others were over-populated with very low *per capita* income. The distribution of the petro-chemical industry in the region should perhaps be planned so as to reserve the large oil-refining industry for the oil-producing countries and leave the industries utilizing by-products to the non-producing and over-populated countries.

78. In conclusion, he thanked the Executive Secretary of ECWA for his untiring efforts on behalf of the region and for placing ECWA on a footing of equality with the other regional commissions which had preceded it.

The meeting rose at 1 p.m.

1968th meeting

Monday, 14 July 1975, at 3.20 p.m.

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

E/SR.1968

AGENDA ITEM 4

Regional co-operation (*continued*) (E/5608/Rev.1, E/5608/Add.1, E/5619, E/5651, E/5656, E/5657 and Corr.1 and 2, E/5658, E/5700, E/5721; E/L.1665)

1. Mr. LALOVIĆ (Yugoslavia) said that regional co-operation was growing and the role of the regional commissions was therefore becoming increasingly important. Such co-operation was part of a wider trend towards greater integration and could do much to speed up development. It was particularly gratifying that the regional commissions were taking a more active part in regional projects in such areas as transport, communications, agriculture and water resources. For example, the action taken by ESCAP toward establishing a single intergovernmental governing council for regional training institutions and arranging to act as an executing agency for them was a useful innovation. ECA had launched four projects relating to an African highway network. The growing enthusiasm for joint ventures among members of ECWA could lead in time to wide-ranging co-operation in that region. ECLA, like the other regional commissions, had done particularly good work in connexion with the regional review and appraisal of the International Development Strategy for the Second United Nations Development Decade.

2. In the European region, the process of *détente* which was gradually taking place could only achieve lasting results if it was extended to other regions and if the principles of sovereign equality and non-interference in the internal affairs of other States became general rules governing the behaviour of all countries. The final phase of the Conference on Security and Co-operation in Europe should confirm that efforts would be made to achieve those aims. The work of ECE constituted an important contribution towards the process of *détente*. Reflecting as it did the state

of political relations in Europe, ECE was primarily a forum for co-operation between countries with different social and economic systems. Such differences were not an obstacle to mutually useful co-operation for which, indeed, there was no alternative.

3. Yugoslavia noted with satisfaction that the special problems of the less developed countries in Europe had been reflected in ECE's short-term and long-term programmes of work. In particular, the Committee on Development of Trade was to undertake a study on temporary labour migration and its influence on trade, investment and industrial co-operation.

4. In its preoccupation with the problems of the European region, ECE had to some extent neglected the global activities of the United Nations. As an organ made up of some of the most highly developed countries in the world, whose economic power had a decisive influence on the whole range of international economic relations, the Commission had a duty to follow general world-wide trends and to make an adequate contribution to activities at that level. Thus, especially where co-operation in Europe had repercussions on the position of developing countries and on co-operation with them, all ECE members had an obligation to consider their problems, in accordance with the general desire for a new international economic order. There were a number of ways in which ECE could contribute to world-wide co-operation. The first step might be to encourage a greater exchange of studies and sharing of experience between regional commissions. Developing countries might be represented at various specialized ECE meetings, seminars and study tours, and the experience of European countries in the field of industrial co-operation could be made available to them. The ECE secretariat might undertake studies designed to show developed and developing countries areas in which they had a common interest in

long-term co-operation and in which their economies were increasingly interdependent. The decision that the executive secretaries would in future meet at the headquarters of the regional commissions in turn should help to create greater awareness of the problems of other regions. In an interdependent world problems could be solved only by joint efforts and through an adequate commitment by all countries.

5. Mr. HERRERA (Ecuador), noting that a number of sections in the annual report of ECLA (E/5608/Rev.1) related to energy problems, stressed the need for close co-operation between ECLA and the Latin American Energy Organization, which had recently been established in Quito. The Commission was carrying out interesting work on transnational corporations, but should perhaps also consider the detrimental effects of the activities of certain other foreign companies, whose market domination caused equal or greater damage, particularly through restrictive trading practices.

6. Ecuador strongly supported the work of ECLA, which recognized the need for combined economic and social development, as stressed in the Chaguaramas Appraisal (ECLA resolution 347 (XVI)). One area causing concern, however, was the situation of the least developed countries in Latin America. Any new international economic order which did not further the harmonious development of all countries, including the least developed, would be prejudicial to integration and economic and social progress. So far, little had been done to consider the situation of the 14 least developed Latin American countries, which accounted for only 9 per cent of the region's GDP, produced only a limited range of goods, and had a very low level of exports. It was therefore to be hoped that they would be taken fully into account in all future ECLA studies.

7. Too much emphasis had, perhaps, been placed on higher oil costs as a factor in Latin America's balance-of-payments problems. ECLA should also study speculative and unjustified increases in the prices of other commodities and of agricultural and industrial inputs imported by Latin American countries from industrialized countries.

8. The programme of advisory services to Latin American countries in connexion with the multilateral trade negotiations had been unable to function properly for some time. Throughout the past year, in fact, it had failed to provide them with the support they needed. Now that certain administrative problems had been overcome, it was to be hoped that the programme could be continued, since the countries concerned in the negotiations considered it to be extremely useful. The seminars planned in that connexion should be long enough to enable the participants to derive full benefits from them.

9. With respect to trade policy, his delegation would have like to have a preliminary analysis by ECLA of the ACP-EEC Convention of Lomé, as an instrument for the vertical integration of trade between 55 countries, which would probably not further Latin American interests.

10. With respect to the International Development Strategy, his delegation supported ECLA's attempts to revitalize

and expand producers' associations – a legitimate way of achieving the new international economic order. It supported the resolutions of the Conference of Developing Countries on Raw Materials, held at Dakar, whose impact would certainly be studied by ECLA. In that connexion he referred to paragraph 82 of the Chaguaramas Appraisal, in which the Latin American countries had emphatically rejected any type of measures involving overt or disguised coercion in respect of the orientation of their trade policy. They accordingly objected to the United States 1974 Trade Act, which served to make the application of the GSP to countries dependent upon their non-participation in producers' associations and upon certain rules regarding the expropriation or nationalization of foreign investments. Sovereign States should be free to decide such matters for themselves.

11. Monetary instability and tariff and non-tariff barriers were among the main causes of changes in trade flows. Floating currencies and increased costs in Europe had raised the price of imports for Latin American countries without corresponding increases in their export prices. ECLA might perhaps examine that problem in order to protect the interests of those countries until such time as fixed parities and greater stability were once more achieved.

12. Mr. BARCELÓ (Mexico) congratulated the regional commissions, and particularly ECLA, on the increasing effectiveness of their work over the past few years and their emphasis on action-oriented programmes. It was clear that their activities must now cover both the economic and the social aspects of development, and must be based not only on the International Development Strategy but also on other important documents such as the Declaration and Programme of Action for the Establishment of a New International Economic Order adopted at the sixth special session of the General Assembly and the Charter of Economic Rights and Duties of States. In order to fulfil that new mandate, the regional commissions would need more resources, but that should be achieved through redistribution under existing budgets rather than increased assessments on member States. Consideration might also be given to changing ECLA's name to "the Economic and Social Commission for Latin America".

13. Mexico supported ECLA's efforts towards achieving a new international economic order which would contain no element of colonialism or neo-colonialism. In particular, the Commission had set up high-level committees of experts in various fields and was collecting useful information on transnational corporations. Its activities should not, however, be confined to purely regional matters. There should be co-operation with all countries which had an influence in Latin America, with a view to a frank dialogue between industrialized and developing countries.

14. Mr. MUNGAI (Kenya) expressed his delegation's appreciation for the work done by the various regional commissions and the part they had played in the preparatory and follow-up stages of such events as the World Food Conference, the World Population Conference and the Second General Conference of UNIDO.

15. The dominant factor in the African economic situation was the severe drought affecting much of the

continent. A number of countries had suffered extensive disruption of economic life, the death of thousands of people and the destruction of crops and livestock. It was a cruel irony that while the great majority of the peoples of the world were fighting for a change in the present international economic order, a sizeable percentage of the African population was more concerned with the struggle just to stay alive.

16. His delegation was grateful for the efforts being undertaken by ECA in the formulation and implementation of plans and programmes for the transformation of the countries afflicted by the drought in Africa. It particularly welcomed the emphasis on long-term programmes to restore the ecological balance in the affected regions and check the southward advance of the Sahara desert. His delegation commended the efforts of those members of the international community which had come to the assistance of the Sudano-Sahelian States, and at the same time lent its full support to the appeal made by the third Meeting of the Conference of ECA Ministers (twelfth session of ECA) in resolution 264 (XII) urging the international community to seek radical solutions to the problem of drought with a view to its final eradication.

17. His delegation had noted with appreciation the efforts of ECA in agriculture, education, human settlements, industrial development, population, science and technology. It was particularly impressed by the Commission's activities in communications, notably in the launching of four highway projects in Africa. In view of the pivotal role of communications in the development of intra-African trade and over-all development, the progress made was particularly encouraging.

18. His delegation urged ECA to intensify its efforts with regard to projects which would facilitate a much higher degree of economic, financial and technical co-operation among African countries. There was a particular need for measures that would enable the processing of all Africa's raw materials to be carried out within the continent itself, for that was the key to rapid development. On the average, the price obtained by African producers for unprocessed raw materials was only about 10 per cent of what the consumer in the industrialized country paid for the final processed product. As long as practically all African raw materials were processed outside Africa, efforts to improve the international economic order would remain relatively meaningless as far as the ordinary African was concerned.

19. His delegation had been encouraged by the activities already launched in that connexion, but felt that much more remained to be done. It therefore welcomed the very detailed instructions contained in ECA resolution 256 (XII) requesting the Executive Secretary to take immediate steps to institute action-oriented programmes for the realization of objectives in line with those of General Assembly resolutions 3201 (S-VI) and 3202 (S-VI). His delegation would be interested to see what measures were taken by the Commission in that respect, particularly with regard to industrialization and economic co-operation at sub-regional levels.

20. His delegation wholeheartedly supported the draft resolution in paragraph 513 of the annual report of ECA

(E/5657, vol. I), which called on the Council to endorse ECA's medium-term plan for the period 1976-1979. That plan had been formulated on the basis of the International Development Strategy and Africa's own strategy for the 1970s and also took into account the need to adapt ECA's work programme to the Programme of Action for the Establishment of a New International Economic Order. Paragraph 4 of the draft resolution sought to amend the terms of reference of ECA so as to enable the representatives of national liberation movements recognized by OAU to participate in the Commission's activities. The African countries accorded high priority to the role of liberation movements not only in the political emancipation of people still suffering from colonialism and racial domination, but also in their emancipation from poverty and economic degradation. The draft resolution had been approved unanimously by the ECA Conference of Ministers, and he hoped that the Council would have no difficulty in adopting it unanimously as well.

21. Ms. TURNBULL (Australia) said that the regional commissions were playing a vital role in promoting regional co-operation and understanding, and that the steady increase in their operational activities indicated the practical value attached by members to their work. To be effective, economic and social development must be on a global scale, and the executive secretaries of the regional commissions had noted that that could not be achieved without improving the existing distribution of the world's productive capacity amongst developed and developing countries. The various commissions had therefore rightly taken account in their deliberations of the forthcoming seventh special session of the General Assembly. Her Government supported the search for a world solution to commodity problems, which involved questions of access, supply, price and stability, and considered that an interesting initiative had been taken in the UNCTAD proposal for an integrated approach to commodity problems (TD/B/530, paras. 36-52).

22. Her Government agreed with the regional commissions that the international community must work for a more unified approach to development, in which economic growth would be accompanied by social justice. It fully supported the call in the New Delhi Declaration (ESCAP resolution 154 (XXXI)) to member countries of ESCAP to intensify their efforts to step up food production so as to attain self-sufficiency. As it had shown in the follow-up to the World Food Conference, Australia was prepared to provide all possible assistance to developing countries within its region and elsewhere to achieve that objective.

23. Her Government recognized that the benefits of development could be undermined by the absence of a population policy and had therefore increased its financial contribution to UNFPA and the International Planned Parenthood Federation. It had also contributed to various population research projects and at the request of a State in the Asian and Pacific region had given \$2 million to a bilateral population project.

24. Turning to the annual report of ESCAP (E/5656), she said that her Government welcomed the rationalization of the Commission's conference schedule and believed that the

new system was working well. It also welcomed the Commission's concentration on priority areas, and the greater attention paid to the South Pacific region in its programme of work. It considered that the establishment of the Advisory Committee of Permanent Representatives had been of great help to the Commission.

25. Her Government believed that regional commissions could play a useful part in promoting co-operation amongst countries in their regions, and wished to express its sincere thanks to ECWA and ECA for having granted Australia observer status at their 1975 meetings in Beirut and Nairobi respectively.

26. Mr. KANAZAWA (Japan) said that as the United Nations became more universal, more attention was being given to general policies, so that the practical problems of a particular region or group of countries tended to be forgotten. The Executive Secretary of ESCAP had rightly pointed out that the region had witnessed a modest economic expansion in the traditionally slow-growing economies and a slowing-down of economic growth in the traditionally fast-growing export-based economies. The problems of poverty, unemployment and under-employment had also remained acute in several countries of the region. His delegation believed that such problems could be solved by taking into account the characteristics of the region and the changes taking place in it.

27. The regional commissions should concentrate more on practical issues. Even in matters such as population, energy, food, housing and water, which needed to be handled on a global scale, they should address themselves to those aspects which were relevant to the region, and not duplicate the efforts of world conferences. They would then in fact have more to contribute to activities at the global level. ESCAP had already made welcome progress in that direction.

28. Thus, his delegation recommended that the regional commissions should be given an increased role to play in implementing policies and executing projects, and also that there should be more regional inputs in the planning and decision-making of central bodies. In short, it believed that

regional decentralization of the activities of the United Nations system was important.

29. Mr. DURÁN (Observer for Chile), speaking at the invitation of the President said that at its sixteenth session ECLA had adopted some important resolutions and made a significant contribution to the appraisal of the International Development Strategy. Although there had been progress in the economic and trading situation of the area, it had been limited and there was still a disparity of growth between Latin American countries, unsatisfactory distribution of income and excessive dependence on international markets. Latin America still needed international co-operation in all fields. All the important provisions adopted by the international community, including the Lima Declaration and Plan of Action on Industrial Development and Co-operation, the Declaration on the Establishment of a New International Economic Order, and the Charter of Economic Rights and Duties of States, should be fully applied to Latin America. A swift reform of the international monetary system was also essential, with SDRs being used for additional development assistance and priority being given to problems of excessive indebtedness.

30. His delegation had been pleased to note the reorganization of the ECLA secretariat so as to make it more capable of carrying out its new tasks, and the new arrangements for meetings of the executive secretaries.

31. Mr. QUÉGUINER (Inter-Governmental Maritime Consultative Organization) said that IMCO took great interest in the work of the regional commissions. With the help of UNDP, it had undertaken the appointment of regional advisers in the various regions. That would strengthen the existing links between IMCO and the regional commissions and help it to tackle the regions' shipping problems in a more co-ordinated way. A joint ECA/ILO/IMCO/UNCTAD mission had just visited some African countries to identify their problems and to find integrated solutions. It was proposed that once the IMCO regional advisers for Latin America, Western Asia, and Asia and the Pacific had taken up their duties further arrangements should be made for co-operation with the regional commissions concerned.

The meeting rose at 4.30 p.m.

1969th meeting

Tuesday, 15 July 1975, at 10.45 a.m.

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

E/SR.1969

Tribute to the memory of Mr. Cordier, former Assistant Secretary-General of the United Nations

1. The PRESIDENT expressed the Council's deep sympathy with the United States delegation on Mr. Cordier's death in New York two days earlier and requested that

delegation to convey the Council's condolences to the United States Government and Mr. Cordier's family.

2. Mr. FERGUSON (United States of America) thanked the President and members of the Council for the tribute just paid to the memory of Mr. Cordier, whose death was mourned throughout the world.

AGENDA ITEM 4

Regional co-operation (*continued*) (E/5608/Rev.1, E/5608/Add.1, E/5619, E/5651, E/5656, E/5657 and Corr.1 and 2, E/5658, E/5700, E/5721-23; E/L.1665)

3. Mr. ŽIŽKA (Czechoslovakia) said that, in the light of Czechoslovakia's experience in ECE, his delegation regarded the United Nations regional commissions as important instruments for promoting and developing co-operation among countries.

4. His delegation had listened with interest to the statements of the executive secretaries of the regional commissions (1966th and 1967th meetings) and had studied all the documents submitted under agenda item 4. It had noted that the regional commissions had obtained many useful results which had made it possible to develop multilateral co-operation and promote the economic and social development of countries, and of developing countries in particular.

5. So far as concerned more particularly the activities of ECE, his delegation was in general agreement with the observations of the Executive Secretary of the Commission on the four priority areas (trade, scientific and technical co-operation, long-term planning and projection and the environment), as well as on the Commission's other main activities.

6. At its thirtieth session, two months earlier, the Commission had reviewed the past year's work and approved its forthcoming programme of work. The Chairman of the Commission had recalled on that occasion that the thirtieth anniversary of the end of the Second World War and of the defeat of fascism was being celebrated and had emphasized that no international co-operation was possible unless peace and security were strengthened. Through the efforts of the USSR and the other socialist countries, international tension was diminishing and international co-operation was on the increase among countries with different systems. The unprecedented success of the Conference on Security and Co-operation in Europe was particularly to be welcomed, and the socialist countries hoped that, as had been indicated by the Executive Secretary of ECE, the results of the Conference would create favourable conditions for international co-operation, particularly within the Commission.

7. The strengthening of peace and the development of co-operation among the Commission's member States would also have important repercussions in other regions: the other regional commissions could make good use of the experience gained, and his delegation endorsed the proposal of the Executive Secretary of the Commission that, with a view to the establishment of the new international economic order, the links with the other regional commission should be strengthened through the exchange of documents, experience and the services of experts, and through joint research, etc.

8. Some delegations had drawn attention to the economic crisis which was affecting the ECE region and the world as a whole and which was particularly evident in balance-

of-payments problems, increased unemployment and inflationary pressures. That applied to the capitalist economies but not to the socialist countries, which were successfully carrying out a complete programme of economic integration under CMEA.

9. His delegation considered that ECE should remain an instrument for mutual co-operation among countries having different economic and social systems. The Commission's activities would have to be strengthened, particularly in the four priority areas mentioned, but also in new areas as determined by the results of the Conference on Security and Co-operation in Europe.

10. His delegation was confident that it would be possible, within the Commission, to develop co-operation, overcome the obstacles and solve certain problems, particularly with regard to east-west trade. ECE and the other regional commissions would undoubtedly contribute substantially, within the United Nations system, to the promotion of co-operation among all countries, and to their development.

11. Mr. HAMID ABDEL GHANI (Egypt) said that his delegation was prepared to endorse the recommendations submitted to the Council by the five regional commissions, on the basis of the annual reports on the commissions' activities, which concerned not only the development of individual States, but also regional and international co-operation.

12. His delegation was also willing to support measures directed at strengthening the role of the regional commissions through operational and administrative decentralization. At its fifty-seventh session the year before, the Economic and Social Council had recommended that the Secretary-General, in consultation with the Administrator of UNDP, should arrange for the Commissions to act as executing agencies for regional projects (resolution 1895 (LVII)). In his delegation's view, however, the decentralization should be carried out in accordance with agreed criteria and standards, with a view to effective implementation of UNDP as a whole. As to administrative decentralization, particularly in matters of personnel, the Council might ask the International Civil Service Commission to consider the various possibilities, in particular local recruitment of high-level staff.

13. That autonomy in operational and administrative matters should to some extent strengthen the regional commissions. Their work should, however, form part of the global effort of the United Nations system to establish the new economic order. The executive secretaries were in fact well aware of the importance of that consideration, and in the report on their meetings in 1975 (E/5700) they had affirmed that more use should be made of the United Nations system for bringing about the new economic order, particularly through the regional commissions, which could help to dovetail national and global economic policies (para. 7).

14. In that area, the Economic and Social Council should provide the regional commissions, either at its present session or at the next one, with general guidance in the

matter of fact-finding, analysis, evaluation and regional policy-making.

15. The public information activities of the regional commissions should be further developed with a view to familiarizing individuals and influential circles with the principles of the new international economic order and of the Charter of Economic Rights and Duties of States. It was questionable whether politicians, journalists or even teachers were well enough informed about those problems to be able to bring them to the attention of public opinion. Much remained to be done in that field, in which the regional commissions could play a useful part if they are provided with the necessary means and resources. His delegation therefore suggested that the executive secretaries should place the matter on the agenda of one of their future meetings and report on it to the Economic and Social Council.

16. With reference to ECA, of which Egypt was a member, he recalled that his delegation had endorsed the resolutions adopted by the Commission at the third Meeting of the Conference of Ministers (twelfth session of the Commission), in particular resolutions 254 (XII) and 255 (XII) concerning amendments respectively to the Commission's rules of procedure and to its terms of reference which would have the effect of making it possible to invite national liberation movements recognized by OAU to participate in the Commission's deliberations. Those two resolutions were in line with the African liberation movement which had been in evidence for the last two decades.

17. The Commission's first session had been attended by only nine African countries, six of which had become independent only a short time before. To-day, Mozambique, Angola and the Cape Verde Islands had gained their independence, and the Commission now comprised 42 sovereign African states. A few African countries were still struggling for liberation. It was because of its feeling of international responsibility to those peoples that his delegation had supported the Commission's invitation to the national liberation movements to participate in its meetings pending their full participation once they had gained independence.

18. He believed that the Economic and Social Council would endorse resolution 12 (II), unanimously adopted by ECWA, on the admission of the Palestine Liberation Organization as a permanent observer to the Commission. ECA resolution 253 (XII) on the inclusion of Arabic among the working languages of the Commission, eight of whose members' official language was Arabic, would also be welcomed.

19. ECA should direct its activities towards the establishment of the new international economic order. Commission resolution 256 (XII) provided for measures to be taken for instituting action-oriented programmes in fields such as natural resources, industrialization and the transfer of technology. Those programmes were aimed at objectives which conformed with the principles and measures of implementation envisaged in the Declaration and Programme of Action on the Establishment of a New International Economic Order.

20. Other regional commissions had adopted similar resolutions calling for action to carry out programmes that could contribute to the establishment of the new international economic order. Egypt supported all those resolutions.

21. With reference to the drought which had so tragically afflicted certain countries, he said that in the age of advanced technology and of economic forecasting and planning for the year 2000 and beyond, the fate of man could not be left entirely to the hazards of nature. The problems of desertification, for example, should be tackled with the means and methods of modern technology. His delegation had noted with satisfaction ECA resolution 280 (XII) on a remote sensing centre for Africa. The Committee on the Peaceful Uses of Outer Space had expressed its appreciation of that resolution and its willingness to assist in its implementation, being aware that, when applied in agriculture, forestry, fisheries, water resource management and the discovery of earth resources, the technology of remote sensing was probably capable of revolutionizing national economies. He therefore hoped that when the Council took up the next report of ECA, the centre would be in full operation for the benefit of the African continent.

22. His delegation also welcomed resolution 281 (XII) on satellite broadcasting systems for education and development. He believed that the Executive Secretary, who had been asked to take the necessary steps to establish the system, would benefit from studying the measures already adopted by India in setting up a system of that kind.

23. Speaking about outer space seemed quite natural that day, when a great space experiment was to be undertaken by cosmonauts from the United States of America and cosmonauts from the Soviet Union. Egypt congratulated those countries on their great venture and hoped that their co-operation would be beneficial to all mankind.

24. In conclusion, he mentioned the youngest of the regional commissions, i.e. ECWA. The Executive Secretary of the Commission had reported eloquently on its activities and on the economic and social situation of the region. Egypt had not attended the Commission's second session, but had read its report (E/5658) with the greatest attention, and approved of its programme of work, which covered a range of activities of concern to the member States of the Commission and the region as a whole. His Government was ready to provide technical assistance for the implementation of that programme. Egypt followed the work of the Commission with great attention because Sinai was part of its territory. Moreover, most member States of the Commission had admitted a large number of highly-trained Egyptians, many of whom were to take part in carrying out the Commission's programme of work and assist more generally in the Arab countries' development.

25. Mr. EHSASSI (Iran) expressed his delegation's appreciation of the highly informative statements given by the executive secretaries of the regional commissions; in his view, they would contribute to a better understanding of the problems facing the developed and the developing countries of each region. He noted with satisfaction that for

the first time the Economic and Social Council had given the Secretary-General of RCD an opportunity of addressing it on the activities of his organization and the development efforts jointly undertaken by Iran, Pakistan and Turkey.

26. With reference more particularly to the annual report of ESCAP (E/5656), he said he agreed that the thirty-first session of ESCAP should be regarded as having provided an excellent opportunity of making a special regional contribution to the establishment of the new international economic order, and that its decisions and resolutions constituted a substantial input by the region to the forthcoming seventh special session of the General Assembly. The thirty-first session had led to the adoption of important resolutions and decisions in the fields of development planning, the transfer of technology, shipping and ports, agricultural mechanization and the role of women in development. Of particular importance to his delegation was resolution 157 (XXXI) on the regional plan of action for the enhancement of the role of women in Development. The active participation of women in development efforts had become a necessity, and, at the national level, his country had taken important steps to accelerate the integration of women in economic and social development. His delegation supported the Executive Secretary's efforts to ensure the implementation of the plan of action and the early establishment of a research and training centre for promoting the role of women in development. His Government would contribute \$500,000 to the initial expenses of establishing that centre.

27. His Government also supported the programme of work and priorities for 1975-1977 in the fields of food, energy, raw materials and the transfer of technology, etc., and it shared the hope expressed by the Commission that ESCAP would soon be designated as the executing agency for regional projects.

28. The Regional Preparatory Conference on Human Settlements, held at Teheran in June 1975, had provided a good opportunity for useful exchanges of views on the special problems facing the developing countries in the field of human environment; together with the recent establishment of the Asian Clearing Union, it had contributed to the promotion of regional co-operation in the fields of human environment and of trade and monetary problems.

29. His delegation welcomed the executive secretaries' decision to meet in rotation at the headquarters of each regional commission for consultations and exchanges of views (E/5700, para. 9), and it hoped that those meetings would prove useful in promoting greater interregional co-operation.

30. Mr. MAHMOOD (Pakistan) congratulated the executive secretaries of the five regional commissions on the quality of their annual reports, in particular the Executive Secretary of ESCAP, under whose guidance the Commission had done useful work.

31. The reports of the regional commissions showed that, more than ever, the international economic situation needed to be viewed as a unified system; the interdependent nature of the world economy called for co-

operative efforts. In that respect, the regional commissions had an important part to play, since, by promoting regional co-operation and understanding, they could serve as a bridge between national and global economic policy. The reports also revealed how the welfare and development of one region depended on and even benefited from the welfare and development of the others, and how development and planning at the regional level could contribute to the development of the countries of a region.

32. Like the Iranian representative, he noted with satisfaction that RCD was participating for the first time in a session of the Economic and Social Council. RCD had been set up to promote collaboration among the countries of the sub-region with a view to fostering their economic development. Although no spectacular results had yet been achieved, a start had been made towards co-operation in the fields of trade, industry and technology. His country firmly believed that a sub-regional organization like RCD could play an important part in the economic development of the countries concerned, provided there was identity of basic economic and political interests. Regional co-operation was many-sided; it went from the sub-regional level to the regional, interregional and international levels. That was why his country regarded RCD as a sort of bridge between ESCAP, ECWA and ECE.

33. At its thirty-first session ESCAP had considered in detail the mid-term review and appraisal of progress made in implementing the International Development Strategy for the Second United Nations Development Decade at the regional level. It had noted with concern that the deterioration in the international situation was still having a profoundly unfavourable impact on the developing countries of the region. The world-wide food shortages, high prices of essential commodities and inputs, widespread inflation accompanied by recession in many developed market economies, the instability of the international monetary system, the energy situation, falling prices of raw materials and the danger of renewed trade protectionism – all had seriously impeded the development process. The progress made by the developing ESCAP countries towards reaching the targets of the Strategy continued to be uneven and, on the whole, unsatisfactory.

34. His delegation endorsed the action-oriented and integrated programme of work and priorities for 1975-1977, contained in chapter IV of the ESCAP report. The five priority areas of food, energy, raw materials, external financial resources and the transfer of technology rightly deserved special attention.

35. He had read with great interest the report by the Secretary-General on United Nations export promotion and development efforts (E/5619). It was encouraging to note that considerable progress had been made in the co-ordination of efforts in export promotion and development between various United Nations agencies. For a developing country like Pakistan, export promotion was a matter of great importance since it was closely linked with economic development. The field was therefore one which required concerted efforts on the part of the United Nations system for rendering assistance to the developing countries.

36. Mr. VINUESA SALTO (Spain) said that his Government attached great importance to the work of ECE, particularly since the Commission might be given a vital new role to play during the third phase of the Conference on Security and Co-operation in Europe.

37. With regard to the annual report of the Commission (E/5651), his delegation wished to point out the difficulties facing some of the less developed countries as a result of the growing complexity of the work done by the Commission and its many subsidiary bodies, whose documentation was so voluminous that one ministry could not cope with it. In order to accelerate its relations with national administrations, ECE often entered into direct contact with the competent bodies, thus creating many problems of co-ordination between ministerial departments. His delegation considered that the system of direct contact should be reduced to a minimum with a view to improving co-ordination at the national level -- a prerequisite for avoiding duplication and concentrating efforts in the priority areas.

38. His delegation also wished to stress the need for the greatest possible co-ordination of effort both within ECE and with the other international organizations. Moreover, it would like to see ECE concerning itself with intra-regional economic problems that did not depend on East-West relations. The worsening of the situation in the ECE region had led many countries to adopt restrictive policies following the oil crisis, both to combat inflation and to limit balance-of-payments deficits. So far as Spain was concerned, the application of such policies had brought about a decrease in exports and in the number of tourists, and a halt to emigration movements. His Government hoped that ECE would deal more directly with those problems.

39. His delegation was interested to learn that at its recent sixteenth session ECLA had sought to establish a working relationship between the regional commissions and the new United Nations Information and Research Centre on Transnational Corporations. He hoped that question would be dealt with soon.

40. Mr. KACIMAIWAI (Fiji) said that his delegation appreciated the quality of the work done by the regional commissions during a difficult year, and paid a special tribute to the Executive Secretary of ESCAP.

41. In view of the number of inhabitants in the ESCAP region in relation to its available resources, the greatest efforts were needed if all were to have access to the fruits of economic and social development. More than in any other region, therefore, there should be a continuous rationalization of the relationship between economic and social development and population activities. The three-pronged objective defined in paragraph 174 of ESCAP's annual report (E/5656) was consistent with the most urgent development need of the region, which was to adapt its population strategy to the over-all tempo of its economic and social progress. For that reason, his delegation thought that the ESCAP region should be allocated a greater share of the financial resources of UNFPA.

42. His delegation considered that ESCAP resolution 157 (XXXI) (Regional plan of action for the enhancement of

the role of women in development) was in conformity with the need further to rationalize population activities, and it approved of the resolution's adoption.

43. The extent of the ESCAP region and the dispersion of the island countries meant that communications were of immense significance. His delegation therefore approved of the importance which had been attached to that problem in paragraph 327 of the ESCAP report, and supported resolution 160 (XXXI) (Arrangements on shipping and ports), especially sub-paragraphs (a) and (b) of the second preambular paragraph. The establishment of one forum for shipping and ports, as envisaged in operative paragraph 1, would strengthen regional co-operation in that vital area.

44. His delegation also approved of resolution 154 (XXXI), entitled "New Delhi Declaration: Regional Contribution to the Establishment of a New International Economic Order". It likewise supported resolution 156 (XXXI) (Establishment of the Asian Centre for Agricultural Machinery), since it considered that, in a region where a large proportion of the population subsisted on agriculture, any effort to improve agricultural production and productivity was vital for the development of the region, and that the establishment of the Centre in question was a step in the right direction.

45. His delegation also supported ESCAP resolution 159 (XXXI) concerning a regional centre for technology transfer. The establishment of such a centre was in keeping with the needs of the region, where as in all developing countries, the transfer of technology, while calling for a certain selectivity, was of great importance. It also supported the other resolutions, as well as the integrated programme of work.

46. His delegation noted with satisfaction the incorporation of "the Pacific" in the revised designation of the Commission. That was a sign that the importance of the South Pacific in the development of the ESCAP region as a whole was being recognized. It was also pleased to note, from paragraph 57 of the report, that there was growing co-operation between ESCAP and the South Pacific Bureau of Economic Co-operation.

47. The international disasters which were constantly afflicting the region took a heavy toll of its resources and affected its development efforts. If the islands of Fiji, Tonga and Samoa, the devastation caused by tropical cyclones was stifling the urge to development. His delegation would like to see something done to ensure greater co-ordination of disaster relief in the various parts of the region and on an interregional basis.

48. His delegation joined others in the region in asking that UNDP should allocate funds to the regional commissions to meet their overhead costs as executing agencies for UNDP projects. It appreciated the high quality of the work accomplished by the regional commissions during the past year and hoped that they would show the same dedication in the future.

49. Mr. LONGERSTAEY (Belgium) said that his delegation was greatly interested in the work of ECE, whose

thirtieth session, held in April 1975, had been mainly a session for reflection. The transformation of economic trends and structures had in fact led the member countries to consider the Commission's tasks more closely and to ponder the future of regional co-operation. In addition, the possibility of a resumption of the Conference on Security and Co-operation in Europe had continued to overshadow the debates. It would be impossible to answer the questions raised by the Executive Secretary in his report on the Commission's future activities until the following year, when Governments would have studied the implications of that Conference for the Commission's work.

50. The general discussion of ECE's future activities had made it easier to assess the place of the European region in the world economy. The Executive Secretary had rightly emphasized the fundamental interdependence of contemporary problems and had pointed out that the regional character of the Commission did not isolate it from world problems. For that reason, his delegation had supported the Executive Secretary's proposal for improving the exchange of information and experience among the regional commissions.

51. His Government supported the proposals which were designed to improve and rationalize the present methods of work by concentrating the activities of the various bodies on essential problems, co-ordinating common aspects and integrating them all into a coherent whole in order to achieve greater effectiveness. It considered that the implementation of those proposals would represent undeniable progress in the matter of integration and co-ordination of the work programmes of the subsidiary bodies.

52. With regard to the study on savings in energy,¹ his delegation supported the decision requesting the Executive Secretary to convene a meeting of experts, whose task would be limited to studying the document with a view to drawing up recommendations to the Commission for possible future work on energy economy and efficiency in the ECE region.

53. His Government attached great importance to the development of east-west trade and was accordingly much interested in the seminars devoted to that question. The most recent seminar, which had taken place at Geneva from 13 to 18 May 1975, had dealt mainly with east-west trade promotion, marketing and licensing. The questions of techniques, patents, trademarks and leasing had also been discussed.

54. His Government had taken great interest in the inquiry which the Executive Secretary had conducted in 1973 on the activities of national export promotion bodies in the least developed of the ECE countries as also in the consultations which had been undertaken with those countries with a view to pinpointing the problems which deserved more detailed study. It approved of the action

taken by the Commission to encourage indirectly the promotion of trade.

55. While, therefore, ECE would continue its activities in 1975-76 in the same fields as in the past, it would endeavour to make them more effective by better co-ordination and greater integration. In addition, it intended at the next session to work out a new kind of interregional collaboration, in the light of the results of the Conference on Security and Co-operation in Europe.

56. The importance which Belgium attached to the work of ECE in no way prevented it from recognizing the competent and courageous undertakings of the regional commissions, whose efforts, in spite of difficulties, were helping their members to advance along the road of economic development. In that spirit, it was prepared to accept, subject to some slight reservations, the report on the meetings of the executive secretaries of the regional commissions. Moreover, it appreciated the efforts made by the United Nations to promote the development of exports in the framework of the regional commissions and of certain world organizations, such as the UNCTAD/GATT International Trade Centre, UNIDO and FAO (see E/5619). It was taking part in those efforts through training projects and activities.

57. Mr. CORDOVA MOYANO (Argentina) paid a tribute to the executive secretaries of the regional commissions for their reports, which gave a comprehensive picture of the regional commissions' activities and a preliminary evaluation of their results.

58. In order to help in solving the present-day world problems, countries should first direct their attention to the problems of their own region. Argentina, therefore, was particularly interested in the statement of the Executive Secretary of ECLA, since Latin America was the area in which its co-operation activities were primarily carried out. The intensification of integration efforts and the increase in co-operation among developing countries was of capital importance to the various regions, and ECLA offered an excellent sphere in which to study particular problems, carry out the requisite studies and implement the projects that would lead to a solution of the problems.

59. His delegation felt that, besides structural reform of the United Nations system, permanent elements existed, such as collaboration among the regional commissions and their role in co-operation with other United Nations bodies. An interdependent world required an integrated approach to problems and his country considered that collaboration should be developed to a level commensurate with the new requirements.

60. His delegation was convinced of the importance of the appraisals of the International Development Strategy which had been carried out at the regional level. The Chaguaramas Appraisal (ECLA resolution 347 (XVI)) constituted for Latin America a form of participation in the study and solution of the problems affecting the entire world.

61. Mr. TANK (United States of America) said that the reports of the regional commissions and their activities

¹ "Study on measures taken, or which might be taken, in order to achieve increased economy and efficiency in the extraction, conversion, transport and use of energy in the ECE region" (E/ECE/883 and Add.1).

during the year under review demonstrated the importance of regional co-operation in furthering the objectives of economic development in all areas of the world. His Government attached particular importance to Council resolution 1896 (LVII) concerning the decentralization of international activities to the regional commissions and hoped to see action on the executive secretaries' stand that the transfer of executing agency functions should be carried out expeditiously and systematically (E/5700, para. 39), so that the commissions would become more involved in planning and co-ordinating UNDP assistance for regional and interregional projects.

62. Although the United States of America was a member of only three of the regional commissions, his Government had followed the activities of them all closely. It was represented in ECA as an observer, and fully supported that commission's activities in livestock development, trade in agricultural produce, and manpower training, and it had provided \$1 million to finance development advisory teams for East Africa.

63. His delegation had noted the observation by the executive secretaries in their reports that the unfavourable economic situation prevailing during the past two years had deeply affected each of their regions. Inflation, unfavourable trade balances, energy costs and monetary disturbances had led everywhere to rising unemployment, economic stagnation and social unrest. The executive secretaries' reports showed more clearly than ever the interdependence of countries in all regions. The economic recession in the European region had had drastic consequences for the developing countries, where the decline in demand for raw materials, coupled with rising petroleum costs, had resulted in unprecedented trade deficits. Recession was quick to spread throughout the world economy, but prosperity spread slowly. The Executive Secretary of ECE had rightly advised Governments to seek solutions to their problems through measures conducive to growth.

64. Renewed growth and expansion in the industrialized countries was a key factor in the improvement of economic conditions in the developing countries. Co-operation among the ECE countries would offer new possibilities for trade and other economic activities which would redound to the benefit of the developing countries too. While the fundamental importance of economic interdependence had not been overlooked, increasing attention had been given to the need for the developing countries to achieve self-reliance. The Executive Secretary of ESCAP had drawn attention to that aspect of the International Development Strategy and to the social objectives of economic growth. He had pointed out that the longer-term problems of that region called for fundamental changes in development strategy. His delegation hoped that the World Population Conference would have served to provide fresh incentives for population activities in the ESCAP region and it endorsed the ESCAP work programme for the coming biennium.

65. His delegation hoped that possibilities for inter-regional co-operation would be explored further and it welcomed the intensification of inter-agency co-operation in the various regions. In general it was satisfied with the work programmes of the regional commissions and their

projected activities for the future; it would therefore support the adoption of the commissions' reports.

66. Mr. DUGERSUREN (Mongolia) said that his country attached great importance to the regional commissions, which were the Council's local representatives and could play a useful role in fostering wider co-operation, mutual understanding, trust and peaceful relations among States. The relaxation of international tension was presenting new vistas for enhancing the ability of the regional commissions to promote socio-economic development and co-operation at regional and sub-regional levels. The Conference on Security and Co-operation in Europe, the end of the war in Indo-China and the decolonization successes in Africa were a stimulus to regional co-operation in many fields. A peaceful environment and co-operation in political, economic and other fields were complementary and mutually encouraging. The regional commissions should not be passive onlookers but should help in the implementation of the provisions of the Declaration on the Establishment of a New International Economic Order and the Charter of Economic Rights and Duties of States.

67. Mongolia was a member of ESCAP and appreciated the importance of the Commission's thirty-first session, at which the economic situation of the countries of that region had been discussed in the light of the goals and objectives of the International Development Strategy and the above-mentioned Declaration, and the programme of work and priorities for 1975-1977 had been established. His delegation thought that one of the Commission's commendable features was its increasing emphasis on an integrated approach to development issues; it welcomed the consultations organized by the Executive Secretary with the Governments of States members of the Commission; those consultations had been useful in the formulation of programmes more responsive to the realities, needs and requests of the countries of the region.

68. His delegation was also favourably disposed towards the reorganization of the conference structure in ESCAP, since the increased efficiency of the Commission and its subsidiary bodies was the pivotal issue. The Commission should concentrate on really vital problems of long-term significance and avoid duplication, overlapping and fragmentation of resources.

69. Regarding future activities, the Commission should pay increasing attention to measures to alleviate the difficulties in the war-torn economies of the countries of Indo-China. Although the decisive factor would be the efforts of the peoples concerned, the mobilization of some sort of regional endeavour would undoubtedly have a significant impact on the economy of those countries.

70. For various reasons arising from the diverse political, economic, social and geographical backgrounds of the countries of the ESCAP region, those countries did not all have the same opportunity to participate actively in the Commission's work and to benefit from the various kinds of regional projects. His delegation therefore considered that the Commission should devise some means of introducing flexibility into its programme of work so that all the countries of the region might have an equal chance to enjoy the benefits of co-operation efforts at the regional level.

71. Finally, the delegation of executing agency functions to the regional commissions should enable them to increase their capacity and efficacy in promoting socio-economic progress and regional co-operation.

72. Mr. FERNAND-LAURENT (France) said that the idea of the interdependence of world economic problems and the co-operation efforts it entailed in a changing, unstable world situation was dominating the discussion at the current session of the Economic and Social Council. The mid-term review and appraisal of the International Development Strategy, together with the preparation for the seventh special session of the General Assembly, should make it possible to place the problems in a realistic and dynamic perspective and to facilitate the progressive establishment of a new international economic order. It was with that essential aspect of the mission of the regional commissions in mind that his delegation wished to make some comments on their activities.

73. ESCAP, whose member countries accounted for half the world's population, had shown its desire to prepare for the future by integrating pragmatically the lessons of the past with the achievements of the present. Back in 1951 the Commission, at its seventh session held at Lahore, had settled the difficult problem of the participation in its work of certain members from outside the region² and their participation was becoming increasingly valuable in the present context of the world economy. Among the Commission's important projects, that of the Committee for Co-ordination of Investigations of the Lower Mekong Basin deserved special mention. At a time when several of its members were beginning to reconstruct their economies, its work should be an extremely valuable element of the policy of development based on the attainment of greater autonomy.

74. In the performance of its task, ESCAP should be able to use, in addition to its own resources, the assistance it received from the United Nations and the specialized agencies. His delegation welcomed the reorganization of the Commission's conference machinery and the decision to establish a single intergovernmental governing council for the four regional institutions. It approved of the adoption of an integrated work programme directed towards action during the period 1975-1977, particularly in the vital fields of food supply, energy, raw materials, external financial resources and transfer of technology. It would like to see greater implementation of Council resolution 1896 (LVII), in which the Economic and Social Council requested the Secretary-General, in consultation with the Administrator of UNDP, to make the necessary arrangements allowing for the delegation of the appropriate functions of an executing agency to the regional commissions for regional, sub-regional and interregional projects financed by the Programme. The specialized agencies and UNFPA should also exert special efforts to make the maximum resources available to the Commission.

75. With regard to ECLA, he was pleased to note that the Executive Secretary's qualities as a man of action had had a stimulating effect on the work of that Commission. During the 1960s, the French Government had attentively followed Mr. Raúl Prebisch's efforts to draw up a Latin American development doctrine and to train the human instruments to carry out that policy of promotion and solidarity, such as the members of the Latin American Institute for Economic and Social Planning and the Latin American Demographic Centre. His successor as Executive Secretary, Mr. Iglesias, now had to his credit the development of interregional relations, particularly between the Caribbean and the continent. It was, therefore, in a spirit of confidence in the future that his delegation welcomed in general the results of the Commission's thirty-first session and associated itself with the adoption of the Chaguaramas Appraisal.

76. The statement by the Executive Secretary of ECA had clearly shown the obstacles to the development of that continent, which was grappling with certain structural aspects of poverty and which also suffered the effects of natural disasters such as prolonged drought and desertification. In view of the gravity of the situation, France had tried to help the stricken African States and was devoting most of its bilateral aid to them. That aid was directed principally to the development of agriculture and had been particularly substantial in respect to the campaign against the consequences of the drought in the Sahel and the development of a road infrastructure which was vitally important as a lifeline to the land-locked States and in the promotion of interregional trade.

77. In ECWA, there was a great contrast between the description of African poverty and the picture of a region affected by a sudden influx of financial resources. Thus on the one hand there were national incomes which were among the lowest in the world – some barely \$100 *per capita* per annum – and on the other the highest ever attained, the record being over \$8,500 *per capita*. That sudden increase in monetary resources, however, presented almost as many problems as it resolved, accentuated internal and external imbalances and contributed, through excessive liquidity, to the tensions affecting the world monetary system. Nevertheless, the economies of the countries of the region, like those of the poor countries, were still vulnerable owing to lack of diversification of production and to financial uncertainty. That state of affairs illustrated the interdependence by which the world economy was increasingly characterized. The Executive Secretary's statement had shown that that young Commission could contribute to the rational reorientation of financial flows towards the under-developed sectors of the region and the least developed countries in the rest of the world.

78. The Executive Secretary of ECE had shown how conscious the States members of the region were, despite their different approaches, of their collective responsibility towards the other regions of the world and especially towards the developing countries. He had expressed the confidence of the countries of the region that industrial, commercial and technical co-operation between States members of the region would be to the benefit of the world

² In this regard, see the annual report of the Economic Commission for Asia and the Far East (*Official Records of the Economic and Social Council, Fourteenth Session, Supplement No. 3*).

as a whole. Since its inception, the Commission's particular vocation had been to stimulate trade between countries with different economic and social systems and his delegation was convinced that it would remain faithful to that vocation. It would also no doubt be encouraged to develop and increase that trade by the political will of the Governments which would be expressed in the closing statements at the Conference on Security and Co-operation in Europe.

79. He was convinced that the activities of ECE would converge with the efforts of the other regional commissions to give practical effect to the important directives upon which consensus had been reached at the recent world conferences on food and industrialization and to those which would be adopted at the seventh special session of the General Assembly.

80. It was obvious that States should show increasing solidarity in order to confront the grave dangers threatening the world economy; the regional commissions formed a

network through which that solidarity could and should best be expressed. To that end, the commissions should not interpret their mandate too narrowly and should be careful not to become self-centred. It was therefore desirable that the commissions should strengthen the links between them and increase the exchange of information and the number of joint undertakings. In that connexion, the decision of the executive secretaries to hold one of their two annual meetings at the headquarters of each regional commission in turn seemed a step in the right direction. United Nations Headquarters, UNCTAD, UNDP and the specialized agencies should also show their willingness to decentralize and in return the commissions should take account of the decisions adopted by the United Nations at the world level and be careful not to go beyond the measures adopted by the competent central organ. As the regional commissions' action should be subject to a certain unity of vision, it was the responsibility of the Economic and Social Council to provide doctrinal direction.

The meeting rose at 12.45 p.m.

1970th meeting

Tuesday, 15 July 1975, at 3.10 p.m.

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

E/SR.1970

AGENDA ITEM 4

Regional co-operation (*continued*) (E/5608/Rev.1, E/5608/Add.1, E/5619, E/5651, E/5656, E/5657 and Corr.1 and 2, E/5658, E/5700, E/5721, E/5722 and Corr.1, E/5723; E/L.1665)

1. Mr. DIETZE (German Democratic Republic) said that the reports of the regional commissions and the statements by their executive secretaries had shown that the progress of *détente* had brought about an improvement in the conditions in which the commissions worked. Much nevertheless remained to be done, and the regional commissions should make greater efforts to promote arms limitation and disarmament, since the policy of the armament monopolies was aggravating the prevailing crisis, absorbing vast resources and hampering the development of harmonious economic relations. He was therefore convinced that the coming conclusion of the Conference on Security and Co-operation in Europe would represent a decisive step towards peace and the activities of ECE would take on new life as a result.

2. His country attached great importance to co-operation through ECE, whose thirtieth session had been fruitful. A high level of priority had been assigned to certain activities – in the fields of trade, scientific and technological co-operation, long-term projections and planning and the protection of the environment – which could promote peaceful co-existence among countries with different social systems. That applied particularly to projects such as those for the rational utilization of energy and raw materials or

the unification of electricity networks in eastern and western Europe. Mention should also be made of the study on measures to effect economy in the use of energy¹ in which there were a number of suggestions that could promote scientific and technical co-operation through ECE. Lastly, the development of long-term economic forecasts for the ECE region was a highly important task.

3. His delegation considered that ECE would be distinctly more effective if the activities of its subsidiary bodies – for example, those relating to scientific co-operation or environmental protection – were better co-ordinated: the implementation of Commission resolutions 1 (XXX) and 2 (XXX) would help in that direction.

4. The executive secretaries had emphasized the harmful effects on regional co-operation of the acute crisis affecting the capitalist countries: his delegation shared their concern and considered that the time had come to remove the many obstacles to east-west trade, particularly by applying the most-favoured-nation principle. With regard to the economic crisis, it should be noted that the industrial production of the CMEA member countries represented more than 33 per cent of world industrial production and that they were not suffering from any recession in industrial production or from inflation, speculation or unemployment.

¹ ECE, "Study on measures taken, or which might be taken, to achieve increased economy and efficiency in the extraction, conversion, transport and use of energy in the ECE region" (E/ECE/883 and Add.1).

5. Co-operation among the regional commissions and development of their relations with other United Nations bodies were essential for the establishment of a more just economic system; his Government therefore supported the proposals submitted by the Executive Secretary of ECE, in his report on the future activities of the Commission,² with a view to developing such co-operation. The experience acquired by ECE should benefit other regional commissions; joint studies could be undertaken on subjects of common interest and more experts from developing countries could participate in ECE projects.

6. Regional co-operation among developing countries could only mean faster economic and social progress, and it should be remembered that the decisions taken by the General Assembly at its sixth special session were designed to promote such co-operation. His country had participated as an observer in the sessions of a number of regional commissions and desired to collaborate more and more closely with them in a spirit of co-operation and on an equal footing.

7. Mr. ASHTAL (Democratic Yemen) said that there was a tendency to neglect regional co-operation in favour of relations between developing and developed countries, which perpetuated the unequal relations that had existed until recently between colonies and colonial Powers. The regional commissions were the bodies best suited to deal with regional problems; the member countries themselves directed their policy and selected their projects according to the region's possibilities and real needs. The regional commissions should be the focal point for United Nations action and even for government assistance.

8. As the Executive Secretary of ECWA had emphasized (1967th meeting), the Western Asian region was one in which there were great disparities in some respects and the countries belonging to it differed greatly in their levels of development; that was an additional reason why they should give high priority to regional co-operation and encourage projects designed to benefit the people.

9. The ECWA countries with a high *per capita* income tended to assist their neighbours essentially in the services sector (education, health, etc.); such assistance was naturally welcomed, but more emphasis should be given to projects designed to promote capital accumulation in recipient countries. Two kinds of aid could be distinguished: that designed to meet the most basic needs, such as humanitarian assistance in the event of a disaster, and that aimed at development and economic and social progress. Neither type should be neglected in regional co-operation.

10. Lastly, he emphasized that economic and political stability should not be assessed solely according to the state of the economies of developed countries but rather according to the economic growth of all countries, large and small. Viewed in that light, regional co-operation was the cornerstone of international co-operation and should also form the basis for the new international economic order.

11. Mr. KAUFMANN (Netherlands) congratulated the executive secretaries and the secretariats of the regional commissions on their excellent work.

12. He drew attention to the decisions taken by the Council at its fifty-seventh session on decentralization and the delegation of functions to the regional commissions (resolution 1896 (LVII)), and he endorsed the wish expressed by the executive secretaries in paragraph 39 of the report on their meetings (E/5700) that the transfer of executing agency functions for UNDP projects should be carried out expeditiously, and with a complete delegation of authority. He considered that the executive secretaries should take part in the work of the Advisory Committee on Economic Co-operation and Development, which the Group of Experts on the Structure of the United Nations System had recommended should be set up (see E/AC.62/9, para. 77). The new approach would add to the workload of the regional commissions and would have an impact on the regional co-operation system. His Government therefore intended to increase its extra-budgetary contribution to the activities of certain commissions in 1976. His delegation looked forward with interest to the Joint Inspection Unit's report on regional structures and the comments of ACC thereon, which would come up for discussion the following year.

13. Referring to the Secretary-General's report on United Nations export promotion and development efforts (E/5619), he noted the growing importance of good co-operation between the regional commission and the UNCTAD/GATT International Trade Centre. His delegation wished to stress the valuable contribution made by UNDP to training activities on export promotion. The Netherlands had made substantial contributions to the export promotions undertaken by ESCAP, ECA and ECLA.

14. Reviewing the activities of the various regional commissions, he welcomed the granting of consultative status to the Netherlands by ECWA.

15. With regard to the activities of ECE, he expressed support for any action aimed at strengthening East-West relations, which for obvious reasons were the central theme in its work, but that should not mean neglecting the contribution it could make to solving world-wide problems.

16. Turning to ESCAP, he said that the Netherlands approved of the new programme of work and priorities drawn up after the thirtieth session (E/5656, chap. IV) and adopted at the thirty-first session. The recommendations emanating from a mission established to review the structure of the regional training institutions had been discussed at the thirty-first session; those among them which were accepted were likely to lead to closer co-operation between several institutions in the economic and social field (see Commission resolution 158 (XXXI)). His delegation agreed with the two recommendations currently before the Council (resolutions 156 (XXXI) and 159 (XXXI)), that two new institutions should be set up, one for agricultural machinery and the other for technology transfer, but on the understanding that co-ordination would be established between those ESCAP bodies and other organizations inside and outside the region.

² ECE, document E/ECE/875.

17. As far as the American continent was concerned, his Government enjoyed excellent relationships with ECLA and he hoped that Surinam, at present an autonomous part of the Kingdom of the Netherlands but scheduled to become independent during the year, would establish an equally fruitful relationship with the Commission.

18. In Africa, the situation was dominated by the severe drought that had afflicted a large part of the continent. ECA had an important part to play in the preparation and execution of projects to remedy that state of affairs, especially at the sub-regional level.

19. On the whole, the executive secretaries of the regional commissions were to be congratulated on the competence and dynamic leadership they had displayed in fulfilling their mandates. His Government was pleased that it had excellent relationships with the various regional commissions, which, in its opinion, had an important contribution to make to the establishment of a more just economic and social order in the world.

20. Mr. SADI (Jordan) said that the reports and statements by the executive secretaries of the regional commissions fully confirmed that the economies of the different regions of the world were interdependent, and he welcomed the close co-operation which had been established between the regional commissions and UNCTAD, UNIDO and UNEP.

21. His delegation was especially interested in the report of ECWA. Two major developments dominated the situation in the region: the impact of the 1973 war and the newly acquired wealth of the petroleum exporting countries. Those countries had provided substantial public bilateral and multilateral aid, which, in percentage terms, was more than that of the industrialized countries, and their aid would have been even greater if tension in the Middle East had not compelled them to allocate large funds for defence purposes.

22. Jordan especially valued the action taken by ECWA to promote co-ordination and co-operation, as it supported economic co-operation and even economic integration in the region.

23. In its economic development plans, his Government had made major efforts to modernize the country's agriculture and industry, without neglecting the social aspects essential for well-balanced development. It was endeavouring in particular to develop the Jordan Valley and to slow down migration from the countryside to the towns. Its economic plans and strategy were in line with the guidelines of ECWA and Jordan was pleased to co-operate with the Commission and its various member countries.

24. Mr. KASSOV (Bulgaria) referred to the contribution made by ECE toward improving East-West relations. Considering that the results of the Conference on Security and Co-operation would strengthen peaceful co-existence in Europe, his delegation was of the opinion that, at its thirty-first session, the Commission should study its programme of work and that of its subsidiary organs in the light of the results of the Conference.

25. Turning to the future work of ECE, his delegation believed that the most important task was to eliminate the remaining anachronisms in east-west trade, to apply the most-favoured-nation principle, and to press for industrial co-operation on the basis of a rational international division of labour. ECE should direct its efforts towards the study of regional and sub-regional projects, especially those concerning agriculture, the environment and transport. His delegation endorsed the Executive Secretary's intention to strengthen co-operation between ECE and the other regional commissions. Bulgaria valued the work of ECE highly and would continue to play an active part in it, as it had done in the past.

26. Mr. DINU (Romania) noted with satisfaction that the member countries and secretariats of the regional commissions were engaged in developing fruitful co-operation on the regional level. The commissions were also trying to help establish a new international economic order; for example, ESCAP had adopted the New Delhi Declaration on the regional contribution to the establishment of the new order (resolution 154 (XXXI)). The other regional commissions should follow that example.

27. Referring more particularly to the work of ECE, he said that its members had not exhausted all the opportunities for co-operation available to them. In his opinion, ECE's role and effectiveness should be strengthened along four main lines.

28. In the first place, ECE should always have as its main objective to encourage the economic development of all its member States. The Commission should therefore be able to adapt itself more quickly and flexibly to the present or future needs of the region, including those of the region's developing countries.

29. Secondly, ECE should promote action to solve the current problems which were of growing importance for its member countries, particularly in the field of energy and raw materials, European trade, science and technology, industrial co-operation and the environment.

30. Thirdly, it would be desirable to improve the working methods and procedures of the Commission and its subsidiary bodies, provided, of course, that the sovereignty, independence and equality of all member countries were strictly respected.

31. Lastly, ECE should promote economic progress throughout the world by stimulating co-operation between the European countries and all other countries. As the Secretary-General had emphasized in his message to the Commission at its last session, the problems of the European region should not be considered in isolation. Because of the position occupied by the European countries in international economic relations, and also because of their economic, scientific and technical capacity, ECE's activities carried weight beyond the bounds of the European continent. ECE, therefore, should determine what matters were of common concern to European and other countries, with a view to facilitating fruitful co-operation for all. For its part, Romania would not fail to work in that spirit, together with other member countries, in order to make ECE more effective.

32. Mr. KOCH (Federal Republic of Germany) said he was convinced that the regional commissions could make a decisive contribution to the development of their respective regions. Much still remained to be done, however – for example, in the field of export promotion and development. He regretted the fact that UNCTAD had not reported on that type of activity and that the results of the study carried out by the Joint Advisory Group of the UNCTAD/GATT International Trade Centre, which had been requested by the Council at its fifty-fifth session (resolution 1819 (LV)), were not to be communicated to the Trade and Development Board until its fifteenth session. It was to be hoped that at its resumed fifty-ninth session the Council would finally have before it complete documentation on the question.

33. In paragraph 10 of his report on United Nations export promotion and development efforts, the Secretary-General noted that it was encouraging that the organizations and agencies concerned were aware of the need to move away from jurisdictional conflicts to a more rewarding approach of meeting each other half-way. However, no difficulty of that kind was mentioned in the report. The Council, whose task was to co-ordinate the work of the United Nations organizations, should be told whether there really were any such conflicts, since it could then give the necessary directives.

34. In paragraph 58 of the same report, it was stated that the UNCTAD/GATT International Trade Centre had accorded priority to requests for assistance from groups of developing countries desirous of promoting trade among themselves. Pointing out that trade between developing countries and industrialized countries was four times greater than trade between countries themselves, he very strongly supported that trend in the Centre's activities.

35. Mr. YILDIRIM (Turkey) said that his Government, which was convinced of the importance of regional and sub-regional co-operation, had always taken an active part in the work of ECE and RCD. Because of its geographical situation, Turkey was also closely interested in the activities of ECWA and ESCAP. As the representative of Pakistan had observed (1969th meeting), RCD was a sort of bridge between ECE, ECWA and ESCAP.

36. He wished to congratulate the Executive Secretary of ECE for having established three essential trends in European economic co-operation: co-operation among countries with different economic systems; co-operation among countries at different levels of economic development; co-operation among the different regions of the world.

37. Mr. STANOVNIK (Executive Secretary, Economic Commission for Europe) thanked the members of the Council for the support which they were giving to ECE. He would take due account of the observations which had been made concerning the need for greater co-ordination within the Commission itself and for the attention which should be paid to the needs of the least privileged countries in the European region.

38. On the whole, the members of the Council wanted the work of ECE to become more and more firmly integrated into a global approach; he and the Commission were convinced of the soundness of that idea.

39. Mr. MARAMIS (Executive Secretary, Economic and Social Commission for Asia and the Pacific) thanked the members of the Council for the support which they were giving to the work of the Commission in its region, and in particular to its new integrated work programme. He assured the members of the Council that ESCAP, in conformity with their wishes, was endeavouring to co-ordinate its activities with those undertaken on a global level.

40. Mr. IGLESIAS (Executive Secretary, Economic Commission for Latin America) also thanked the members of the Council for encouraging the five regional commissions to continue along their present paths. Obviously, the members of the Council were unanimous in thinking that the present world economic crisis constituted an unprecedented test for the United Nations, and that the establishment of a new international economic order and the implementation of the Charter of the Economic Rights and Duties of States were also tasks of unprecedented scope, from which, however, the Organization should not shrink. Obviously, too, member States were now attaching great importance to the idea of regionalism, which called for greater efforts on the part of the regional commissions.

41. Mr. ADEDEJI (Executive Secretary, Economic Commission for Africa) said that he was encouraged by the observations of members of the Council and assured them that he would endeavour to make ECA more effective. It should of course be clearly realized that the solution of Africa's problems did not depend solely on efforts at the national and regional level. He looked forward to closer co-operation between ECA and the other regional commissions.

42. Mr. AL-ATTAR (Executive Secretary, Economic Commission for Western Asia) thanked the member States which had encouraged ECWA to continue its work along the lines it had set for itself.

43. The representative of Yemen had referred (1967th meeting) to the need for ECWA to study possible applications of solar energy in the region. The Commission was going to try to collect all the necessary technical information, and would, for example, get in touch with the Centre for Natural Resources, Energy and Transport and with UNESCO.

44. The representative of Yemen had also pointed out that industrialization efforts in Western Asia should not remain concentrated in a few countries alone. The Commission shared that desire, as shown by its programme of work for 1976.

45. Like the representative of Egypt (1969th meeting), he was convinced that the regional commissions needed to launch a very big information campaign so that the work of the United Nations, the Council and its subsidiary bodies and the specialized agencies in economic matters would be

appreciated by the public at large. ECWA intended to work along those lines.

was convinced that only decentralization would enable the regional commissions to achieve positive results.

46. He was glad that member States seemed to be convinced of the desirability of decentralization: he himself

The meeting rose at 4.35 p.m.

1971 st meeting

Tuesday, 22 July 1975, at 3.40 p.m.

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

E/SR.1971

AGENDA ITEM 8

Economic, financial and technical assistance to the Government of Guinea-Bissau and to the Territories still under Portuguese domination (A/10105 and Add.1, A/10106 Corr.1 and Add.1)

1. Mr. BURNS (Director, Office of Technical Co-operation) said that agenda item 8 concerned, first, economic, financial and technical assistance to the Government of Guinea-Bissau and, secondly, assistance to the territories which at the time of the twenty-ninth session of the General Assembly had still been under Portuguese domination: Angola, the Cape Verde Islands, Mozambique, São Tomé and Príncipe. In pursuance of the resolutions adopted by the General Assembly at its twenty-ninth session (resolutions 3339 (XXIX) and 3340 (XXIX)), the Secretary-General had prepared two reports concerning the assistance given by the United Nations and the specialized agencies to Guinea-Bissau (A/10105 and Add.1) and to the territories under Portuguese domination (A/10106 and Corr.1 and Add.1). He had not received enough information to report on the measures taken by Governments pursuant to the resolutions in question. Much still remained to be done to assist the States that had just become or were soon to be independent in their efforts for reconstruction and development, and he urged those countries which had not yet done so to furnish information about their assistance activities, since the inventory of the measures taken by Member States would serve as a starting-point for the General Assembly's discussion at its thirtieth session.

2. Mr. BARREIROS MARTINS (Observer for Portugal), speaking at the invitation of the President, said he would give some information about the assistance and aid furnished by his Government to the States of Guinea-Bissau, Mozambique, Cape Verde, São Tomé and Príncipe and the territory of Timor.

3. His Government had concluded several agreements with Guinea-Bissau, including one on a loan; even before the conclusion of the agreement, medical teams and teachers had been sent to Guinea-Bissau.

4. With regard to Mozambique, his Government had supplied more than \$100 million to the Transitional Government between September 1974 and June 1975, in addition to the loans contracted on the responsibility of the

Portuguese Government, a contribution for the Cabora Bassa dam, subsidies for solving the problems of decolonization and the taking over of budget items relating to commitments to Portugal entered into by the State of Mozambique. Before Mozambique had become independent in June 1975, Portugal had signed several agreements of both a general and a special nature with the Transitional Government.

5. As far as Cape Verde was concerned, Portugal had supplied over \$35 million in 1974, including emergency assistance of almost \$19 million and commitments of more than \$6 million under the fourth development plan. The two States had signed a general agreement of co-operation and friendship and a scientific and technical agreement.

6. With regard to São Tomé and Príncipe, Portuguese assistance amounted to more than \$5 million in 1974 and more than \$3 million in 1975; it was likely that the latter sum would be increased still further. On independence day, the two States had also concluded an agreement on co-operation and friendship and an agreement on scientific and technical co-operation.

7. His Government's economic assistance to the territory of Timor had amounted to more than £12.5 million in 1974. For the first half of 1975, its contribution amounted to nearly \$7 million, according to estimates which might in actual fact be exceeded.

8. That was Portugal's contribution to the States of Guinea-Bissau, Mozambique, Cape Verde, São Tomé and Príncipe and the territory of Timor. It represented an enormous effort on the part of his country, which, in view of the magnitude of the needs, would deeply appreciate any economic, financial and technical contribution which the United Nations and its associated organizations could consider.

9. Mr. SAKALA (Zambia) said that the phase of national reconstruction and consolidation of the former Portuguese territories which had now become independent would be full of difficulties. It was necessary, therefore, for the international community to contribute assistance as a matter of urgency, while respecting the sovereignty of the new States, especially since some of them might assume international responsibility with regard to territories still under the domination of racist régimes. His country would

continue to do its best to help the former Portuguese territories and their peoples, as it had done during the liberation struggle. It was taking measures, for example, to arrange for the return of thousands of refugees to their homes.

10. His country, convinced that the independence of the territories opened up new prospects for financial co-operation in many fields, urged all Member States which were in a position to do so, together with the United Nations and other international organizations, to give the territories all the necessary assistance for them to develop in accordance with the programme which they had drawn up.

11. Mr. KASTOFT (Denmark) said that his country had assisted national liberation movements in the territories under Portuguese domination and that it was furnishing assistance to the new States.

12. In 1974/75, Denmark had given financial assistance to Guinea-Bissau through UNHCR for rehousing refugees who were still in Senegal and Gambia. It would make an additional contribution, either in goods or in project assistance, through the United Nations organizations.

13. In Mozambique, his Government had given financial assistance to FRELIMO (Mozambique Liberation Front), either directly or through UNHCR and the World Council of Churches. For the fiscal year 1975/76 it expected to contribute nearly \$2 million as bilateral assistance, and it had made a contribution to UNHCR for a rehousing project.

14. In Angola, his Government had granted about \$800,000 to MPLA (People's Liberation Movement of Angola) directly and had made a contribution in kind through the World Council of Churches. Through OAU, it had assisted the liberation movements in Angola and Mozambique. In 1975/76, it would contribute more than a million dollars to Angola after its achievement of independence.

15. All that assistance was minimal compared with the needs. He was therefore glad to learn that Portugal intended to assist its former territories, and he hoped that other countries would do the same. He was pleased that the Governing Council of UNDP had decided, at its twentieth session, to supply assistance to Angola, Guinea-Bissau and Mozambique under its regular programme (see E/5703, para. 187).

16. Mr. MICHEEL (German Democratic Republic) said that his country had always supported the liberation movements of the African peoples under Portuguese domination and that to-day it was maintaining friendly relations with the new sovereign States. In addition to official State aid, the people of his country were contributing voluntarily to a solidarity fund. Teachers and medical staff had been sent to Africa, while African students and workers chosen by the liberation movements were received in the German Democratic Republic for the purpose of continuing their training. For example, his Government had concluded an agreement with the new Republic of Guinea-Bissau for

consultants and experts to be sent to Guinea-Bissau and for Guineans to be given vocational training in the German Democratic Republic.

17. Solidarity with Guinea also extended to the population of the Cape Verde Islands, particularly in the form of supplies of foodstuffs and medicaments.

18. For more than ten years, his Government had supported FRELIMO, by training specialists, sending teachers and educational supplies, providing medical treatment for the fighters and sending gifts. On the day when Mozambique had become independent in 1975, the two Republics had agreed to establish diplomatic relations.

19. His Government would continue to provide assistance to the former Portuguese territories both through bilateral aid and by endeavouring to ensure that the relevant General Assembly resolutions were carried out.

20. Mr. da COSTA (Brazil) said that Brazil had always shown active sympathy for newly independent nations, but felt even closer to those with which it shared a common heritage. In February 1975, his Government had sent 18 tons of food and medical products to Guinea-Bissau. In the field of technical co-operation, Brazil was helping to set up a telecommunications system and had offered Guinea-Bissau scholarships. Brazil had also decided to support projects submitted by Cape Verde and Angola. When immediate assistance had been required by the former Portuguese colonies, Brazil had sent 150 tons of food to Cape Verde and 16 tons of food and medical products to Angola. Brazil had also decided to make a financial contribution to UNHCR to assist in the repatriation of people from Mozambique.

21. Mr. NGALLI-MARSALA (Congo) said that the technical, financial and economic assistance which the United Nations and its specialized agencies had promptly given to Guinea-Bissau and the territories still under Portuguese domination was very encouraging. New African States were therefore quite right to place new hopes in the United Nations, which would after all have been their historical ally throughout their struggles for liberation. He was confident that the United Nations would not betray those hopes and would be able to initiate a real movement of international solidarity.

22. Mr. CISSE (Mali) also paid tribute to the United Nations for having foreseen as early as 1974 the difficulties which Guinea-Bissau and the territories still under Portuguese domination were going to encounter and for having quickly taken action to help them. Apart from Angola, all those territories were now independent, but still faced considerable difficulties. He hoped that the international community would give them even more aid.

23. Mr. FASLA (Algeria) thanked the Governments and peoples of all the countries which had given effect to the General Assembly resolutions on assistance to Guinea-Bissau and the territories still under Portuguese domination. The United Nations must now move beyond the stage of appraisal to give those countries still greater positive assistance, calling on the aid both of the rich countries and

of those developing countries in a position to provide economic and technical assistance. Algeria had already signed several economic and technical co-operation agreements with Guinea-Bissau and Cape Verde. Several fellow-ship holders from other Portuguese territories were at present studying in Algeria.

24. In conclusion, he paid tribute to the Portuguese authorities, who, in spite of many difficulties, were endeavouring to help their former colonies achieve independence in peace and to support them in their work of national construction.

25. Count YORK (Federal Republic of Germany) said that in 1974 the Federal Republic of Germany had launched a major programme in Guinea-Bissau in co-operation with UNICEF. As soon as the country had become independent, the Federal Republic had sent gifts and had contacted its Government to see in what way it could increase its co-operation to help develop the country. It had done the same with the Government of Cape Verde. The Federal Republic of Germany was most willing to study ways and means of co-operating on the same basis with the other territories under Portuguese domination, if they so desired.

26. Mr. DINU (Romania) said that Romania firmly supported the efforts made by peoples liberated from the colonial yoke to consolidate their independence, as was shown by the many meetings between Romanian leaders and the leaders of national liberation movements. The United Nations had a duty to help those new countries in their task of reconstruction and economic and social development, and his delegation had noted with satisfaction that the UNDP Governing Council had decided to approve an indicative planning figure for Guinea-Bissau for the period 1977-1981. The organizations belonging to the United Nations system, however, should give even more substantial support to those countries and to peoples still under colonial domination, in the shape of economic, technical, health and cultural assistance and training programmes.

27. Mr. PETRONE (Italy) said that the Italian authorities, in order to give effect to General Assembly resolutions 3339 (XXIX) and 3340 (XXIX), had already informed the Secretary-General that they wished to establish ties of economic and technical co-operation with Guinea-Bissau, and that contacts were planned to achieve that aim. They were also envisaging economic and technical co-operation with Mozambique and Angola.

28. Mr. FALL (United Nations Children's Fund) said that the aid provided by UNICEF for many years to Guinea-Bissau and the territories under Portuguese domination amounted to \$2 million. In drawing up its aid programmes for those countries and territories, UNICEF co-operated closely not only with the appropriate United Nations bodies but also with OAU and bilateral aid programmes. As a result of political developments in those countries, it should be possible to work out more programmes and carry them out in more favourable conditions. Those countries needed assistance all the more because most of them were among the least developed countries; some of them, including Cape Verde, had recently been afflicted by a

disastrous drought, and war had also prevented their development. Consequently, the situation in those countries called for emergency measures and measures in aid of reconstruction and development as a matter of priority. The UNICEF Executive Board had given its full attention in 1975 to the programmes to be carried out in those countries and there could be no doubt that the international community should show greater generosity to them.

29. Mr. BOURGOIS (United Nations Development Programme) said that during its last three sessions the UNDP Governing Council had considered what action should be taken to help the colonial countries and peoples, including Guinea-Bissau and other Portuguese countries and territories. The decisions taken by the Governing Council at its twentieth session in June 1975 were designed to increase the help which UNDP could give those countries and territories by programming adapted to their specific needs.

30. The appointment of a UNDP Resident Representative in Guinea-Bissau made it possible to organize United Nations assistance as an integrated whole. UNDP procedures were applied with all due flexibility in keeping with the very spirit of the "new dimensions" of technical co-operation which the UNDP Governing Council had recently approved (see E/5703, para. 54).

31. Mr. MACKENZIE (United Kingdom) described the action that his Government had already taken to provide economic, financial and technical assistance to Guinea-Bissau and the territories still under Portuguese domination. The United Kingdom had contributed £200,000 towards the programme carried out in Guinea-Bissau by UNHCR, and had provided some transport. In addition it proposed to send a team of officials to Guinea-Bissau to discuss possible agricultural development projects which might be the subject of bilateral aid in the future. In any event, the United Kingdom would play its full part, as a member, in the actions of various international agencies, such as EEC, which was already providing some food aid for Guinea-Bissau. The Community was also able to provide such aid to Cape Verde. In the case of São Tomé and Príncipe, the United Kingdom believed that the aid to be provided would be most effective if it was distributed through the appropriate multilateral organizations.

32. In the case of Mozambique, his Government had responded to the United Nations Disaster Relief Coordinator's appeal by providing a charter aircraft in February 1975. It had also contributed £300,000 to the work of UNHCR in Mozambique and when the country had become independent had given it some ambulances. The United Kingdom had already had discussions with Mozambique about the possibility of a bilateral aid programme. He hoped that under United Nations auspices it would be possible to work out a programme of international assistance, to which the United Kingdom was prepared to contribute generously. Such a programme would assist an independent Mozambique in applying sanctions against the illegal régime in Rhodesia.

33. Mr. KEITA (Guinea) said that the countries of Africa, Asia and Latin America were still the victims of an

iniquitous system of exploitation which kept them in an outrageous state of under-development and subjection. States which said they were prepared to help those countries to emerge from under-development were in fact supplying the weapons used to massacre innocent people. The basic question was to apply the resolutions relating to the granting of independence to all peoples. So long as part of the African continent was occupied, no African country would feel free. After centuries of colonial domination, the territories in question urgently needed aid to establish their hard-won political independence and then achieve economic independence. The United Nations bodies and all States should redouble their efforts. He appealed on behalf of the oppressed to the international community, whose responsibility it was to come to the aid of newly independent States. Lastly, he noted with satisfaction the statement by the UNDP representative concerning more flexible procedures for territories having a special need of aid.

34. Mr DUMAS (France) said that his country, which was always mindful of the requirements of international co-operation and wished to supply aid to the territories in question, had tried to put its principles into practice. Co-operation with Mozambique, which had gained independence very recently, was still at the pre-programming stage; with Guinea-Bissau, however, there was already considerable co-operation in several fields, while in the case of Angola various projects were at an advanced stage of preparation. He cited various examples of co-operation and said that his delegation appreciated the action taken to provide the new States with the necessary assistance.

35. Mr. MUDHO (Kenya) stressed the urgent need to supply economic, financial and technical assistance to Guinea-Bissau and the territories still under Portuguese domination, to enable them to become viable nation States. He commended those Governments that had given assistance to the territories in question, in pursuance of the two resolutions adopted by the General Assembly on the subject. His country had always supplied and would continue to supply, within the limits of its human and other resources, all possible financial and material aid to those peoples and territories that were still under colonial domination or had recently gained their independence.

36. Mr. ZHUKOV (Union of Soviet Socialist Republics) said that his country had always supported national liberation movements and had helped them in various ways. His Government had been one of the first to recognize Guinea-Bissau, to which it was supplying economic aid under various co-operation agreements. His country had also established diplomatic relations recently with Mozambique and was going to supply it with aid, particularly in the field of training.

37. The PRESIDENT suggested that the Council should take note of the report by the Secretary-General on economic, financial and technical assistance to the Government of Guinea-Bissau (A/10105 and Add.1) and the report by the Secretary-General on economic, financial and technical assistance to the territories still under Portuguese domination (A/10106 and Corr.1 and Add.1), and should decide to transmit those reports to the General Assembly at its thirtieth session.

It was so decided.

38. The PRESIDENT noted that the Council had concluded its consideration on agenda item 8.

AGENDA ITEM 4

Regional co-operation (*continued*) (E/5608/Rev.1, E/5608/Add.1, E/5619, E/5651, E/5656, E/5657 and Corr.1 and 2, E/5658, E/5700, E/5721, E/5722 and Corr.1, E/5723, E/5728; E/L.1665, E/L.1670)

39. Mr. MARTÍNEZ (Argentina) requested that consideration of the draft resolution on regional co-operation (E/L.1670), submitted by Algeria, Egypt, Ethiopia, Indonesia, Mexico, Romania, Thailand and Yugoslavia, should be postponed until the following day so that informal consultations on a text likely to be adopted by consensus could continue. The delay would also enable delegations to receive instructions from their Governments.

It was so decided.

40. Mr. van LAETHEM (Under-Secretary-General for Economic and Social Affairs) said that the work of the regional commissions was a form of United Nations activity which deserved the special attention and support of the Council. The Council's discussions on the subject, in which delegations had participated to the full, had been highly constructive. The regional commissions were very different from each other in several ways but had certain features in common. They were led by people of high quality who showed great dynamism and devotion and, in some of them, teams of collaborators had gradually been built up and were working in an atmosphere of co-operation and friendship. Since each commission was in close touch with the economic situation and the economic authorities in its region, it had opportunities for getting to know the problems and tackling them from which the United Nations could and should derive great benefit. In fact the regional commissions were technical and geographical channels which had become indispensable. It would therefore be desirable for Governments to provide first-rate staff -- seconded, if necessary, from their administrations -- in order to strengthen those of the commissions which were still too weak to do what they had to do or which needed to develop. The regional commissions' chances of asserting themselves and playing an increasing role would largely depend on the talents they could offer the Governments of the regions and on the influence and authority which, through their qualified staff, they gradually acquired among national leaders. That might entail greater financial implications, which should be borne in mind by the competent financial bodies of the United Nations.

41. The regional commissions should be given opportunities for asserting themselves. That was essentially, but not exclusively, the responsibility of the United Nations Secretariat, which, whenever possible, could associate them more closely with the planning of global policy, ask for their suggestions or proposals in formulating and implementing projects of a regional or sub-regional nature, promote direct relations between the commissions and seek out areas of co-operation for joint action by them and, lastly, give them increasing operational powers in technical

assistance fields formerly dealt with exclusively from Headquarters. He personally would try to promote those various forms of action by the regional commissions. The success of the efforts made would to a large extent depend on support from Governments, which, in some cases, would have to resist the temptation to short-circuit the regional commissions, a thing they sometimes did on the — correct — grounds that the commissions were still not competent enough in some fields. Governments should ensure that the attitudes of their national departments were in certain respects brought into line with the wishes and recommendations formulated at the international level regarding an increase in the responsibilities of the regional commissions. During the transitional phase it might be desirable for delegations to make a special effort to encourage that process and thus speed up the practical realization of a needed change, on the principle of which there now seemed to be clear agreement.

42. The PRESIDENT suggested that the Council should take note of the report of ECE for the period 30 April 1974 to 24 April 1975 (E/5651), of the views expressed during the Commission's discussions, and of the resolutions and other decisions adopted by the Commission at its thirtieth session contained in part IV of the report; and, further, endorse the programme of work and priorities contained in parts V and VI of the report.

It was so decided.

43. The PRESIDENT suggested that the Council should take note of the report of ESCAP for the period 7 April 1974 to 7 March 1975 (E/5656) and of the recommendations and resolutions contained in chapters II and III of the report; endorse the programme of work and priorities contained in chapter IV of the report; and amend the wording of paragraph 2 of the Commission's terms of reference by replacing the term "Continental Australia" by the word "Australia".

It was so decided.

44. The PRESIDENT suggested that the Council should take note of the report of ECLA for the period 10 March 1974 to 6 May 1975 (E/5608/Rev.1) and of the resolutions contained in part III of that report; decide to endorse the programme of work and order of priorities contained in part V of the report; and take note of the report of the

Committee of the Whole of ECLA on its ninth extraordinary session (E/5608/Add.1) and of the resolutions contained in part II of that report.

It was so decided.

45. The PRESIDENT invited the Council to adopt the draft resolution recommended by the Conference of Ministers of ECA and reproduced in part IV of the annual report of ECA (E/5657 and Corr.1 and 2).

It was so decided.

46. The PRESIDENT suggested that the Council should take note of the report of ECWA on its second session (E/5658) and of the resolutions contained in the report; and endorse the programme of work and priorities set out in chapter IV of the report.

It was so decided.

47. The PRESIDENT suggested that the Council should take note of the annual report on the meetings of the executive secretaries of the regional commissions (E/5700).

It was so decided.

48. The PRESIDENT suggested that the Council should take note of the report of the Secretary-General on United Nations export promotion and development efforts (E/5619) and on an excerpt from the report of the Trade and Development Board on the second part of its fourteenth session on the subject of export promotion efforts (E/L.1665).

It was so decided.

49. The PRESIDENT pointed out that, under its resolution 1819 (LV), the Council should have had before it a report of the Joint Advisory Group on the UNCTAD/GATT International Trade Centre. Since that report had not yet been received, however, he suggested that the Council should request the Secretary-General to submit it to the Council at its sixty-first session, together with the comments and suggestions of the Trade and Development Board thereon.

It was so decided.

The meeting rose at 5.25 p.m.

1972nd meeting

Wednesday, 23 July 1975, at 10.45 a.m.

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

E/SR.1972

AGENDA ITEM 6

Economic assistance to Zambia
(E/L.1671, E/L.1672)

1. The PRESIDENT invited the Council to consider agenda item 6. It had before it draft resolution E/L.1671

on assistance to Zambia and a statement submitted by the Secretary-General of programme budget implications of the draft in document E/L.1672.

2. Sir Robert JACKSON (Under Secretary-General and Co-ordinator of United Nations Assistance to Zambia) said that since his last report to the Council almost a year earlier

(1913th meeting), great political changes had taken place, and would undoubtedly continue to take place, in southern Africa. During that period the great majority of countries in the world had been plagued by serious inflation and major recessions. Zambia had been no exception and, in addition, had had to bear an exceptional burden represented by the cost of re-routing its exports and imports.

3. Nearly 10 years had passed since the unilateral declaration of independence by the régime in Southern Rhodesia; in the succeeding years Zambia, by closing its southern border, had made enormous sacrifices to implement the United Nations policy of sanctions against that régime. It was one of his responsibilities to ensure that all Member States were made aware of the cost of that action to Zambia; it should be considered not only in financial terms but in the light of its effect on national development and the lives of the people of Zambia.

4. He had come to Geneva direct from Lusaka and was therefore able to give the Council an immediate report on the present situation. In the statement made to the Council two years earlier, the financial cost to Zambia had been divided into three parts: direct capital costs, the cost of the additional borrowing necessary to cover the part of the capital costs not covered by grants, and recurrent expenditure. In the most recent review it had been possible not only to analyse the operation up to 30 June 1975 but also to make reasonable projections to the end of 1975. Direct capital costs over the three years 1973, 1974 and 1975 could now be estimated at 41.9 million kwachas,* or about \$64 million – an increase of K.7.3 million over the figure estimated a year earlier. Additional borrowing was estimated to cost Zambia K.4.13 million, or about \$6.3 million; that figure remained unchanged from earlier estimates. Recurrent costs continued to be the heaviest burden for Zambia; up to 30 June 1975, recurrent costs, including the cost of additional borrowing, had amounted to K.136.5 million and were estimated to amount to a further K.26 million up to the end of the year. A realistic estimate of the total cost to the people of Zambia resulting from the closure of the southern border was now K.204.4 million, or \$315 million, until the end of the year. That estimate was K.25.4 million higher than that made a year ago and was yet another example of the extent to which higher energy prices and inflation had influenced the cost of all forms of transport and still further increased the burden on Zambia's financial resources.

5. The situation with regard to prices of imports and exports was even more serious than in the preceding year: the cost of imports in general had increased almost in direct proportion to the rate of inflation in exporting countries. The cost of oil and lubricants was, of course, a problem in itself; not only had prices within Zambia more than trebled compared with conditions at the time of the closing of the southern border but they had also had an additional and direct effect on Zambia's economy resulting from the substantial increases in the cost of transport from overseas. Of even greater relative importance to Zambia than the increase in the cost of imports was the major decrease in copper prices. A year earlier the price of copper had been

over \$3,300 a ton; it had recently fallen to just over \$1,200 a ton.

6. The Secretary-General appreciated the endless calls made on Governments of Member States to provide assistance to countries affected by man-made and natural disasters, to the countries hardest hit by recent global economic developments, and for many other worthy international causes, but wished to point out once again that Zambia did not fall into any of those categories. It was a special case – a Member State asking not so much for financial assistance as for other Member States to share the cost of implementing the policy of sanctions against Southern Rhodesia that they themselves had pledged to support. The cost to Zambia of closing the southern border would amount to \$300 million by the end of the year; a relatively small number of Member States had contributed \$68.5 million towards that cost. Zambia continued to bear a totally disproportionate share of the burden of implementing one of the most important policy decisions of the United Nations. The Secretary-General had done, and would continue to do, everything in his power to mobilize assistance for Zambia.

7. The United Nations system as a whole had continued to provide Zambia with a wide range of co-operation. Over 100 officials drawn from virtually all the specialized agencies were serving the Zambian Government in various capacities; the work of many of them was related, directly or indirectly, to the solving of problems arising from the closure of the southern border. The Administrator of UNDP had, for the third year in succession, waived Zambia's assessed programme costs, representing a saving to that country of nearly \$1 million, and both he and his staff had continued to provide indispensable help. The Secretary-General was grateful to the Administrator of UNDP and his officials, and to the heads of the specialized agencies and their staff who had been helping Zambia.

8. There were three specific developments to be noted: firstly, the studies of the port of Dar-es-Salaam and of East African shipping were receiving careful consideration by the executing agencies concerned and it was hoped that they would ultimately lead to action of benefit to Zambia. Secondly, the World Bank, with the co-operation of UNDP and FAO, had completed a survey of Zambia's vitally important agricultural sector. Thirdly, a World Bank mission had recently visited Zambia to survey the economy; it was anticipated that its report would be available towards the end of the year.

9. Whether or not Zambia's southern border was closed, its lines of communication to the Indian and Atlantic Oceans were of critical importance to its national security and its future development. That fundamental factor had been fully recognized by the President and the Government ever since Zambia had achieved independence, and during the last decade the infrastructure had been greatly strengthened.

10. Much had been done to expand and improve the facilities provided by the ports of Dar-es-Salaam, Lobito and Nacala. The maintenance of the vitally important Great North Road had continued and additional budgetary

* 1 kwacha = \$US 1.54.

provision to meet the cost of that work had been made by the Government of Zambia. Zambia's trucking fleet would shortly be reinforced and later in the year some vehicles would be re-allocated to other essential work as more and more exports and imports were moved by rail. The railway project TAZARA undertaken by the Governments of the People's Republic of China, Zambia and Tanzania would be completed some two years ahead of schedule. Track laying had been completed on 7 June 1975; it had been announced that the railway would be officially opened on 24 October 1975 and would thereafter progressively come into full operation. Zambia's eastern artery to the Indian Ocean would then be greatly strengthened. Significant improvements had been made to the Benguela railway in recent years and more would be made in the future. Additional locomotives and rolling stock had been provided and all those improvements would undoubtedly strengthen Zambia's western artery to the Atlantic Ocean. Zambia's own railway system had been strengthened in terms of locomotive power and specialized rolling stock, and the training of local personnel was progressing satisfactorily.

11. The present infrastructure facilities were capable of handling Zambia's exports and imports and their capacity would be increased considerably in the future. The Government of Zambia and the Governments of the other countries concerned had always been conscious of the operational problems associated with certain ports, the maintenance of trunk roads and the management of the various trucking fleets. Since the closure of the border it had been possible, by the exercise of constant vigilance, political initiatives and technical co-operation, to preserve the flow of Zambia's essential imports and exports. For many reasons, including circumstances not within Zambia's control, it was now clear that the most careful supervision of the over-all infrastructure would be essential until at least the end of 1976. The Government of Zambia had accordingly decided to maintain its Contingency Planning Secretariat. As a natural corollary of that decision, it wished the present United Nations programme of assistance to be continued throughout 1976 and hoped that the Council would endorse that request as part of its periodic review of assistance to Zambia in accordance with Security Council resolution 329 (1973).

12. He reminded the Council that some of Zambia's neighbours were continuing to experience financial hardship as a result of the re-routing of Zambia's imports and exports. The Secretary-General hoped that Member States sympathetic to the needs of those countries would endeavour to increase the assistance they were providing.

13. There were five main conclusions to be drawn from the foregoing report. Firstly, more than ever before, Zambia was bearing a disproportionate share of the burden arising from the implementation of the United Nations policy of imposing sanctions against the régime of Southern Rhodesia. The burden was not only financial, it was also a major impediment to Zambia's national development. Secondly, Member States had a clear obligation to do much more to share that burden and to respond to Council resolution 1832 (LVI). Thirdly, although the over-all infrastructure, of vital importance to Zambia, had been substantially improved, major impediments – many of

which were outside Zambia's control – continued to impede its effective operation. Fourthly, in view of present conditions and possible developments in the future, the Government of Zambia had decided to maintain its Contingency Planning Secretariat. Fifthly, as a corollary of that decision, the Government of Zambia wished the United Nations programme of assistance to be continued throughout 1976.

14. The events of the past twelve months had demonstrated all too clearly the wisdom of the warning he had given in his last statement to the Council about making the dangerous assumption that the future conduct of the operation would be easier than in the past. Zambia was if anything in greater need of assistance from Member States and the United Nations system than it had been in March 1973, at the time of the adoption of Security Council resolution 329 (1973). The Secretary-General trusted that all Member States would do everything in their power to co-operate with Zambia and help to safeguard its economic security in the difficult months that lay ahead.

15. Mr. SAKALA (Zambia) said that the report presented orally by the Co-ordinator of United Nations assistance to Zambia was not only informative but an accurate reflection of his Government's views on the situation resulting from the closure of Zambia's southern border. It was characteristic of the continuing close co-operation between his country and the United Nations in implementing the sanctions policy unanimously endorsed by Member States against the illegal régime of Southern Rhodesia.

16. The root cause of Zambia's difficulties was the continued existence of racist minority régimes in the neighbouring areas of Zimbabwe, South Africa and the international territory of Namibia. The only permanent solution to Zambia's problems lay in the achievement of respect for the fundamental and inalienable rights of the majority populations of those territories. In that context, he welcomed the attainment of independence by Mozambique and the prospect of independence for Angola in the near future. Zambia had continued to advance the goal of majority rule through a combination of means deemed most effective in the prevailing circumstances: in the case of Zimbabwe, for instance, Zambia advocated a double-edged strategy for putting an end to the current political impasse, namely, through a negotiated peace settlement if possible, or through an intensified united armed struggle, if necessary. Zambia was also continuing its efforts to implement the United Nations policy of sanctions against Southern Rhodesia at great cost to itself. He hoped that, in spite of their own considerable economic difficulties, Member States would provide additional assistance so as to share that burden with Zambia.

17. Like many other countries, Zambia had been faced with substantial increases in the price of essential imports from developed countries, in particular oils and lubricants, to which must be added considerable increases in transport costs, which were a major factor in the case of a land-locked country like Zambia. The situation had been further worsened by the current depressed condition of the world market in copper, which was Zambia's major source of foreign exchange earnings. The Government had re-

sponded by launching a massive rural development programme, to which the highest priority was accorded. It was also adopting a more vigilant approach in its import reduction policy, which had been in force since Southern Rhodesia's unilateral declaration of independence in 1965.

18. As a result of the improvement and expansion of facilities both in Zambia and in friendly neighbouring countries, over-all transport facilities were now in a position to handle Zambia's foreign trade. Thanks to the generous assistance of the Government and people of China, the construction of the TAZARA railway would be completed two years ahead of schedule. In his delegation's view, however, international assistance was still required by friendly neighbouring countries whose roads, railways and ports had been generously placed at Zambia's disposal, to enable them to overcome the difficulties occasioned by Zambia's re-routing exercise. He paid a tribute to the continued solidarity and co-operation shown by those countries, whose facilities had been strained by the sudden expansion in the volume of traffic resulting from the closure of Zambia's southern border.

19. His Government had decided to maintain the Contingency Planning Secretariat, at least over the next year, in order to ensure careful surveillance of the over-all operation of the infrastructural facilities. That Secretariat included technical personnel from organizations in the United Nations system, who had continued to make a commendable contribution. His Government hoped that the Council would approve its request for continued United Nations assistance in that regard. His Government was most appreciative of the efforts of the specialized agencies and other organizations within the United Nations system, including ECA, and of other international bodies concerned with the re-routing exercise both in Zambia and in friendly neighbouring countries.

20. In reiterating his Government's gratitude for the assistance rendered so far and expressing the hope that additional assistance would be forthcoming, he stressed that the ultimate objective was not to assist Zambia for its own sake, but to achieve respect for the fundamental rights and human dignity of the majority populations still oppressed by racist minority régimes in southern Africa.

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

21. M. KEITA (Guinea) said that, before introducing draft resolution E/L.1671 on behalf of the sponsors, which now included Gabon, he wished to thank the Co-ordinator of the United Nations assistance to Zambia for his detailed and illuminating statement, which had undoubtedly made the magnitude of the problems facing Zambia abundantly clear to the Council.

22. Draft resolution E/L.1671 constituted an appeal for international solidarity to help a country which was doing everything in its power both to promote its economic and social development and to liberate the peoples of southern Africa. The courage, determination and self-denial of the Zambian people, who had been the victims of the racist policy of an illegal régime, was well known. The Govern-

ment of Zambia had shown itself ready to make every sacrifice and had acted in conformity with the decisions taken by the United Nations with respect to the régime which had usurped power in Southern Rhodesia to the detriment of the majority of the population.

23. The key paragraph in draft resolution E/L.1671 was operative paragraph 4, which endorsed the request of the Government of the Republic of Zambia that the United Nations programme of assistance for Zambia should be extended throughout 1976, but perhaps equally important was the appeal made in the second part of operative paragraph 2 to Member States in a position to do so to render additional assistance to supplement Zambia's own efforts.

24. He hoped that the Council would adopt the draft resolution unanimously; by helping Zambia the international community was helping itself.

25. The PRESIDENT said that Jamaica and Norway had asked to be included in the list of sponsors of the draft resolution.

26. Mr. DORUM (Norway) said that his country fully supported Zambia in its struggle to overcome the serious economic effects of the closure of the border with Southern Rhodesia. It appeared from document E/L.1672 that the budget implications of the draft resolution would not exceed \$75,000.

27. His delegation wished to express its appreciation of the Co-ordinator's services to the programme of assistance to Zambia and to thank him for his oral report, from which it was clear that further assistance was required. Norway had demonstrated its solidarity with Zambia, which was making greater sacrifices than any other country to implement the United Nations sanctions against the illegal Salisbury régime, by a cash grant of \$2 million made at a time of most pressing need. It intended to widen the close co-operative relationship with Zambia that it had enjoyed since 1967 under a comprehensive technical assistance agreement by making additional assistance available in support of Zambia's development effort, which had been seriously hampered by the country's resolute adherence to the United Nations sanctions policy. As the Co-ordinator had said, it was the responsibility of other Member States to share the burden Zambia had assumed on behalf of freedom and justice for the oppressed African peoples.

28. Mr. OKELLO (Kenya) said that in sponsoring draft resolution E/L.1671 his delegation wished to stress the importance which his Government attached to the urgent need to change the political scene in southern Africa, so that the peoples at present ruled by minority racist régimes could achieve majority rule.

29. The statements made by the Co-ordinator of United Nations assistance to Zambia and the representative of Zambia made the position in Zambia abundantly clear. It should be borne in mind that assistance to Zambia was not being provided for Zambia's sake but in order to ensure the effective implementation of the United Nations policy of sanctions against the illegal régime of Southern Rhodesia.

The cost to Zambia of implementing that policy was enormous but if it were shared among Member States of the United Nations it would be only a small sum for each of them. His delegation accordingly hoped that the Council would adopt the draft resolution unanimously and that Member States would provide further assistance to Zambia. It was concerned that no new pledges had been made since June 1974.

30. Mr. CHANG Hsien-wu (China) said that his delegation appreciated the references that the Co-ordinator of United Nations assistance to Zambia and the representative of Zambia had made to Chinese economic and technical co-operation with Zambia.

31. Two years had passed since the racist régime of Southern Rhodesia had closed its border with Zambia in an attempt to strangle Zambia economically and to suppress the African national liberation movements. The heroic people of Zambia, however, with the support of other African States and the people of the world, had taken up the challenge and had brought the scheme to nought.

32. Africans were making rapid progress in their fight against imperialism, colonialism, racism, Zionism and great-Power hegemony. The former Portuguese African territories had at last become independent and it was clear that the African people were ready to fight together to remove the remaining traces of colonialism from the African continent. It was equally clear, however, that racism and colonialism would not disappear unless all progressive people combined against them. The Chinese people, the people of Zambia and all the peoples of Africa were comrades-in-arms fighting on the same front against imperialism, colonialism and great-Power hegemony. The Chinese Government would continue to co-operate with the Government of Zambia in the economic and technical fields in the future as it had done in the past.

33. His delegation hoped that draft resolution E/L.1671 would be adopted unanimously and that all the members of the United Nations family would provide Zambia with the practical and effective assistance which it so badly needed.

34. Count YORK (Federal Republic of Germany) thanked the Co-ordinator of United Nations assistance to Zambia for his enlightening report and expressed his admiration for the courageous and determined stand that Zambia had always adopted in enforcing United Nations resolutions on Southern Rhodesia. He was glad that in his report the Co-ordinator had not overlooked the fact that Zambia's neighbours had suffered hardships and made sacrifices for the same reasons. Zambia had been active on the political scene, too, and Lusaka had been the centre of activities for the purpose of seeking solutions to the problem. Zambia had exercised its great influence with foresight and patience in an effort to find solutions by which violence could be avoided.

35. The Federal Republic of Germany had a programme for the provision of economic assistance to Zambia. In 1974 its commitments for assistance had amounted to \$7.8 million, of which \$1.7 million related to technical assistance on a grant basis, the remainder being soft-term loans.

The programme was executed in close co-operation with the Government of Zambia and carefully observed the latter's priorities. The major part of the assistance was channelled into agriculture and over-all rural development and included a pilot irrigation scheme, the provision of an agricultural extension service, the development of the veterinary services and a feasibility study for another irrigation scheme.

36. His country had not yet made any commitments for 1975, since the budget had only just been adopted, but his Government would continue to co-operate with the Government of Zambia in the field of development and with the aim of mitigating the hardships which it was suffering as a result of the Southern Rhodesian problem.

37. Mr. BOYE (Senegal) thanked the Co-ordinator for his description of the effects on Zambia of the closure of its border with Southern Rhodesia. He had nothing to add to what the representative of Guinea had said in introducing draft resolution E/L.1671, of which Senegal was a sponsor.

38. His delegation was grateful to the Secretary-General for the efforts he continued to make to mobilize and co-ordinate the assistance of Member States and of the United Nations system to Zambia. He hoped that the draft resolution would be adopted unanimously.

39. Mr. KASTOFT (Denmark) said that the Danish Government had decided, shortly after the adoption of Security Council resolution 329 (1973), to assist Zambia in maintaining its transport facilities, thereby helping to maintain its transport links with the outside world after the closure of its border with Southern Rhodesia. In response to the Security Council resolution in question, in 1973 Denmark had allocated 10 million Danish kroner (approximately \$1.7 million) to be used for projects in the transport sector. The Government of Zambia had felt that the need to improve lorry traffic was particularly urgent as a result of the cessation of railway traffic between Zambia and Southern Rhodesia. The Danish grant had therefore been used partly for the establishment of education and training facilities for lorry drivers and mechanics and partly for the establishment and enlargement of lorry repair shops.

40. Apart from that assistance, the Danish Government had since 1965 been co-operating closely with the Government of Zambia in development assistance in the educational sector, mainly by the provision of experts and volunteers. That assistance was expected to continue in the future.

41. Denmark would be happy to become a sponsor of draft resolution E/L.1671, which it hoped would be adopted unanimously.

42. Mr. McGILCHRIST (Jamaica) said that, in view of the stand which Jamaica had always taken against racism and colonialism and of its close ties with Zambia, it was happy to become a sponsor of draft resolution E/L.1671.

43. He urged all countries to help Zambia and supported Kenya's appeal for additional contributions so that the

resolutions adopted by the United Nations could be fully implemented.

44. Mr. CHICHIZOLA (Peru) said that his delegation fully supported draft resolution E/L.1671, of which it wished to become a sponsor; it felt that by supporting Zambia it was contributing to the struggle against all forms of discrimination, which ran counter to the order of justice and equity established by the United Nations. It had followed Zambia's struggle with great sympathy and hoped that the draft resolution would be adopted unanimously and that the international community would continue to support all efforts to resist racism and colonialism.

45. Mr. ZHUKOV (Union of Soviet Socialist Republics) said that his delegation, which strongly supported all countries struggling against colonialism, wished to reiterate its solidarity with Zambia in its efforts to overcome the difficulties created by its implementation of the sanctions against Southern Rhodesia, which was the country that should be held liable for the damage caused.

46. The recent visit by the President of Zambia to the Soviet Union had given fresh impetus to co-operation between the two countries. A long-term agreement on technical, cultural and commercial co-operation had been signed; the Soviet Union was already training Zambian personnel in such fields as energy, geology and public health, and there was to be a considerable expansion of trade between the two countries.

47. Ms. TURNBULL (Australia) said that her Government's abhorrence of racism in all its forms, in particular as practised in Zimbabwe, Namibia and South Africa, did not need to be emphasized. Her Government planned to expand its aid to the independent countries of Africa and was currently discussing ways of assisting Zambia with its development programme, which had been hampered by the closure of the southern border. It commended Zambia in its political struggle for a peaceful settlement to the situation

in Zimbabwe on behalf of the oppressed peoples of Africa. She hoped that the draft resolution would be adopted unanimously.

48. Mr. DINU (Romania) said that it was common knowledge that the economic difficulties that Zambia was experiencing were due to the persistence of certain forms of racism in southern Africa. His Government regarded Zambia's decision to break off economic relations with the racist régime of Southern Rhodesia as evidence of its devotion to the principles of the United Nations Charter. Romania greatly appreciated the solidarity shown by the international community with the struggle of the Zambian people to preserve its independence. The efforts being made by the organizations in the United Nations system to provide financial, technical and material assistance to Zambia should, in his view, be increased by a mobilization of the available resources. Romania had provided material assistance to Zambia and was developing cordial relations with that country.

49. The PRESIDENT said that, in the absence of any objection, he would take it that the Council adopted draft resolution E/L.1671 on assistance to Zambia by consensus.

It was so decided.

50. Mr. SAKALA (Zambia) expressed his delegation's appreciation of the able manner in which the representative of Guinea had introduced the draft resolution, of the constructive way in which the item had been discussed, and of the Council's decision to adopt the draft resolution without a vote. He had been heartened by the generous recognition of his country's efforts to promote peace, freedom and justice in southern Africa.

51. The PRESIDENT announced that the Council had concluded its consideration of item 6.

The meeting rose at 12.5 p.m.

1973rd meeting

Wednesday, 23 July 1975, at 3.30 p.m.

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

E/SR.1973

In the absence of the President, Mr. Longerstaey (Belgium), Vice-President, took the Chair.

AGENDA ITEM 4

Regional co-operation (*concluded*)* (E/L.1670)

1. Mr. MARTÍNEZ (Argentina) introducing draft resolution E/L.1670 on regional co-operation on behalf of the sponsors, said that a number of changes in the draft text had been agreed upon in informal consultations.

2. Argentina, Iran, the Netherlands, Venezuela and Zambia should be added to the list of sponsors. In the second preambular paragraph, the whole of the latter part, from the words "relating to" to the word "co-operation" at the end should be replaced by "in connexion with resolution 1896 (LVII)". In operative paragraph 1, the words "adopted at" should be replaced by "of". In operative paragraph 2, the words "in the framework" should be replaced by "consistent with the aims and objectives"; and the words "those taken at" should be replaced by "the resolutions of". In operative paragraph 4, after the words "to take", the words "at these sessions" should be inserted; the word "identifying" should be

* Resumed from the 1971st meeting.

replaced by "consultation with the United Nations Development Programme and the countries concerned in order to identify". In operative paragraph 5, after the words "to expedite", the words "in this connexion" should be inserted; and the word "aforesaid" should be replaced by "necessary". Operative paragraph 6 should be re-worded as follow:

Requests the Administrator of the United Nations Development Programme to utilize the services of the regional economic commissions at the request of the countries concerned for the purpose of making contributions to the forthcoming programme cycle, in particular to inter-country programming.

3. Mr. LOBANOV (Union of Soviet Socialist Republics) said that while his delegation was prepared to join in a consensus on the revised draft resolution, it could only do so on the understanding that there would be no financial implications for the regular budget arising from it.

4. Mr. FRAZÃO (Brazil) said that his delegation joined the consensus reluctantly. Calling on the regional commissions to act as executing agencies of UNDP would almost certainly give rise to duplication of effort. His delegation would, if necessary, re-open the question before the appropriate body, namely the Governing Council of UNDP.

5. Mr. ARNOLD (German Democratic Republic) said that his understanding of operative paragraph 3 of the draft resolution was that no increase in the regular budget would be involved.

6. Count YORK (Federal Republic of Germany) said that his delegation shared the reservations of the representative of Brazil and might wish to return to the question in the appropriate forum. In operative paragraph 1, his understanding of the word "relevant" was that the decisions in question related to regional co-operation. He had been unable, during informal discussions of the draft resolution, to obtain a similar assurance regarding the decisions referred to in operative paragraph 2, and he therefore felt bound to maintain the reservations which his delegation had entered to the decisions of the sixth special session as a whole (2229th plenary meeting of the General Assembly).

7. Mr. MUDHO (Kenya) said that, although his delegation had joined in the consensus, it had not had time to study the revisions to the draft resolution and reserved the right to speak on any or all of them at a later date, if necessary.

8. Mrs. HERRÁN (Colombia) said that, although her delegation had agreed to the consensus, she hoped that operative paragraph 3 would not give rise to any increases in the regular budget.

9. The PRESIDENT invited the Council to adopt draft resolution E/L.1670 on regional co-operation, as orally amended, without a vote.

It was so decided.

10. Mr. BOURGOIS (United Nations Development Programme) said that the Governing Council of UNDP had fully supported the proposal by the Administrator¹ for

¹ See UNDP document DP/124.

strengthening relations between UNDP and the regional commissions. He quoted in that connexion paragraph 122 of the report of the Governing Council of UNDP on its twentieth session (E/5703).

11. It was particularly important that operative paragraph 4 of the resolution just adopted, relating to the execution of projects, should be interpreted in accordance with Council resolution 1896 (LVII), referred to in the preamble, and in the light of the decisions of the Governing Council of UNDP. Those decisions, which reflected closely the basic legislation of the Programme, expressed by the Consensus of 1970,² required that the designation of the executing agency should be made on a case to case basis at the request of the Governments concerned and on the recommendation of the Administrator. The latter point was of importance, since it concerned an essential aspect of the authority conferred by the Consensus of 1970 on the Administrator, who carried over-all responsibility for UNDP operations.

12. The PRESIDENT noted that the Council had concluded its consideration of agenda item 4.

AGENDA ITEM 2

Adoption of the agenda and organization of work (concluded)*

PARTICIPATION OF INTERGOVERNMENTAL ORGANIZATIONS IN THE WORK OF THE COUNCIL (E/5719)

13. The PRESIDENT drew attention to the note by the Bureau on the participation of intergovernmental organizations in the work of the Council (E/5719) and in particular to the recommendations in paragraphs 3-8. He proposed to deal with the recommendations paragraph by paragraph.

Paragraph 3

14. The PRESIDENT invited the Council to adopt the recommendation in paragraph 3.

It was so decided.

Paragraph 4

15. Mr. CHANG Hsien-wu (China) said that some inter-governmental and non-governmental organizations associated with the Council, such as the International Criminal Police Organization (INTERPOL), were still allowing the Chiang gang elements which had long been cast off by the Chinese people and were entrenched in Taiwan, a province of China, to usurp the name of China and carry out illegal activities. That was quite unacceptable. Those organ-

* Resumed from the 1953rd meeting.

² Approved by the Governing Council of UNDP at its tenth session (9-30 June 1970) and subsequently endorsed by the Economic and Social Council in its resolution 1530 (XLIX) of 22 July 1970, and by the General Assembly in its resolution 2688 (XXV) of 11 December 1970. For the text, see the annex to the aforesaid General Assembly resolution.

izations should rectify their incorrect attitude that there were "Two Chinas" or "One China, One Taiwan" and expel the Chiang gang elements in accordance with the relevant resolutions of the General Assembly and the Council.

16. The PRESIDENT invited the Council to adopt the recommendation in paragraph 4.

It was so decided.

Paragraph 5

17. Mr. BUKHARI (Pakistan) pointed out that in paragraph 5 the words "to participate" appeared to have been omitted after the words "should be designated".

18. The PRESIDENT invited the Council to adopt the recommendation in paragraph 5, with that correction.

It was so decided.

Paragraph 6

19. Mr. SCHWARTZ-GIRÓN (Spain) said that it had been agreed in consultations among countries of all groups that GATT should continue to participate on the same footing as before. There was therefore no need to take any action on paragraph 6.

It was so decided.

Paragraphs 7 and 8

20. The PRESIDENT invited the Council to adopt the recommendations in paragraphs 7 and 8.

It was so decided.

The meeting rose at 4.5 p.m.

1974th meeting

Thursday, 24 July 1975, at 10.50 a.m.

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

E/SR.1974

AGENDA ITEM 5

International Women's Year (E/5725)

1. The PRESIDENT invited the Council to consider agenda item 5, on International Women's Year.

2. Mrs. SIPILÄ (Assistant Secretary-General for Social Development and Humanitarian Affairs, Secretary-General of International Women's Year and of the World Conference of the Year recalled that when, in December 1972, the General Assembly had proclaimed 1975 as International Women's Year (Assembly resolution 3010 (XXVII)), the holding of a conference had not been envisaged and any programme for the Year had had to be financed from existing resources. When the Economic and Social Council had called upon the Secretary-General, in 1974, to convene a conference within the context of International Women's Year (Council resolution 1849 (LVI)), there had been some scepticism about the prospects of a conference organized at such short notice and with a budget of only \$250,000. The World Population Conference, for instance, had been prepared over a four-year period and had had a budget of more than \$2 million. The Secretariat, however, had had confidence in the success both of the conference and of International Women's Year, and the results achieved so far had exceeded its most optimistic expectations.

3. Nothing was more powerful than an idea that came at the right time, as the past six months and the World Conference of the International Women's Year had clearly demonstrated. Success would have been impossible, however, without the interest shown by governmental and non-governmental circles in all parts of the world and without the active participation of the entire United

Nations system. Sixty-nine countries had announced the establishment of national committees consisting of representatives of ministries, government offices, non-governmental organizations and individuals. Eighty-nine countries had appointed liaison officers and it was hoped that they would continue beyond 1975 to keep the Secretariat informed of national developments affecting the situation of women.

4. International Women's Year was the first national and world-wide comprehensive effort to study the status and role of women in the light of internationally adopted standards for the achievement of equal rights, opportunities and responsibilities. It was also the first real national and world-wide attempt to translate into action some of the important goals of the International Development Strategy for the Second United Nations Development Decade¹ and it was a call for action to increase women's contribution to the development of friendly relations among States and to the strengthening of international peace. There was a realistic hope that before the end of the year national plans would have been adopted in almost all countries in order to achieve those goals.

5. The contribution of the national and international non-governmental organizations had been remarkable. The International Women's Year had also attracted strong support from voluntary workers, the world Press and other mass media. She wished to take the opportunity to thank the Governments and other donors from both industrialized and developing countries, even from the least developed ones, for the contributions they had paid or pledged to the

¹ General Assembly resolution 2626 (XXV), of 24 October 1970.

voluntary fund opened by the Secretary-General in accordance with Council resolution 1850 (LVI).

6. The specialized agencies and other United Nations bodies had played an active part in the Conference and had adopted resolutions providing for the promotion of the year's objectives. The regional commissions had played an important part; ESCAP and ECA had each adopted regional plans designed to promote the integration of women in development (ESCAP resolution 157 (XXXI); ECA resolution 269 (XII)).

7. The growing interest in the year and in the implementation of principles, programmes and strategies adopted during the past decade was explained not only by the importance attached to the principle of equality of all human beings but also by the increasingly evident interaction between the status of women and economic and social development. The programmes of the Year and the World Conference had increased the awareness of that interaction and of its impact on the various world problems.

8. Despite its rapid preparation, the World Conference, held at Mexico City from 19 June to 2 July 1975, had demonstrated the interest shown by Governments and by intergovernmental and non-governmental organizations in the question. For the first time in United Nations history, women had formed the majority among the delegations of the 133 Governments represented, and most delegations had been headed by women. After naming some of the personalities who had attended the Conference and giving some details of how the Conference had been organized, she paid a tribute to the President of Mexico and Mrs. Echevarría, to Mr. Ojeda Paullada, the President of the Conference, to the Mexican Government and officials and to the United Nations staff who had made the Conference a success.

9. The Conference had been the culminating point of International Women's Year: it had adopted a large number of recommendations included in the World Plan of Action for the Implementation of the Objectives of International Women's Year, in the Declaration of Mexico on the Equality of Women and their Contribution to Development and Peace, 1975, and in 34 resolutions, which would certainly influence United Nations activities for many years to come. Its report (E/5725) would enable the Council to review the progress made in the achievement of the objectives of the Year and to take whatever decisions it deemed appropriate.

10. The delegations at the Conference had shared the view that issues concerning women could not be dealt with in isolation but must be linked to present-day political, economic and social realities. The Conference had, for instance, been led to pronounce on such questions as Palestinian and Arab women, the status of women in Namibia, the question of the Panamanian territory known as the Canal Zone, the situation of women in Chile, and women's participation in the struggle against colonialism, racism, racial discrimination and foreign domination.

11. The Conference had emphasized the need for a new economic order based on the Charter of Economic Rights

and Duties of States.² It had noted that three quarters of mankind was faced with urgent and pressing social and economic problems; since women were the hardest hit, there was need to improve their situation and to define their role in development. The principles of the United Nations Charter referring to equality of rights between men and women, economic and social progress and international co-operation in the social field had served as a framework for many of the recommendations and decisions adopted by the Conference. Social progress and improvements in the quality of life could not be automatically obtained through an increase in GNP: the human element had also to be taken into account. The Conference had noted the negative impact which the precarious status of women had on undesirable population growth, the world food shortage and under-development. The under-utilization of the potential of approximately half the world population was an obstacle to economic and social progress. The role of women differed from country to country, but it was significant that all the decisions and recommendations aimed at the elimination of discrimination against women had been adopted unanimously. By contrast, the position of delegations had not been uniform in the adoption of recommendations relating to political issues or to the new international economic order. The view prevailed in some quarters that the poor record of implementation of United Nations resolutions often resulted from a lack of consensus in their adoption. The Group of Experts on the Structure of the United Nations System had envisaged consultative procedures to bring about general agreement on key issues (E/AC.62/9, paras. 97-103). The Conference, however, had been unanimous about the urgent need for action to eliminate discrimination against women and to improve their status, and had urged the General Assembly to proclaim 1975-1985 as the United Nations Decade for Women and Development, so as to ensure sustained national and international action throughout the period.

12. At the national level, it had been generally felt that Governments should give priority consideration to the elimination of sex discrimination and the integration of women in development. The Conference had referred specifically to a series of projects to be undertaken in sectors where the situation of women remained most precarious. The World Plan of Action envisaged the establishment of interdisciplinary or multisectoral commissions for accelerating the achievement of equal opportunity for women. Those commissions should include both women and men as a precondition for successful results, since the advancement of women would benefit the community at large.

13. At the international level, the Conference had called upon Governments to increase the number of women in their delegations, and upon the United Nations to recognize its responsibilities for setting an example to Member States in employment and personnel practices. It had recommended that the Council should request the Secretary-General to undertake a series of projects, including a report on the participation of women in the strengthening of world peace and the elimination of *apartheid*, racism, racial

² General Assembly resolution 3281 (XXIX), of 12 December 1974.

discrimination, colonialism and foreign domination. It had also urged that priority should be given in 1976 to the preparation and adoption of a convention on the elimination of discrimination against women.

14. The Conference had adopted specific recommendations for the effective implementation of its resolutions. It had urged the Council to recommend the necessary steps for strengthening the organizational unit of the Secretariat concerned with the implementation of the World Plan of Action, establishing an international research institute for the promotion of women, and organizing a second world conference in 1980.

15. The Conference and the Group of Experts on the Structure of the System had made conflicting recommendations: whereas the Group of Experts sought to improve world economic co-operation by liquidating the Commission on the Status of Women, the Conference had unanimously recommended the continuing operation of the Commission or of some other representative body designed to deal solely with problems relating to the status of women. It had deemed one or the other body essential to ensure the implementation of the programmes set forth in the World Plan of Action and to permit the interchange of views and the formulation of principles pertaining to the status of women. The Group of Experts had presumably not envisaged the survival of the organizational unit responsible for the implementation of the programme or of the Commission for Social Development.

16. By contrast, the Conference had urged the Council to take the necessary steps to provide the regional commissions with the necessary staff and other resources for the development of regional programmes to implement the Plan of Action. It had also recommended that the organizational unit responsible for the implementation of the Plan of Action should be enabled to support more effectively existing programmes and develop new ones, in co-operation with all organizations of the United Nations system. In view of the multiplicity and diversity of the projects unanimously recommended by the Conference, the Council might wish to explore the advisability of a mixed expert group to advise on the organizational structure best suited for global co-operation in the social field.

17. The Conference had recommended the establishment of an international research and training institute for the promotion of women, to be financed by voluntary contributions; its purpose would be to undertake research into the situation of women on behalf of the organizational unit of the Secretariat responsible for the implementation of the Plan of Action, in co-operation with the United Nations University and other interested educational institutions. The specialized agencies and the regional commissions would be invited to take an active role in its operation.

18. The Conference which the General Assembly was invited to organize for 1980 would be required to review and assess the implementation of the World Plan of Action, correlated resolutions on the elimination of sex discrimination and the integration of women in the development process. The organization of the conference would entail minimal budgetary appropriations.

19. The Conference had not lost sight of the financial implications of its decisions and recommendations, including the Plan of Action. It had invited the Secretary-General, in consultation with the specialized agencies and other United Nations organizations, to present a report to the General Assembly at its thirtieth session advising on the way in which additional funds, contributed for the express purpose of the integration of women in development, could best be canalized and administered through appropriate United Nations bodies.

20. In conclusion, she stressed that a dynamic multi-sectoral approach was essential for the successful implementation of the recommendations adopted by the Conference. The improvement of the status of women and the integration of women in the life of society required a multidisciplinary effort at the national, regional and global levels. The planning of the implementation process had already started at the *ad hoc* Inter-Agency meeting on the International Women's Year which had been held on 21 and 22 July 1975. She was convinced that the spirit of co-operation displayed by all United Nations bodies at that meeting would lead to the early elaboration of a dynamic global programme which would not only benefit women and, indirectly, children, entire families and societies but would help to improve the quality of life everywhere.

21. Ms. URBINA (Mexico) said that the report before the Council showed how important were the results achieved at the World Conference of the International Women's Year, which had adopted many resolutions and a Declaration of general principles on action to improve the status of women. At the conference, the participants had become increasingly aware of the serious problems affecting one half of mankind and had decided to initiate international co-operation to ensure the equality of men and women and women's participation in the solution of those problems.

22. In order to demolish the structures which kept women in a marginal situation, the three objectives set out in General Assembly resolution 3010 (XXVII) must be attained: equality between men and women, the participation of women in development and the contribution of women to world peace. The co-operation envisaged could not be effective so long as there were inequities. It was the responsibility of each country to take the necessary action within its borders to give effect to the decisions adopted. International organizations would have to co-operate for the achievement of those objectives and periodically review the progress made.

23. The decisions of the Conference ran along two parallel lines. With regard to the problems specific to women, there were resolutions on health, employment, education, the family, participation, promotion, and the need to study the questions connected with the status of women. The other decisions concerned fundamental changes in the national and international structures which prevented the fundamental needs of marginal groups, which included the majority of women, from being satisfied. The necessary action to give effect to those resolutions remained to be taken. Governments, United Nations bodies and individuals should be guided by the World Plan of

Action and should apply the principles of the Declaration of Mexico.

24. The points of concern that were mentioned in the introduction and chapter I of the World Plan – problems concerning development, women in rural areas, women in employment, connexions between international questions and the status of women, etc. – were dealt with in the many draft resolutions submitted, most of which had been adopted by consensus. The Plan of Action and the Declaration of Mexico were documents of unquestionable importance. Of course, only future generations would be able to assess the significance of the Conference, but it could be safely said that it marked the beginning of the transformation of the status of women. To deny that or to claim that the questions had not been thoroughly studied would be a deliberate disregard of what had happened at Mexico City. It was easy to understand the efforts made to distort the results of the Conference: to seek to make women the equals of men was a revolutionary step which frightened a great many people.

25. In order that women might participate on the same basis as men in social life, men and women must face the difficulties together. Women, however, had always lived on the fringe of society and did not yet enjoy complete equality, either *de facto* or *de jure*, with men. Those difficulties were compounded by the growing gap between developed and developing countries, the precarious state of world peace, the systematic violation of fundamental freedoms in some countries and the existence of enclaves of colonialism, environmental pollution, the arms race and international monetary disorders. It was therefore urgently necessary to change the outlook and ideas of people and to establish a new international economic order. Women could not remain indifferent in such a situation and must assume responsibilities equal to those of men in the reorganization of the international system and the elimination of international relationships that were completely out of date.

26. Since the ultimate purpose of development was to improve the quality of life for all, the new international economic order must be based on equity, sovereign equality, co-operation between States and the furtherance of economic and social progress. Furthermore, development did not only mean the economic growth of States, but also equality of opportunity in all fields where women, like men, should be able to develop their potential to the utmost.

27. It was still necessary to struggle to achieve the full integration of women in development. The Declaration of Mexico was based on principles already laid down in the United Nations Charter, the Universal Declaration of Human Rights and the Declaration on the Elimination of Discrimination against Women. The principles enshrined in the Declaration of Mexico gave a view of women and men which implied equality of opportunity and of duties for both, in the family and in society. The programmes and policies on which education was based should be changed so as to make it possible for the human being to develop to the full, while meeting the needs of development. She laid particular stress on the equality of men and women before the law, equality of opportunity in employment remuner-

ation and promotion and the importance of the right of free choice in matters of marriage and parenthood. All those aims must be pursued at the same time.

28. To proclaim that human relationships were governed by the principle of equality of rights as between men and women meant recognizing also that relations between States should be governed by the principles of sovereign equality, of the rights of peoples to self-determination, of territorial integrity and of non-interference in the internal affairs of States.

29. It was natural that the Declaration of Mexico, which did not merely express simple aspirations but laid down policy guidelines to eliminate inequality, should be attacked by clearly reactionary elements. Those who did not understand the significance of that Declaration and of the other documents adopted by the Conference were precisely those who clung to patterns of behaviour which prevented them from taking part in the analysis of the issues faced by the modern world. Future generations, however, would understand that the adoption of the Declaration was the first attempt to tackle the problem of women in the light of the problems faced by society, and *vice versa*.

30. At the Conference, some causes which women had championed for a long time had been made clearer, certain points of view had changed and people had become aware of contemporary problems and of discrimination. Henceforth, issues concerning women would no longer be dealt with as if they were a separate problem but as an integral part of the problems faced by the modern world.

31. Her delegation was convinced that only by international co-operation could the problems be satisfactorily solved. The Economic and Social Council should adopt measures following up those of the Conference, so that the efforts of the international community would not be in vain and the recommendations would become a reality. It lay with the Council to ensure the continuation of the efforts made by the international community in proclaiming the objectives of International Women's Year, namely, equality, development and peace, and in convening the Conference.

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

32. Ms. TURNBULL (Australia) said that at its 1972nd meeting, in considering the role being played by Zambia in the fight against racism in Zimbabwe, the Council had reaffirmed the principles of the United Nations Charter and in particular its faith in fundamental human rights, in the dignity and worth of the human person and in the equal rights of men and women. It was therefore regrettable that so much still needed to be done merely to make the meaning of those words clear. Not only was the equality of women with men often disregarded, but so was their dignity. Sexual discrimination was even more insidious than racial discrimination; more widely tolerated and less widely recognized, it appeared in different forms in social attitudes, education, myths and prejudices, and the result was that women – regarded as “the second sex” – accepted

a second-rate part. At a time when there was increasing concern about food shortages and problems of development and social justice in the world, it was inadmissible to allow half the world's population to lag behind and to be denied the new social justice and the new social order for which the international community had joined battle.

33. Governments had an active part to play in the matter. Her Government was co-operating closely with non-governmental organizations and women's groups in Australia. Much had to be done at the community level and even at the level of the individual, in order to carry out a radical re-evaluation of social values. A strong political will was necessary for that.

34. At the international and regional levels, a concerted approach was necessary to reach the goal of a more balanced and more equitable social order. Her Government supported the regional plan of action adopted by ESCAP (see E/5656, resolution 157 (XXXI)), which laid stress on the integration of women in development. That plan showed that agreement was possible, not only at the regional level but also at the national level, on guidelines and programmes.

35. Her Government reserved its final position on the Declaration of Mexico, the World Plan of Action and the resolutions and decisions adopted by the Conference, since it had not yet had time to study them in detail. It nevertheless considered that the Conference had yielded positive results and it would play its part in the implementation of the World Plan of Action.

36. Just as United Nations bodies had dealt specifically with the problems of the least developed countries, so Governments and individuals should, as a matter of urgency, act on the decisions in the Conference report in order to improve the status of women.

37. Mr. DUMAS (France) thought that it was not a question of freeing women from their status as women but of giving them the means to assume that status in full. At the Mexico Conference, Mrs. Giroud, French Secretary of State for the Status of Women, had said that there was no question, either, of women liberating themselves from men. It was from their own prejudices and fears that women had to free themselves. The gap between the status of women and that of men must be reduced until it vanished, and for that it was necessary to define the action to be undertaken, maintained and continued in order to bring women to the point of sharing responsibilities of all kinds. That was why France endorsed the spirit which had inspired the Declaration of Mexico.

38. Although France was one of the countries that had advanced farthest towards *de jure* and *de facto* equality of men and women, it realized that it had much further to go and it therefore endorsed the guidelines laid down in the Declaration of Mexico. Considering the differences between States, it supported the principle that each country should decide upon its own strategy. It welcomed the recommendations of the Conference, particularly the idea that there was a clear link between development and the promotion of women. His delegation feared, however, that references to

texts for which some countries had not voted, and to regional political problems which had no direct connexion with the status of women, might stand in the way of the general agreement that was desirable.

39. His delegation, which held that statements of principle were not enough, hoped that the awareness and reflection brought about by the International Women's Year would bear fruit. To that end, the multidisciplinary and interministerial nature of the problems of women must not prevent attention and action being concentrated on a small number of points of specific concern to the status of women, to the exclusion of other issues which could be dealt with in other fora. Secondly, in addition to legal guarantees of equality, one priority must be affirmed: namely, identical compulsory free education for boys and girls, and its essential extension, which was information. He paid a tribute to the remarkable work done by women's non-governmental organizations, which his country felt sure would go on. The progress along the path upon which women were moving would be even more rapid if Governments, which had been made aware of the problems by International Women's Year, decided to recognize that women had a vocation as a power for the promotion of justice and a better quality of life.

40. Mr. KAUFMANN (Netherlands) said that the Mexico Conference had been important in drawing up an inventory of the problems of women, in permitting an exchange of data at world level, and in mobilizing public opinion, Governments and the whole United Nations system. The World Plan of Action adopted at the Conference laid down valuable guidelines for dealing with the various problems at the national level. The decisions adopted by the Conference must be implemented not only by Governments and the United Nations system but also by non-governmental organizations and private groupings. It was desirable that regional conferences should be held to see how the Plan of Action was being implemented at the regional level. His delegation had been one of the sponsors of Conference resolution 12 (Special resources for the integration of women in development) and his Government had offered to make additional contributions for projects to make women more aware of their position and role in society. His Government had also offered financial assistance for projects related to research on policies concerning the integration of women in the development process (resolution 14). It hoped that the Secretary-General of the United Nations would submit to the General Assembly at its thirtieth session the reports and proposals requested. His Government, like that of Australia, was considering the recommendations of the Conference and would make its position known when the proposals and reports in question were examined.

41. In connexion with resolution 4 (Role of the United Nations system in implementing the World Plan of Action), he thought that the Secretariat unit dealing with the implementation of the Plan of Action should be appropriately strengthened in accordance with operative paragraph 3 (b) of that resolution.

42. Mrs. SANTHOSO (Indonesia) said that the outcome of the Mexico Conference had come up to expectations

since, despite the diversity of their socio-economic and cultural conditions, the countries represented there had adopted a Declaration on the Equality of Women and their Contribution to Development and Peace and a World Plan of Action for the Implementation of the Objectives of the International Women's Year.

43. There was also cause for satisfaction in the action taken by the United Nations which, in the Lima Declaration and Plan of Action on Industrial Development and Co-operation (E/5696, chap. IV) and at the nineteenth and twentieth sessions of the Governing Council of UNDP (see E/5646, E/5703), had stressed the importance of integrating women in development.

44. In Indonesia the principle of equality and full participation of women had never been contested and was indeed guaranteed by the Constitution. Like all developing countries, however, Indonesia had a number of problems, particularly in family planning, the protection of maternal and child health, education and training. Indonesia therefore approved in particular of resolution 15 of the Mexico Conference, on family planning and the full integration of women in development. The family planning programme, designed to improve the health of mother and child and to raise the level of living, had been accorded high priority in the Indonesian second five-year national development plan. The success of that programme would depend entirely on the participation of women. The results so far achieved were promising, owing to a certain extent to external assistance, in particular from the United Nations. Encouraging results had also been obtained with respect to the participation of women in development efforts, particularly in the fields of population, education, public health and rural development. On the last point, it was essential, as was stressed in resolution 21 of the Conference, that women in rural areas should be trained to enable them to participate productively in rural development activities. Operative paragraph 4 of that resolution, requesting international agencies to support such efforts, was particularly relevant.

45. In conclusion, she agreed with previous speakers that the participation of men in International Women's Year was of the utmost importance for its success.

46. Miss GUEVARA ACHAVAL (Argentina) stressed her country's interest in the question of the status of women; the integration of women in society should be a factor in the development of peoples and should not merely help to increase the labour force. The Mexico Conference would make it possible to put an end to the situation of injustice and discrimination which, as the Secretary-General had said, were an affront to human dignity. The Declaration, Plan of Action and 34 resolutions adopted showed clearly that women wished to play a real part in decision-making and the solution of present-day problems. In Argentina, women played a large part in the country's affairs and there were many women active in the political, legislative, legal, scientific, artistic and cultural spheres.

47. The Declaration of Mexico re-echoed the spirit of Council resolution 1851 (LVI) and General Assembly resolution 3010 (XXVII) concerning the integration of women in development. The Argentine delegation approved

of the Declaration, with the reservations already expressed concerning the eighth and eleventh preambular paragraphs and operative paragraphs 12, 24 and 26.

48. With regard to the World Plan of Action, her delegation had already expressed its opinion on section G of chapter II, concerning population: in its view, there was too often a tendency to see a panacea for all population problems in birth control, without drawing a distinction between over-population and under-population. It was for each Government to determine its own population policy and that principle, which was included in the World Population Plan of Action, should have been mentioned in the report of the Conference. With regard to chapter III, on research, data collection and analysis, her delegation had already stated that in order to produce a better analysis of national problems concerning the status of women and a better evaluation of the difficulties and progress made in regional integration there should be an exchange of experience through centres, universities and other institutions. In the light of that consideration, a centre for research, training, technical co-operation and information, financed by the Inter-American Commission of Women and the Organization of American States, was to be established in Argentina.

49. The Mexico Conference had concerned itself also with the participation of women in international life, as was shown by the resolutions concerning the participation of women in the seventh special session of the General Assembly and other international meetings and by the appeal to United Nations bodies concerning the situation of women in their employ. It was regrettable that the study undertaken by UNITAR in 1973 and the more recent reports submitted to the Council did not reveal much progress in that field.

50. Mr. LOBANOV (Union of Soviet Socialist Republics) said that the World Conference of the International Women's Year had been a unique event, both because of the number of representatives attending the Conference and because of the broad range of questions considered. The report of the Conference therefore deserved thorough study.

51. The proclamation of International Women's Year had been welcomed with great interest in the Soviet Union and that vast international campaign had received the support of governmental and community bodies. Co-ordination of the action undertaken in the Soviet Union itself had been entrusted to a committee consisting of representatives of all the Republics, social bodies, the Supreme Soviet and the Ministries, which had prepared a broad programme of measures for 1975.

52. The Soviet Union approved of the achievements of the Conference as a whole, in particular the measures designed to improve the status of women and to extend their rights. The Conference had, indeed, borne witness to the capacity of women's movements to contribute to the strengthening of peace and security; moreover, it had not confined itself to the consideration of a few exclusively feminine problems and had not hesitated to tackle the international problems which had been the very source of

the drafting of the United Nations Charter. The celebration of the thirtieth anniversary of the victory over fascism had taken place in the presence of many women who, particularly in the Soviet Union, had fought for the liberation of all the peoples of the world. Their determination to strengthen international peace and security was reflected in many of the Conference's resolutions.

53. Moreover, the Conference drew the attention of public opinion to certain problems which had yet to be solved: discrimination against women in various fields of social life and the fight against racism, colonialism, neo-colonialism and imperialism. In his statement at Mexico City, Mr. Podgorny, President of the Presidium of the Supreme Soviet of the USSR, had stressed that socialism had liberated women and enabled them to participate in the life of society, the development of production and the administration of the State. The social policy of the Soviet Union was designed to create the best conditions to enable women to participate.

54. Although it was one of the major events of the International Women's Year, the Conference was only a beginning, for women's struggle was not over. The efforts must be continued, both within countries and at the international level and particularly in the context of the World Congress of International Women's Year, to be held at Berlin in October 1975.

55. His delegation was convinced that the International Women's Year would enable the women of all countries to achieve total liberation and to participate in the solution of problems, the strengthening of peace and security, the freeing of all peoples and the progress of mankind in general.

56 Mr. ŽIŽKA (Czechoslovakia) said that in Czechoslovakia, as in all the socialist countries, women had the same status as men, but that was not so in the rest of the world. For that reason, Czechoslovakia supported all efforts aimed at enabling women to participate on an equal footing

with men in the government of their countries and the building of world peace. It supported the Declaration of Mexico for it was convinced that the aims of the International Women's Year – equality, development and peace – corresponded to the real aspirations of women throughout the world. The proclamation of the International Women's Year had been one more step towards the equality of women and their participation in cultural, economic and social life.

57. It was also symbolic that 1975 marked the thirtieth anniversary of the end of the Second World War, in which women had played an active part in the fight against fascism. The present international *détente*, which had been started by the socialist countries, was characterized by a strengthening of co-operation between States belonging to different social and economic systems. *Détente* could have only beneficial effects on the status of women in all spheres and throughout the world. The participation of women in the struggle for peace, international security and disarmament and against racism, colonialism, neo-colonialism and *apartheid* could not but be welcomed, for that struggle was helping to strengthen *détente* and to encourage international co-operation and the economic and social development of all countries, on which, in turn, an improvement in the status of women depended.

58. Such an improvement would, however, be possible only after considerable social and economic changes and on the basis of a minimum level of development. A delegation of his Country had had the satisfaction of taking part in the Mexico Conference, which had constituted one of the essential initiatives in that direction. It welcomed the universal character and results of the Conference and would continue to support the action undertaken by women to improve their lot in all fields, which it considered to be a legitimate international obligation. It was convinced that the World Congress at Berlin and other large international meetings would proceed in the same direction.

The meeting rose at 1 p.m.

1975th meeting

Friday, 25 July 1975, at 3.15 p.m.

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

E/SR.1975

In the absence of the President, Mr. Longerstaey (Belgium), Vice-President, took the Chair.

AGENDA ITEM 5

International Women's Year (*continued*) (E/5725)

1. Mr. MICHEEL (German Democratic Republic) said that the fact that 133 States, 8 liberation movements and 113 non-governmental organizations had taken part in the World Conference of the International Women's Year was evidence of the great interest which the Conference had

aroused throughout the world. His own country had made an active contribution to the preparations for the meeting.

2. From the time of its establishment, the German Democratic Republic had realized that the fundamental rights of man were also the rights of woman and that in modern society there was no question but that men and women should have equal rights. His country knew from experience, however, that the liberation of women was really possible only when all social relationships moved in the direction of social progress. That was why it greatly appreciated the energy with which the developing countries

were fighting for a worthy way of life, which, by definition, included the equality of the sexes. In that spirit, the delegation of the German Democratic Republic had taken part in drafting the decisions and instruments adopted at Mexico City, in particular, the Declaration of Mexico on the Equality of Women and their Contribution to Development and Peace, 1975, and the World Plan of Action for the Implementation of the Objectives of the International Women's Year (E/5725, chap. I and II.A), which expressed the will of a very great majority of the Members of the United Nations.

3. In conclusion, he reminded the Committee that the World Congress of Women was to be held at Berlin in October 1975. That meeting should give a fresh impetus to the campaign for equality between the sexes.

4. Mr. BUKHARI (Pakistan) said that the Mexico Conference had made a great contribution towards stirring the conscience of mankind, which had so far paid little attention to the lot of women, although they represented half the world's population. It was obvious, however, that women, even in the developed regions, had not yet succeeded in fully assuming their due role. The Conference had produced constructive results which were encouraging, but it would not really have practical consequences unless women themselves wished it to do so and succeeded in overcoming their prejudices and inhibitions. He sincerely hoped that Governments, non-governmental organizations and the whole United Nations system would endeavour to implement the many resolutions adopted at Mexico City, for they denoted the beginning of a real re-awakening of women. He also hoped that the World Plan of Action would be implemented under the auspices of the Commission on the Status of Women and the General Assembly.

5. Mrs. TALLAWY (Egypt) noted that, in many quarters, doubts were being expressed as to whether the Mexico Conference had been a success. In her country's view, it had been an undeniable success since for the first time the problems of women had been placed on the same level as all the other great economic and social problems of the day, such as food resources, population, raw materials, etc. The period when women's problems had been envisaged as competition between the sexes was over. It was now necessary to go beyond the stage of viewing women's problems as being one of equality between the sexes, since equality would necessarily be achieved through a normal process of evolution. Women's problems should be viewed as part and parcel of the over-all socio-economic development of society. That was the message of the Mexico Conference, which must be passed on to the world community. Henceforth, Governments, when preparing their short- and long-term economic and social development plans, would have to take into consideration the fact that women did indeed constitute half the population. That was the fundamental idea which the authors of the Declaration of Mexico had wished to state first and foremost.

6. It would seem that the general public had received a somewhat confused image of the Mexico Conference, which was probably in large part the fault of the world press. The Conference had accordingly adopted several decisions on the role of the information media, which might help in

changing many attitudes and prejudices which were unjust to women.

7. For her part, she doubted the wisdom of having a meeting of non-governmental feminist organizations simultaneously with the intergovernmental Conference convened by the United Nations. It led to a dissipation of efforts which should, on the contrary, have a global character. That was why the World Plan of Action contained recommendations expressly addressed "to Governments, and to all public and private institutions, women's and youth organizations, employers, trade unions, mass communications media, non-governmental organizations, political parties and other groups".

8. It had been said that the World Plan of Action was chiefly relevant to the problems of the developing countries and was of little concern to women in the developed countries. In reality, the Plan recognized explicitly the existence of wide divergences in the situation of women in different societies, cultures and regions, characterized by differing needs and problems and that, therefore, each country should decide on its own national strategy and identify its own targets and priorities within the World Plan.

9. The Mexico Conference had also been said to have been dominated by political issues. That criticism, too, was unjustified. It must be realized that, in the present-day world, no problem could be dealt with in isolation. When studying women's problems, how could one avoid referring to the political and economic problems which, in certain regions, hampered development in all its aspects? If there was a real desire for women to play a full part in socio-economic development, how could the alarming political situation in southern Africa, in Palestine and in other parts of the world be ignored? Such an attitude would have been unthinkable and that was why, out of a total of 34 decisions, the Conference had adopted 7 resolutions of a political nature.

10. Egypt had voted in favour of the World Plan of Action and almost all the resolutions. She hoped that those resolutions would all be duly implemented, in particular resolution 4, which dealt with the role of the United Nations system in implementing the World Plan of Action, and the resolutions on the condition of women in rural areas, education and training, and the revision and expansion of the International Standard Classifications of Occupations.

11. Mr. CHENG Yu-kuei (China) said that at the World Conference of the International Women's Year, the two super-Powers had made many attempts to divert the Conference from its objectives. One of them had propagated the "non-political nature" of the women's movement, while the other had endeavoured to impose its worn-out conceptions of "détente" and "disarmament". The aim of both was to prevent women the world over from participating in the great revolutionary struggle against imperialism, colonialism and hegemony. At Mexico City, many third world countries and some liberation movements had succeeded in thwarting such manoeuvres.

12. In all countries, the emancipation of women was an inseparable part of the fight for freedom which the whole people must wage against all forms of imperialism, colonialism and hegemony, which were still so widely practised, in particular, by the two super-Powers.

13. The Chinese delegation to the Conference had supported the Declaration of Mexico which, drafted in its essential by the Group of 77, reflected the demands and legitimate proposals of the men and women of the third world. It had, however, expressed reservations on paragraph 30 of the Declaration because the inclusion of the paragraph on "disarmament" by the authors of the Declaration played into the hands of the super-Powers to the detriment of the struggle of the peoples of the third world. It had also expressed reservations about other terms used in the Declaration, such as "interdependence".

14. The World Plan of Action contained some satisfactory elements, but the Chinese delegation had again had reservations of principle on some vital questions, such as the means of achieving the emancipation of women, the theme of the International Women's Year, and the line of action to be recommended to the women of all countries. In particular, it had been strongly opposed to the recommendations to women to participate in disarmament conferences and suchlike activities; it had declared that it did not consider itself bound by the provisions of the World Plan of Action concerning the internal affairs and sovereignty of various countries, nor by the pacts and resolutions approved and signed by the Chiang Kai-shek clique. For all those reasons, the Chinese delegation had not participated in the vote on the World Plan of Action.

15. Mr. EHSASSI (Iran) said that, in drawing world attention to problems directly affecting more than half the world's population, the World Conference of the International Women's Year had represented an important step forward for women. The Conference had recognized that women were subject to many forms of discrimination, injustice and domination; it had also emphasized the necessity for carrying out research in such areas and for establishing support services which would help women to participate to the full in the economic, political and other decisions affecting their daily lives and in the over-all development process. The status of women admittedly varied from region to region and from country to country, but justice required that all women should be able to lead the life they had freely chosen and should be given the training they required. To that end, Member States should take urgent action to formulate national strategies for implementing the World Plan of Action and resolutions of the Conference and for giving substance to the ideas expressed in the Declaration of Mexico, bearing in mind that such strategies could be effective only if women took part in their formulation. Regional conferences should be organized to draw up or monitor the application of regional plans of action and consideration should be given to convening a second World Conference, possibly in 1980, since the first Conference would otherwise be no more than a beginning.

16. Programmes to further the advancement of women should be based on an understanding of the impact of

economic, social and technological development on their lives. It was necessary to know not only what changes were required but also how to bring them about. It was therefore essential that the International Research and Training Institute for the Promotion of Women should be set up as quickly as possible, in accordance with Conference resolution 26. The Economic and Social Council should request the Secretary-General to report to the General Assembly at its thirtieth session on ways and means of establishing the Institute. As an indication of its interest in the project, Iran had undertaken to contribute up to \$1 million to the Institute; it was confident that other countries in a position to do so would follow suit. Lastly, the Council should draw the attention of Member States to the Conference resolution 6 on the participation of women in the seventh special session of the General Assembly and in other meetings of the various bodies of the United Nations; the Council should call upon Member States to acknowledge the importance of that resolution and to do everything possible to see that the participation of women was increased.

17. Mrs. WIE (Norway), speaking on behalf of the Nordic countries, said that the results of the World Conference of the International Women's Year gave a good basis for national and international action to remove the intolerable obstacles to equality between men and women in all spheres of political, economic and social activity. The World Plan of Action should not remain a mere document. Member States had the major responsibility for carrying out the Plan but the United Nations should also assume a considerable share of the responsibility, and its capacity for action should therefore be strengthened.

18. The Nordic countries welcomed the recognition of the promotion of the status of women as an integral part of the general development process; they considered the implementation of the World Plan of Action as an essential component in the effort to establish a new international economic order. They also considered that the highest priority should be given in aid programmes to assistance to women who were the victims of poverty and underdevelopment. The Declaration of Mexico and the World Plan of Action rightly emphasized the need for the integration of women not only in economic, social and cultural life but also in the political affairs of their countries. The discussions at the seventh special session of the General Assembly should reflect the need for greater participation of women in the development process.

19. Mr. SYMONS (United Kingdom) said that his country, which should shortly have one of the most comprehensive sets of legislation in the world against discrimination against women, had worked actively over many years, both within and outside the United Nations, to improve the status of women throughout the world. The United Kingdom's efforts in that respect formed part of its over-all action for human rights and economic and social development.

20. In his delegation's view, the most important question before the World Conference of the International Women's Year had been that of the advancement of women within economic and social development, particularly in the

developing countries. His country had been somewhat disappointed to note that, instead of concentrating on the formulation of practical and realistic measures for the advancement of women, the Conference had appeared to over-emphasize political problems which were primarily the responsibility of other United Nations organs. The reputation and effectiveness of the United Nations might suffer if technical conferences such as the World Conference of the International Women's Year failed to transcend political difficulties. Nevertheless, while it was too early to make a full assessment of its achievements, the Conference could be said to have done important and useful work.

21. The most important document drawn up by the Conference was undoubtedly the World Plan of Action, whose value time alone would prove. His Government hoped it would be effectively implemented. In many respects, however, the most important achievement of the Conference was likely to be an intangible one. In making preparations for the Conference, which was the first intergovernmental conference to have been devoted exclusively to the problems of women, Governments had been forced to pay attention to those problems; it was to be hoped that they would continue to do so.

22. During the Conference, the United Kingdom had expressed its intention of refocusing its bilateral aid programmes on the solution of problems of poverty, particularly in the rural development sector. It therefore intended to contribute an amount of \$200,000 annually for three years, beginning in 1976, to help to finance projects which would primarily benefit women in rural areas in the poorest countries. Multilateral aid could also play a fundamental part in the cause of social development. In that regard, his delegation considered that many United Nations programmes required to be redirected to take more account of the place of women's activities in the development process.

23. Mr. BARAC (Romania) said that the World Conference of the International Women's Year had highlighted the important role of women in society and in mankind's general struggle for progress and civilization, co-operation and peace. It had shown that women throughout the world were deeply interested in the establishment of a new international economic and political order. Moreover, the new order and the democratization of international relations could undoubtedly help women to participate to the full, on an equal footing, in economic, social and political life, in accordance with their aspirations. The success of the Conference had been consolidated by the Declaration of Mexico and World Plan of Action and by the 34 resolutions adopted by the Conference. The Conference had had a marked political character. On the one hand, it had shown that there was a greater awareness on the part of women and, on the other, it had shown that Governments, States, non-governmental organizations and public opinion were becoming increasingly concerned with the social integration of women. With regard to the Plan of Action, his Government considered that special priority should be given to the needs of women in the developing countries, and particularly in rural areas and low-income urban areas.

24. As the Declaration of Mexico emphasized, the desired objectives could only be achieved in a world in which relations among States were founded on the principle of sovereign equality, in which peoples had the right to self-determination, in which there was no longer resort to force and in which the principles of territorial integrity and non-interference in the internal affairs of other States were respected. Similarly, relations among human beings should be based on the principle of equal rights for men and women.

25. Mr. RUSSKOV (Bulgaria) said that the World Conference of the International Women's Year had brought together a large number of participants and had taken important decisions with a view to eliminating all forms of discrimination and creating the necessary conditions for promoting equal rights for, and the dignity of, women throughout the world. The implementation of the decisions and principles adopted by the Conference would improve the lot of millions of women and would help them to take a more active part in development efforts, in efforts for peace and disarmament and in the achievement of social progress and justice. The equality of women was one of the preconditions for progress in all countries, and one of the greatest achievements of the socialist régimes was to have established complete equality between men and women. Bulgaria had made that one of its constitutional principles and had adopted a new programme in 1973 designed to extend the role of women. Lastly, he said that the decisions of the World Conference represented an excellent beginning, that their implementation would require efforts on the part of all countries and that his country would do everything possible to co-operate in their application.

26. Mr. BAKER (United States of America) thought that no one would under-estimate the material and moral support given to the International Women's Year and the Mexico Conference by the United States Government, which endorsed the objective of the International Women's Year, namely, to define a society in which women participated in a real and full sense in economic, social and political life, and to devise strategies whereby such societies could develop. His Government hoped that there would be a movement from the state of devising strategies to the implementation stage on both the national and the international level.

27. His Government thought that a good deal had been accomplished at the Conference and was impressed by the wide areas of common agreement. Nevertheless, it regretted that issues not germane to the purposes of the Conference had been discussed. It would carefully study the final report of the Conference and would comment on its substantive issues and recommendations in the appropriate forums. His Government would support all efforts to translate the results of the Conference into actual practical programmes.

28. Mr. OGAWA (Japan) considered that the Mexico Conference had attained its primary objective of drawing the attention of the world to the present status of women. The situation might differ from country to country but there were common problems arising from the fact that in general women had been subjected to some forms of inequality and prejudice. Criticism had been directed at the

discussions and final achievements of the Conference but his delegation was of the opinion that it was an epoch-making first step towards the realization of genuine equality between men and women. His delegation recognized that the three concepts of equality, development and peace were inseparable. It considered that in many parts of the world, under-development was one of the most serious obstacles to equality between the sexes. His Government supported the general outline of the World Plan of Action, as also the resolutions adopted at the Conference, subject to the views expressed by the Japanese delegation to the Conference. In conclusion, he pointed out that institutional changes or changes in legislation were not by themselves enough to improve the status of women and establish equality between the sexes; those efforts must be accompanied by a fundamental change of attitude with regard to the role and status of women in society.

29. Mr. MCGILCHRIST (Jamaica) said that the first success of the Mexico Conference had been to focus public opinion on women's right to be heard. In Jamaica particularly, the International Women's Year had had a considerable effect and the authorities had become even more conscious of the need to integrate women into the life of the country; from the current year, new legislation would guarantee a minimum wage for all workers, male and female alike, as well as equal pay for equal work in every category of employment. Priority was also being given to industrial training for women, to maternal and child health programmes, the establishment of day care centres and the full participation of rural women in agricultural production. A bureau had been established to co-ordinate action on behalf of women.

30. Some might question the utility of undertaking a policy of equality, progress and justice for women in the present international economic climate, in which the developing countries themselves faced an inequitable system. His Government, for its part, was willing to pay the considerable cost of such a policy and was ready to co-operate actively with international bodies and non-governmental organizations in order to improve the status of women in the light of the decisions and recommendations of the Mexico Conference.

31. Mr. OLZVOI (Mongolia) said that to mark International Women's Year and to make known its objectives of social progress and peace, a women's committee had been formed in Mongolia. The Committee enjoyed the unqualified support of the Government and the entire country. In a socialist society, women's rights were not just proclaimed but also guaranteed in practice; thus in Mongolia, over 44 per cent of the women received secondary and university education, and women accounted for over 22 per cent of the teachers at the university level, over 70 per cent of medical staff and over 30 per cent of members of parliament. Equal pay, help for large families and paid maternity leave were established facts.

32. The documents adopted by the Mexico Conference showed that women were well aware of the roots of the social evils which particularly affected them; it would be clear that the objectives of equality, development and peace had not been selected at random, if thought was given to

the unhappy lot of women in many countries where they were inadequately educated, badly paid and subject to discrimination with regard to social welfare and family and political rights. In addition, women and children were the first victims of wars, and it was not, as had been said, because the Conference had been too political that it had called for peace, disarmament and the elimination of colonialism and neo-colonialism. Women had thus reminded the world of their role in the struggle for national liberation and proclaimed their eagerness for peace and their desire for the establishment of a new international economic order founded on equality, sovereignty and co-operation. For that reason Mongolia fully supported the Declaration of Mexico, in particular paragraph 30, and the Conference's resolutions on aid to the Viet-Nameese people, the situation of women in Chile and Palestinian and Arab women.

33. It was now for the United Nations organs to make every effort to implement the resolutions and recommendations of the Mexico Conference. It was not the time to embark upon fresh theoretical studies but to move on to action on the truly important issues. The Council could pay particular attention to the implementation of the decisions of the Conference. Nevertheless, it should be well understood that improvement in the status of women depended first and foremost on action at the national level and that equality could be attained only under the conditions of peace and social and economic progress which would be made possible by the establishment of a new international economic order.

34. Mr. OKELO (Kenya) said that the Declaration of Mexico, the World Plan of Action and the resolutions adopted by the Conference were a significant contribution towards establishing a juster society and achieving the objectives of International Women's Year. Governments and governmental and non-governmental organizations would find the work of the Conference a useful basis for defining strategies which would guarantee the protection of every fundamental right and freedom of the individual as set out in the Universal Declaration of Human Rights and various international instruments.

35. Kenya fervently hoped that the decisions and recommendations of the Mexico Conference would not remain a dead letter. In Kenya, the pivotal role of women in nation-building had long been recognized, as had been proved by the number and calibre of Kenya's delegation to the Mexico Conference. It was true that improvement was still needed in certain areas owing to the prejudices and fallacious beliefs which had been rooted for generations in all societies.

36. In conclusion, he said that, since the report of the Conference in provisional form had only recently been published, his delegation reserved the right to comment on it in more detail at the thirtieth session of the General Assembly.

37. Miss KABANGI (Zaire) said that the Mexico Conference was an important step in the process of integrating women into all spheres of human activity. Zaire, which had taken part in drawing up the Declaration of Mexico, thought that if it was right to recognize the place of women

in society it was also necessary to bring about the progress of society. The present system of international economic relations was an obstacle to the improvement of living standards in the developing countries and it was a matter of urgency to establish a new international economic order founded on equity, interdependence, co-operation and permanent sovereignty over natural resources. In the same way, colonialism, *apartheid* and the occupation of territories by force was not only a danger for world peace, it also prevented social development and hence the emancipation of women.

38. The World Plan of Action adopted by the Conference defined the objectives which would really serve to improve the status of women, while leaving States enough liberty of action, an attitude which appeared to be justified since the position of women was not the same in all countries. The Plan also pointed out the specific areas for national action; her delegation noticed with satisfaction that it included a call to encourage efforts by women themselves at the individual, national and international level. Legally, equality of rights for women was recognized by most countries, but in practice, traditional attitudes proved a serious handicap to equality of opportunity. In the exercise of political rights, women were rarely in evidence although they generally had the right to vote and hold public office; it was necessary to put an end to discrimination in those fields and to make women aware of their responsibilities as citizens.

39. The World Plan of Action referred to the problem of education, which was a key factor in social progress. It was true that women were at a disadvantage in that respect and discrimination made their role in society and their contribution to development less effective.

40. The World Plan of Action also stressed the important part women should play in rural areas and emphasized the efforts required in different fields such as health, nutrition, the family, etc. Finally, research on the status of women should also be given priority both at the national level and at the regional and international level and the information media should be widely used to remove certain prejudices which hampered the emancipation of women.

41. The World Plan of Action reviewed the measures to be taken at the global, regional and national level: at the global level, the Council had been entrusted with an important co-ordinating role which Zaire hoped it would make every effort to fulfil. At the regional level, the regional commissions should provide governmental and non-governmental organizations with the means to identify the problems and work out methods to implement the Plan of Action at the national level.

42. At the national level, as far as Zaire was concerned, International Women's Year had been marked by a number of events. The President of the Republic had toured the entire country to talk to women of all regions and walks of life; he had taken a number of measures to benefit them and had pardoned all female prisoners in Zaire.

43. As early as 1965, President Mobutu had interested himself in upgrading the role of women in Zaire; in the legal

field, the equality of men and women was recognized by the Constitution and women also had the right to vote and to hold every kind of official position. They served on the Executive Council, the Legislative Council, the Judicial Council, in the army and in other sectors of public and private life. Finally, women in rural areas, who were the majority in Zaire, had an education and training programme designed to improve their productivity and living conditions.

44. In conclusion, she thought that no criticisms should be levelled at the Mexico Conference for having discussed political questions such as racism, occupation of territories by force, etc. The problem of the status of women was rooted in the political and social situation. The Mexico Conference had had the very great merit of arousing general awareness of the problem and providing an opportunity to draw up a plan of action which would make it possible to build a harmonious society in which men and women realized their complementary roles.

45. Mr. CHICHIZOLA (Peru) said that he wished to re-state some of the basic ideas put forward by the Peruvian delegation at the Mexico Conference. Firstly, equality between men and women would have to be conquered not just by feminist movements alone with their limited demands but in the framework of the total struggle against an unjust and oppressive system as a whole. Secondly, revolutionary liberation struggles against domination and an unjust international order were the consequence of a new awareness on the part of men and women throughout the world.

46. Peru was endeavouring to transform its political, economic and social system so as to liberate the country from capitalist imperialism and to construct a social democracy in which all, without discrimination of sex, could freely achieve self fulfilment. Under that policy, Peruvian women would henceforth be able to participate in the life of the country in accordance with the Government's economic plans. The State was, in particular, endeavouring to achieve equality of pay for men and women, and that effort would shortly be enforced by law.

47. The "crisis", so frequently mentioned in the Council, was mainly due to a lack of balance in the modern world, which was more advanced technically than morally. The recognition of women's rights would in fact contribute to the moral progress of mankind. The Peruvian Government would spare no effort to achieve that result.

48. Miss GINSBERG (International Alliance of Women), speaking at the invitation of the President, pointed out that it had been a non-governmental organization, the Women's International Democratic Federation, that had proposed to the Commission on the Status of Women that International Women's Year should be celebrated.

49. The close collaboration between non-governmental organizations and their national associations mainly took the form of organizing seminars throughout the world. The seminars held by women's organizations dealt mainly with the education, training and vocational advancement of women and their role in the Second United Nations

Development Decade. The situation of rural women was a matter of particular concern. As FAO reports emphasized, women employed in agriculture were particularly disadvantaged and progress in mechanization, from which women in towns were benefiting, was not yet accessible to them; in the country, the mechanization of agricultural work was not always to women's advantage.

50. Non-governmental organizations would continue their struggle on behalf of women by collaborating in the implementation of the World Plan of Action adopted at Mexico. At the national level, they would do so by mobilizing public opinion, while, at the international level, they would intensify their co-operation with one another – in which they hoped that they would be assisted by Governments. Non-governmental organizations would make every endeavour to participate in the implementation of the resolutions adopted at Mexico, in particular resolutions 4 (Role of the United Nations system in implementing the World Plan of Action), 10 (Access of women to financial assistance) and 14 (Research for the formulation of policies concerning the integration of women in the development process).

AGENDA ITEM 13

Industrial development co-operation

REPORT OF THE ECONOMIC COMMITTEE (E/5724)

51. The PRESIDENT drew attention to the draft resolution in paragraph 8 of the Economic Committee's report on agenda item 13 (E/5724), entitled "Lima Declaration and Plan of Action on Industrial Development and Co-operation", which the Committee recommended for adoption by the Council. It had been adopted in the Committee by consensus, and he proposed that the Council should also adopt the draft resolution without a vote.

It was so decided.

52. Mrs. ILYUSHINA (Union of Soviet Socialist Republics) said that, at the time that the resolution just adopted had been approved in the Economic Committee, her delegation, out of consideration for the wishes of the developing countries, had not opposed the consensus decision – one which had also been achieved previously at UNIDO. She wished, however, to reaffirm the stand on it taken by the Soviet delegation at the Second General Conference of UNIDO at Lima and at the UNIDO headquarters in Vienna.

AGENDA ITEM 11

Natural resources

REPORT OF THE ECONOMIC COMMITTEE (E/5731)

53. The PRESIDENT invited the Council to consider the Economic Committee's report on agenda item 11 (E/5731). He drew attention to two corrections: in paragraph 8 the word "advisability" should be replaced by "opportunity"; in paragraph 9, the United States of America should be

added to the list of delegations that had formulated reservations.

54. Paragraph 11 contained four draft resolutions and a draft decision which the Committee recommended for adoption by the Council. Draft resolutions I (Problems of availability and supply of natural resources) and II (International river basin development) had been adopted by the Committee without a vote.

55. He proposed that the Council should also adopt draft resolutions I and II without a vote.

It was so decided.

56. Mr. OGAWA (Japan) wished it to be stated in paragraph 9 of the report that his delegation had formulated reservations on one of the draft resolutions before the Economic Committee, and requested that Japan should be added to the list of countries which had entered reservations.

57. Mr. SOARES (Brazil) said that, when the Economic Committee had considered the four draft resolutions contained in chapter I of the report of the Committee on Natural Resources on its fourth session (E/5663), his delegation had made a statement on parts A (Preparatory work for the United Nations Water Conference) and B (International river basin development) of draft resolution II. The statement was reproduced in the summary record of the Economic Committee's (744th meeting) and in paragraph 8 of its report.

58. The PRESIDENT said that draft resolution III (Permanent sovereignty over natural resources) had been adopted in the Economic Committee by a vote. At the request of the United States representative, he put draft resolution III to the vote.

Draft resolution III was adopted by 26 votes to 5, with 5 abstentions.

59. Mr. SCHWARTZ-GIRÓN (Spain) said that his delegation had abstained because it had difficulty in accepting operative paragraph 2 of the draft concerning nationalization. At the fifty-seventh session of the Economic and Social Council in the Economic Committee (701st meeting) and the twenty-ninth session of the General Assembly (2316th plenary meeting), the Spanish delegation had pointed out that there was no universally recognized international legislation on nationalization, and that it was a matter of urgency to begin preparing such legislation. With that exception, his delegation fully supported the other paragraphs of the draft resolution.

60. Mr. HARTNACK (Denmark) said that his delegation had abstained because the draft resolution, particularly in operative paragraph 2, was incompatible in several respects with his Government's position. If operative paragraph 2 had been voted on separately, his delegation would have had to vote against it.

61. Mr. WATANAKUN (Thailand) said that he had voted for the draft resolution, but that his delegation's support

should be seen in the context of the explanation of vote given by the Thai delegation at the twenty-ninth session of the General Assembly (2315th plenary meeting) in connexion with article 2, paragraph 2 (c) of the Charter of Economic Rights and Duties of States.

62. Mr. HUTAGALUNG (Indonesia) said that he had voted for the draft resolution but that his support should be viewed in the context of the statement made by his delegation in the Economic Committee (743rd meeting) on operative paragraph 2; his delegation had made it clear that the paragraph in no way changed the commitments assumed by Indonesia under bilateral and multilateral agreements.

63. Mr. KACIMAIWAI (Fiji) said that his delegation had voted for the draft resolution in the Economic Committee because his Government supported the general principle of sovereignty over natural resources. However, he had expressed reservations on operative paragraph 2 during the discussions in the Economic Committee (744th meeting).

64. Mr. OGAWA (Japan) said that his delegation had expressed reservations on operative paragraphs 2 and 3 of the draft resolution during the discussions in the Economic Committee (743rd meeting). Nevertheless, as the text had been adopted by consensus at the fourth session of the Committee on Natural Resources, his delegation had merely abstained in the vote just taken.

65. The PRESIDENT said that draft resolution IV (Comprehensive plan of action for and co-ordination of programmes within the United Nations system in the field of natural resources development) had been adopted by the Economic Committee without a vote. He proposed that the Council should also adopt it without a vote.

It was so decided.

66. The PRESIDENT pointed out that the draft decision on action to be taken by the Council on the report of the Committee on Natural Resources on its fourth session (E/5663) had been adopted by the Economic Committee without a vote. He proposed that the Council should also adopt the draft decision without a vote.

It was so decided.

AGENDA ITEM 12

International environment co-operation

REPORT OF THE ECONOMIC COMMITTEE (E/5732 AND ADD.1)

67. The PRESIDENT invited the Council to consider the report of the Economic Committee on agenda item 12 (E/5732 and Add.1). Paragraph 9 contained a draft resolution entitled "Report of the Governing Council of the United Nations Environment Programme on its third session", which had been adopted by the Economic Committee by a roll-call vote. He proposed that the Council should adopt the draft resolution without a vote.

It was so decided.

68. Mr. SOARES (Brazil) wished to reaffirm his delegation's position on the resolution, as clearly stated in the appropriate bodies and as recorded in the Economic Committee's report.

69. Mr. CHENG Yu-kuei (China) said that his delegation had always supported the Charter of Economic Rights and Duties of States; accordingly, if the part of operative paragraph 2 of the resolution relating to the Charter had been put to the vote separately, his delegation would have voted in favour. As for the question of shared natural resources as referred to in article 3 of the Charter, the position taken by the Chinese delegation in the past remained unchanged.

70. Mrs. ILYUSHINA (Union of Soviet Socialist Republics) said that, during the discussion of the resolution just adopted in the Economic Committee, her delegation had reserved its position on the twenty-seven decisions adopted by the Governing Council of UNEP at its third session (E/5710, second part).

71. Mr. YILDIRIM (Turkey) said that his delegation accepted the consensus which had been reached on the resolution, but maintained the reservations it had expressed on the question of shared natural resources at the time of the adoption of the Charter of Economic Rights and Duties of States had been adopted by the General Assembly (2316th meeting), and at the second and third sessions of the Governing Council of UNEP.

The meeting rose at 6.5 p.m.

1976th meeting

Monday, 28 July 1975, at 10.50 a.m.

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

E/SR.1976

In the absence of the President, Mr. Longerstaey (Belgium), Vice-President, took the Chair.

AGENDA ITEM 5

International Women's Year (concluded) (E/5725; E/L.1673)

1. Mr. MAHMOOD (Pakistan), introducing draft resolution E/L.1673 on behalf of the sponsors, said that Fiji should be added to the list of sponsors.

2. For centuries women had been discriminated against; customs and beliefs had developed which treated women as inferior to men and had the effect of excluding them from the mainstream of political, social and other aspects of life. His delegation considered that the question of improving the lot of women in no way differed from that of improving the quality of life for mankind as a whole. It was not so much a matter of granting women rights as of recognizing and respecting their inherent rights as human beings. As women constituted half of the world's population, they of necessity could not but be a major factor in any programme aimed at the development of society. Therefore, the realization of their rights should be taken not only as an end in itself but also as the means to effect the desired changes in society.

3. The draft resolution was not a controversial one and its aims were dear to everyone. The sponsors therefore hoped that it would be adopted by consensus.

4. Miss GUEVARA ACHAVAL (Argentina) and Ms. TURNBULL (Australia), speaking as sponsors of the draft resolution, urged the Council to adopt it by consensus.

5. Mr. FRAZÃO (Brazil) drew attention to the fact that the second Council resolution referred to in the first preambular paragraph should be "1850 (LVI)" and not "1350 (LVI)".

6. Mr. LOBANOV (Union of Soviet Socialist Republics) suggested the insertion of the phrase "and also of the resolutions contained in the report" at the end of operative paragraph 1. The resolutions contained important provisions which were of great significance for the future development of United Nations and national activities in the sphere of women's movements. With that change, his delegation would be happy to support the draft resolution.

7. Mr. KINSMAN (Canada), supported by Mr. FRAZÃO (Brazil) and Mrs. HIRLEMANN (France), pointed out that if the Council took note of the report, it automatically took note of the resolutions contained in it.

8. Mr. LOBANOV (Union of Soviet Socialist Republics) said that the essence of the World Conference of the

International Women's Year was contained in the resolutions and not in the Declaration of Mexico, 1975, and the World Plan of Action for the Implementation of the Objectives of the International Women's Year. The resolutions defined the political direction of the work of the World Conference, which had been held mainly in the interests of the developing countries, particularly the least developed among them, and of the women in those countries. The draft resolution as it stood was quite insufficient.

9. After some further discussion, in which Mr. MAHMOOD (Pakistan), Mr. CHANG Ping-tsien (China), Mr. BARCELÓ (Mexico), Mr. MCGILCHRIST (Jamaica), Ms. TURNBULL (Australia), Mr. MUDHO (Kenya) and Mr. BERAHA (Bulgaria) took part, the PRESIDENT suggested that the meeting should be suspended to enable the sponsors and other interested delegations to find a generally acceptable text.

The meeting was suspended at 11.20 a.m. and resumed at 12.10 p.m.

10. Mr. MAHMOOD (Pakistan) said that it had been agreed during the informal consultations which had taken place that the USSR representative's point could be met by amending the fourth preambular paragraph of draft resolution E/L.1673 to read:

Considering that certain of the recommendations and resolutions of the Conference require urgent action.

The amendment to the fourth preambular paragraph was adopted.

11. The PRESIDENT suggested that the following additional paragraph should be inserted, as operative paragraph 1, the existing operative paragraphs to be re-numbered accordingly:

Expresses its appreciation to the Government and people of Mexico for their generous contribution to the success of the World Conference of the International Women's Year.

The President's suggestion was adopted.

Draft resolution E/L.1673, as amended, was adopted.

12. Mrs. HIRLEMANN (France), supported by Mr. FERNÁNDEZ VILLAYERDE (Spain), said that, while welcoming the sponsors' efforts to produce an acceptable text, her delegation had a reservation to make on the words "should ensure that adequate budgetary provision is made for this purpose" in the original operative paragraph 3 (new operative paragraph 4). It could not commit its Government with regard to a budgetary provision whose size was at present unknown.

13. Mr. LOBANOV (Union of Soviet Socialist Republics) said that, while it was grateful to the sponsors for having

taken its views into account, his delegation, too, had a reservation to make on the same operative paragraph. Care should be taken to keep the cost of the measures envisaged within the present budgetary provisions. His delegation assumed that the international research and training institute for the promotion of women, referred to in the original operative paragraph 7 (new operative paragraph 8), would be financed on a voluntary basis, as envisaged in the resolutions adopted at the World Conference of the International Women's Year. His delegation would like those reservations to be noted in the Council's report.

14. Mr. CHANG Ping-tsien (China) said that, in supporting the draft resolution, his delegation wished to make the following observations. The emancipation of women in every country was an inseparable part of the struggle of the entire nation and people. The work of the World Conference of the International Women's Year formed only a part of the world struggle against imperialism, colonialism and hegemony and too high an appraisal had been given to it in the second preambular paragraph of the resolution, in claiming that it had "marked a turning point signalling decisive changes designed to improve the status of women". His delegation maintained the views it had already expressed on the resolutions adopted at the Conference.

15. The report referred to in the original operative paragraph 1 (new operative paragraph 2) of the resolution was incomplete and his delegation reserved its right to comment further when the full report had been received.

16. Mr. SYMONS (United Kingdom) said that, while supporting the resolution as an endorsement of the positive elements in the World Conference of the International Women's Year, his delegation maintained the reservations it had made at the Conference on certain portions of the Declaration of Mexico, to which reference was made in the original paragraph 1 (new operative paragraph 2) of the resolution. It shared the French representative's reservation on the original operative paragraph 3 (new operative paragraph 4). It viewed operative paragraph 7 (new operative paragraph 8) as an "enabling" paragraph for putting into effect the Conference resolution on the subject, which envisaged that the Secretary-General would report to the Council at its sixtieth session, and it interpreted the paragraph as implying the same time-scale.

17. Mr. BAKER (United States of America) said that his delegation maintained the position it had taken at Mexico City on the various resolutions and declarations of the World Conference of the International Women's Year, and had the same reservations to make on the original operative paragraph 3 (new operative paragraph 4) of the resolution as had been made by the representatives of France and the United Kingdom.

18. Ms. TURNBULL (Australia) said that her delegation had been pleased to co-sponsor the draft resolution, and welcomed the efforts made by all concerned to reach a consensus on what it considered to be an important topic. It hoped the momentum achieved would be permanently maintained. Her delegation was, however, unable to commit its Government to making further contributions to the voluntary fund referred to in the original operative paragraph 6 (new operative paragraph 7), pending further information on the subject.

19. Mr. NAVON (Observer for Israel), speaking at the invitation of the President, said that his Government's view on the introduction of politics into international bodies concerned with non-political issues was well known and was shared by many. He could not refrain, however, from expressing his Government's dismay at one of the resolutions of the World Conference of the International Women's Year, at the way in which it had been adopted and at the attempt to besmirch the Zionist movement, which was one of the noblest national liberation movements of modern times.

20. Ms. URBINA (Mexico) said that her delegation welcomed the consensus reached on the draft resolution and was grateful for the words of appreciation addressed to the Mexican Government and people for their efforts to provide a favourable setting for the work of the World Conference of the International Women's Year. The success of the Conference was due in great part to the efforts and co-operative spirit of the many delegations which had participated in it. The status of women was not merely an important matter for women themselves but was an essential issue for the entire human race at a time when it was necessary for men and women to work together to improve the lot of mankind.

The meeting rose at 12.35 p.m.

1977th meeting

Tuesday, 29 July 1975, at 10.50 a.m.

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

E/SR.1977

In the absence of the President, Mr. Longerstaey (Belgium), Vice-President, took the Chair.

AGENDA ITEM 7

United Nations University (E/5717 and Corr.1; A/AC.169/L.2, A/AC.169/L.5 and Corr.1 and Add.1)

1. The PRESIDENT drew attention to the note by the Secretary-General on the United Nations University (E/5717 and Corr.1), and the reports of the Council of the United Nations University on its fourth and fifth sessions (A/AC.169/L.2 and A/AC.169/L.5 and Corr.1 and Add.1 respectively).

2. Mr. NARASIMHAN (Under Secretary-General for Inter-Agency Affairs and Co-ordination), introducing the reports on behalf of the Rector of the United Nations University, said that they were in fact a progress report on what had been done in the six years since the late Secretary-General U Thant had first proposed the creation of a United Nations University. Some people might think that a great deal had been achieved in a short time, and others that progress had not been as fast as well-wishers would have liked. In his opinion the University had reached an important stage in its work, with the University Centre established in Tokyo and the Rector to assume full-time duties as from 1 September 1975.

3. Whichever view the Council took, he wished to stress two points. First, the present stage would never have been reached without the active co-operation of UNESCO at all stages and in all aspects; indeed, the Director-General of UNESCO had been associated with the University long before he had been appointed to his present position. Valuable co-operation had also been received from the Executive Director of UNITAR, both in his present capacity and as representative of Sierra Leone at the United Nations. Secondly, the University would probably not yet have got off the ground but for the initiative and generosity of Japan, the Government of which was contributing a sum of \$100 million over a period of five years and had already paid a first instalment of \$20 million.

4. As indicated in paragraph 17 of the report of the Council of the University on its fourth session, three main programme areas had been agreed upon as priorities for the early years: world hunger, including population and development problems; management, use and proper distribution of natural resources; and human and social development, including co-existence, inequalities and human rights. The programme had been discussed at the fifth session of the Council, as indicated in paragraphs 15 to 22 of the report on that session, and the Rector would shortly be having further consultations. He was confident that the first

programmes would be well under way by the time the Rector reported to the 1976 summer session of the Economic and Social Council.

5. With regard to finance, the only contributions so far received were from Japan and Senegal, but the Rector of the University and the Chairman of its Council had visited a number of countries and were optimistic. Most of the world's major universities depended both on endowments and on tuition and project fees. In the case of the United Nations University, however, there would be no tuition fees, since students would be paid stipends, and project fees were only a possibility to be considered at a later stage. The main source of income would obviously be the Endowment Fund, for which a target of \$400 million had been set. The Rector would be concentrating on fund-raising as one of his top priorities.

6. Now that a sound start had been made, he hoped that the momentum would be maintained and that good progress would be reported in 1976 — or even at the thirtieth session of the General Assembly.

7. Mr. FERNING (United Nations Educational, Scientific and Cultural Organization) said that the Director-General of UNESCO would like to associate himself with the Under Secretary-General's remarks. He himself wished to make a few further points on the present status of the University and the future prospects it offered for the United Nations system and for the academic community at large.

8. In the first place, he stressed the very close and continuous co-operation between the United Nations and UNESCO both in the preparatory stages and now that the University was being launched, as evidenced by decisions of the UNESCO General Conference at its eighteenth session in October-November 1974 and at the ninety-seventh session of the UNESCO Executive Board in the spring of 1975. The General Conference had requested member States to contribute generously to the University's Endowment Fund and to give it all possible moral and material support. Both the General Conference and the Executive Board had invited the Director-General to take all necessary action so that UNESCO fulfilled its responsibilities in the launching and development of the University. In accordance with the University's Charter,¹ which stated that it should function under the joint sponsorship of the United Nations and UNESCO, the Director-General would follow the progress of the University closely. It was in that light that the background information in the annotated agenda (E/5685) should be read.

¹ Adopted by the General Assembly by its resolution 3081 (XXVIII), of 6 December 1973; for the text, see document A/9149/Add.2.

9. He welcomed the comments on co-operation between secretariats: UNESCO had greatly appreciated the positive attitude of the United Nations Secretariat.

10. He paid tribute to the results achieved by the University Council during its one-and-a-half years of existence. The selection of priority areas corresponded closely to UNESCO's trend in programming. UNESCO would be happy to participate in the work of the interim Recruitment Committee.

11. The Director-General had responded to the University Council's request by making an appeal for voluntary contributions to member States and others concerned, which was being favourably considered by some States. He hoped that other Governments would follow the admirable example of the Government of Japan, as also of the Governments of Senegal, Sweden and Venezuela which had stated in writing their intention to follow suit.

12. Several member States, institutions, organizations and academic bodies had indicated their interest in the University and proposals had been received for programmes of study. Centres and institutions of advanced research in about twenty-nine countries, including universities, had suggested setting up a co-operative relationship with the University. Now that the three basic programme priority areas had been identified, he hoped that the University would be able to begin operations without much delay. The Council had authorized the Rector to organize meetings of experts in the autumn on each of the three priority areas and he hoped that the Council would be in a position by January 1976 to approve a programme which would meet the needs and hopes of Member States. The University would be able to avail itself of UNESCO's experience and to make use of its relationships with the academic world.

13. The Director-General commended the proposal made by ECLA at its sixteenth session in its resolution 350 (XVI) concerning work on the transfer of technology (E/5608/Rev.1, part III).

14. In addition to its specific programmes and activities, the University was to be an integral part of the world academic community. Its Charter provided for a variety of institutional relations and also that the University Centre should maintain close co-ordination between the activities of the University and those of the organs and programmes of the United Nations, including UNITAR, and of United Nations agencies. That was an important guideline to keep in mind.

15. Ever since the idea of the United Nations University had first emerged, concern had been expressed in various quarters about the need to avoid duplication and make the best use of available resources. The Director-General of UNESCO in his statement to the present session of the Council (1958th meeting) had stressed the need for the United Nations system to operate truly as a system and had expressed his willingness to participate in all efforts to revitalize it so as to respond better to the needs of Member States and particularly those of the developing countries. The University might do well to benefit from the rich and

varied experience gained by the United Nations in thirty years of dealing with major problems of mankind.

16. UNESCO had consistently emphasized the importance of giving the University a large measure of autonomy within the United Nations system. That implied in particular the fullest respect for academic freedom with regard to choice of subjects and methods of research and training, selection of persons and institutions to share in its tasks, the right of members of the University to express themselves freely and, last but by no means least, the freedom to take decisions on the use of the resources allotted to it. The only limitation on that freedom was the stipulation that the provisions of the United Nations Charter and the Constitution of UNESCO and the fundamental principles of contemporary international law should be respected. UNESCO, while exercising its own prerogatives, would give the University all the support it could, would scrupulously avoid encroaching on the rights of the Rector and the Council, and would do everything possible to ensure that the work of UNESCO and the University was harmoniously co-ordinated through continuous consultation.

17. Mr. KIYA (Japan) said that, although the University was still only in the preparatory phase, his delegation was gratified by the progress already made towards attaining the aims set forth in its Charter. His delegation welcomed the proposal by the Rector at the fifth session of the University Council to hold meetings of three working groups composed of eminent persons to consider the three priority areas in the University's work programme.

18. The University would be unable to discharge its responsibilities unless it was placed on a sound financial basis, and his delegation was pleased to note that several Governments had stated their intention to make contributions; his own Government had contributed \$20 million in January 1975. He hoped that all Member States would consider the possibility of contributing.

19. Turning to the question of the Headquarters Agreement (A/AC.169/L.5, para. 9), he said that his delegation regretted the failure on the part of the Legal Counsel of the United Nations in his report to the fifth session to appreciate the vigorous efforts being made by the Japanese Ministries concerned to expedite matters. The Japanese Government had submitted a new draft and expected to arrive at a *de facto* agreement by the end of August 1975. As host country, Japan would make every effort to ensure the efficient functioning of the University.

20. Referring to paragraph 13 of the report on the fifth session, he said that his delegation did not share the view attributed to the representative of the Secretary-General, viz. that the University, as an institution financed by voluntary contributions only, might not be strictly bound by the recommendations of ACABQ; in his delegation's view, no United Nations organ could remain outside ACABQ control on those grounds.

21. With regard to the question of participation by the Rector in meetings of ACC and other United Nations bodies, about which concern had been expressed by several members of the University Council and by the represen-

tatives of the United Nations and UNESCO, as reported in paragraph 32 of the report on the fifth session, he said that, while respecting the independence of the University, his delegation wished to point out that it had been established with a view to contributing to the activities of the United Nations and hoped that it would carry out its work in close co-operation with the various bodies of the United Nations system.

22. Mr. FERNAND-LAURENT (France) said that, although his delegation thought it right that the idea of the United Nations University should be given time to ripen in an atmosphere of concord, the fact remained that, six years after its establishment had been mooted by the then Secretary-General, the University was still far from having taken final shape. That delay was doubtless due in part to hesitation on the part of Member States – apart from Japan, Senegal and some others – to make specific pledges of support until the research programme had been drawn up, while, on the other side, the University Council found it difficult to decide on a specific programme until it had a clearer idea of what budgetary and organizational arrangements would be made. He therefore welcomed the Under Secretary-General's assurance that all research institutes in the United Nations system would have an opportunity to make comments and furnish information on their programmes so as to avoid any possibility of duplication. In that connexion, his delegation hoped that UNITAR would continue to perform its role as co-ordinator of existing programmes of research institutes. The tenth annual meeting of directors of United Nations institutes for training, planning and research, had carried out its traditional review of programmes in the context of the decisions taken by major United Nations bodies in connexion with the establishment of a new international economic order. It had been decided that the Executive Director of UNITAR should transmit full information about the institutes' programmes to the Rector of the University. He wished, in passing, to pay tribute to UNITAR's work in Europe, directed by Mr. Chossudovsky, on inter-agency training of United Nations and permanent mission personnel.

23. It was essential that the Council should have a clear view of the distinction between the University's activities and those of UNESCO, UNITAR and the various other research, training and planning institutes of the United Nations and agencies. He noted that UNITAR was directing its research towards subjects directly concerned, either immediately or in the long-term, with the Secretariat of the United Nations, the General Assembly and the specialized agencies; its training courses were intended for national and international officials engaged in implementing General Assembly resolutions.

24. The Charter of the United Nations University stated that it should conduct research into pressing global problems of human survival, development and welfare. In other words, its objectives were both humanitarian and utilitarian; it must stimulate and co-ordinate research with a view to acquiring and disseminating the practical knowledge necessary for the survival of the species. Far from concentrating on the economic requirements for development, it must cover all disciplines relevant to the cultural and moral

objectives set out in its Charter. Enjoying the academic freedom necessary for university research by virtue of an income which did not depend on annual contributions by Governments, the United Nations University would not, like UNITAR, address itself exclusively to national or international officials, but rather to students and research workers.

25. Once the division of responsibilities was clearly established, there would be nothing to prevent fruitful collaboration between the University, UNITAR, UNESCO and other United Nations institutes in various joint projects, relating for example, to the reversal of the "brain drain".

26. It was too early to state what precise contribution his country would make to the new University, but it would probably take the form of collaboration by a French institute in some important field rather than a financial contribution. His delegation hoped that, while waiting for the University to take final shape, Member States would continue to give moral and financial support to UNITAR and the institutes.

27. Mr. SADI (Jordan) said that he had been disappointed to note that the United Nations system had not been included as one of the subjects for priority study by the University. The subjects listed were only three important issues among many that might have been selected, but the United Nations system should have had top priority. The University could carry out studies and research with a view to the constructive growth of the system and could provide academic information for use in review and appraisal of the system.

28. In view of the fact that few countries had followed Japan's example, it would be useful to proclaim a United Nations University Year to draw attention to the importance of the University for the United Nations system and encourage further contributions.

29. Mr. NARASIMHAN (Under Secretary-General for Inter-Agency Affairs and Co-ordination) said that the Jordanian representative's suggestions would be placed before the University Council for consideration.

30. The French representative had rightly referred to the vicious circle in which money was needed to start a programme while a programme was needed to attract funds: the foundations whose assistance had been sought, in particular, had indicated that there had to be a programme before they could provide funds. Japan's contribution might make it possible to break the vicious circle during the coming year.

31. He welcomed the fact that the Government of Japan had prepared a new draft Headquarters Agreement. He was well aware of the great amount of work and inter-ministerial consultation that had been required to produce a text satisfactory to all concerned.

32. Turning to the Japanese representative's reference to ACABQ he drew the Council's attention to paragraph 13 in document A/AC.169/L.5, which explained why it had been

recommended that a biennial system of budgeting might be introduced over a period rather than adopted immediately.

33. The PRESIDENT suggested that the Council should take note of the note by the Secretary-General (E/5717 and Corr.1) and the reports of the Council of the United Nations University (A/AC.169/L.2 and A/AC.169/L.5 and Corr.1 and Add.1) and transmit them to the thirtieth session of the General Assembly.

It was so decided.

34. The PRESIDENT said that the Council had thus concluded its consideration of agenda item 7.

AGENDA ITEM 3

General discussion of international economic and social policy, including regional and sectoral developments (concluded)* (E/5673, E/5686, E/5689)

35. The PRESIDENT suggested that the Council should take note of the report of ACC on expenditure of the United Nations system in relation to programmes (E/5673), the progress report of the Secretary-General on the implementation of the World Plan of Action for the Application of Science and Technology to Development (E/5686) and the progress report of the Secretary-General on international co-operation to combat desertification (E/5689).

It was so decided.

36. The PRESIDENT said that the Council had thus concluded its consideration of agenda item 3.

Report of the United Nations High Commissioner for Refugees (E/5688 and Corr.1 and Add.1)

37. The PRESIDENT reminded members that the Council, at its resumed forty-seventh session, had decided that the High Commissioner's annual report would be transmitted to the General Assembly without debate unless the Council decided otherwise, at the request of one or more members or of the High Commissioner, at the time of the adoption of the agenda.

38. Since he had received no such request, he suggested that the Council should transmit the current report (E/5688 and Corr.1 and Add.1) to the thirtieth session of the General Assembly.

It was so decided.

AGENDA ITEM 14

Impact of transnational corporations on the development process and on international relations

REPORT OF THE ECONOMIC COMMITTEE (E/5737)

39. The PRESIDENT drew attention to the Economic Committee's report on the item (E/5737), which in

paragraph 16 contained two draft resolutions and a draft decision recommended for adoption by the Council. Draft resolution I (Information and Research Centre on Transnational Corporations) had been adopted by the Committee without a vote. He suggested that the Council should also adopt the draft resolution without a vote.

It was so decided.

40. The PRESIDENT said that draft resolution II (Joint liaison and support units of the United Nations Information and Research Centre on Transnational Corporations and the regional commissions) had been adopted by the Committee without a vote. He suggested that the Council should also adopt the draft resolution without a vote.

It was so decided.

41. Ms. TURNBULL (Australia) said that in paragraph 14 of the report her delegation had been omitted from the list of delegations which had made explanations of vote on draft resolution II.

42. Mr. WEGENER (Federal Republic of Germany) said that his delegation in the Economic Committee (741st meeting) had made a reservation on the second preambular paragraph of draft resolution II. He wished to maintain that reservation and to make it clear that his Government's position on the Declaration and Programme of Action for the Establishment of a New International Economic Order and on the Charter of Economic Rights and Duties of States remained unchanged.

43. The PRESIDENT drew attention to the draft decision on summary records for the Commission on Transnational Corporations and the convening of an expert group, which had been adopted by the Committee without a vote. He suggested that the Council should also adopt the draft decision without a vote.

It was so decided.

AGENDA ITEM 23

Elections

COMMITTEE FOR PROGRAMME AND CO-ORDINATION

44. The PRESIDENT called for nominations for the election of one member from among the Asian States to the Committee for Programme and Co-ordination for a term of office effective as of the date of election and expiring on 31 December 1977.

45. If there were none, he suggested that the Council should postpone the election to a future session.

It was so decided.

COMMITTEE ON SCIENCE AND TECHNOLOGY FOR DEVELOPMENT

46. The PRESIDENT called for nominations for the election of three members – two from among the Asian

* Resumed from the 1965th meeting.

States for a term of office of four years beginning on 1 January 1976, and one from among the Asian States for a term of office effective as of the date of election and expiring on 31 December 1978 – to the Committee on Science and Technology for Development.

47. If there were none, he suggested that the Council should postpone the election until a future session.

It was so decided.

COMMITTEE ON REVIEW AND APPRAISAL

48. The PRESIDENT drew attention to the following vacancies occurring in the Committee on Review and Appraisal: one member from among the African States; three members from among the Asian States; and one member from among the socialist States of Eastern Europe – for a term of office of four years beginning on 1 January 1976. Two members were also to be elected from among the Asian States for a term of office effective as of the date of election and expiring on 31 December 1977.

49. He asked whether there were any nominations, apart from Sri Lanka, which was a candidate for one of the three seats vacant in the Asian Group.

50. If there were none, he took it that the Council wished to elect Sri Lanka to the Committee on Review and Appraisal for a term of office of four years beginning on 1 January 1976 and postpone elections to the remaining vacancies until a future session.

It was so decided.

COMMISSION ON TRANSNATIONAL CORPORATIONS

51. The PRESIDENT announced that four Member States – Canada, Italy, Spain and Switzerland – had presented their candidatures for election to the three vacant seats assigned to members from the Western European and other States Group in the Commission on Transnational Corporations and invited the Council to proceed to a vote.

At the invitation of the President, Mr. Ponce (Ecuador) and Mr. Mwangaguhunga (Uganda) acted as tellers.

A vote was taken by secret ballot.

<i>Number of ballot papers:</i>	49
<i>Invalid ballots:</i>	0
<i>Number of valid ballots:</i>	49
<i>Abstentions:</i>	0
<i>Number of members voting:</i>	49
<i>Required majority:</i>	25
<i>Number of votes obtained:</i>	
Italy	42
Spain	36
Canada	34
Switzerland	33

Having obtained the three highest numbers of votes, Italy, Spain and Canada were elected members of the Commission on Transnational Corporations.

BOARD OF GOVERNORS OF THE UNITED NATIONS SPECIAL FUND

52. The PRESIDENT called for nominations for the election of one member from among the Western European and other States Group to the Board of Governors of the United Nations Special Fund for a term of office effective as of the date of election and expiring on 31 December 1977.

53. If there were none, he suggested that the Council should inform the General Assembly that it had not filled the vacancy remaining to be filled pursuant to a decision taken by the General Assembly at its 2325th meeting on 18 December 1974.²

It was so decided.

COMMITTEE ON NATURAL RESOURCES

54. The PRESIDENT called for nominations for the election of one member from among the Asian States to the Committee on Natural Resources for a term of office effective as of the date of election and expiring on 31 December 1978.

55. If there were none, he suggested that the election should be postponed until a future session.

It was so decided.

UNITED NATIONS/FAO INTERGOVERNMENTAL COMMITTEE OF THE WORLD FOOD PROGRAMME

56. The PRESIDENT, referring to the question of electing one member from among the African States to the United Nations/FAO Intergovernmental Committee of the World Food Programme, for which candidatures had been presented by Ethiopia, Gabon and Zaire, drew attention to draft decision III in the report of PPCC on agenda item 15 (E/5736) and requested the Secretary of the Council to explain the current situation.

57. Mr. CORDOVEZ (Secretary of the Council) said that, as a result of a recommendation of the World Food Conference, endorsed by the General Assembly, PPCC had decided to recommend that the Council should transmit to the General Assembly for action a draft resolution whereby the Intergovernmental Committee of the United Nations/FAO World Food Programme would be reconstituted as a Committee on Food Aid Policies and Programmes. Since the Intergovernmental Committee was not scheduled to meet before the time when the General Assembly was expected to take the action in question, the Council might wish not to proceed with the election to the Intergovernmental Committee. On the assumption that, at its thirtieth session, the General Assembly would have taken action as recommended by the Council, the Council would be

² See General Assembly resolution 3356 (XXIX), note. As mentioned in the note one of the remaining two vacancies was filled by the Council at its organizational session for 1975 (decision 70 (ORG-75)).

required to elect the members of the Committee on Food Aid Policies and Programmes at its organizational session in 1976.

58. In reply to a question by Mr. AKE (Ivory Coast), he said that, legally speaking, members of the Intergovernmental Committee might be deemed to be still capable of exercising their functions, but the fact that the Committee would not meet again before being reconstituted made it advisable to postpone any elections.

59. The PRESIDENT said he took it that, in the circumstances, the Council would wish to defer the election until its organizational session in 1976.

It was so decided.

COMMITTEE ON NON-GOVERNMENTAL ORGANIZATIONS

60. The PRESIDENT called for nominations for the election of two members -- one from among the African and Asian States and one from among the Latin American States, each for a term of office effective as of the date of election and expiring on 31 December 1978 -- to the Committee on Non-governmental Organizations.

61. If there were no nominations, he suggested that the Council should postpone the election till a future session.

It was so decided.

The meeting rose at 12.30 p.m.

1978th meeting

Wednesday, 30 July 1975, at 3.15 p.m.

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

E/SR.1978

In the absence of the President, Mr. Longerstaey (Belgium), Vice-President, took the Chair.

AGENDA ITEM 23

Elections (concluded)

ADVISORY COMMITTEE ON THE APPLICATION OF SCIENCE AND TECHNOLOGY TO DEVELOPMENT (E/5735/REV.1)

1. The PRESIDENT reminded the Council that at its 1938th meeting of its organizational session in 1975 it had postponed the appointment of the members of the Advisory Committee on the Application of Science and Technology to Development to the fifty-ninth session and had extended the terms of office of the present members until their successors had been appointed. In the note before the Council (E/5735/Rev.1) the Secretary-General presented his 24 nominees for the Advisory Committee for appointment for a period effective as of the date of election and expiring on 31 December 1977.

2. In the absence of any objection, he would take it that the Council wished to appoint the 24 persons listed in the note as members of the Advisory Committee on the Application of Science and Technology to Development.

It was so decided.

WORKING GROUP OF THE SUB-COMMISSION ON ILLICIT TRAFFIC AND RELATED MATTERS IN THE NEAR AND MIDDLE EAST (E/5747 AND ADD.1)

3. The PRESIDENT drew the Council's attention to the Secretary-General's note (E/5747 and Add.1) concerning the confirmation of three members of the Working Group. In the absence of any objection, he would take it that the

Council wished to confirm as members of the Working Group of the Sub-Commission on Illicit Traffic and Related Matters in the Near and Middle East the three representatives nominated by Afghanistan, Pakistan and Turkey.

It was so decided.

COMMITTEE ON REVIEW AND APPRAISAL

4. Mr. KOSSEV (Bulgaria) drew attention to a misunderstanding which had arisen at the previous meeting concerning the election of members to the Committee on Review and Appraisal. The socialist States of eastern Europe had proposed the candidature of Hungary, but the Secretariat had overlooked that proposal. He therefore asked if he might reopen the question and again propose Hungary to represent the socialist States of eastern Europe.

It was so agreed.

5. The PRESIDENT said that, in the absence of any objection, he took it that the Council wished to elect Hungary to the Committee on Review and Appraisal for a term of office of four years beginning 1 January 1976.

It was so decided.

6. The PRESIDENT noted that the Council had thus concluded its consideration of agenda item 23.

AGENDA ITEM 15

Operational activities for development

REPORT OF THE POLICY AND PROGRAMME CO-ORDINATION COMMITTEE (E/5736)

7. The PRESIDENT suggested that, when considering the reports of the sessional Committees, the Council should

follow the past practice, namely, first to take a decision on all the draft resolutions or decisions in each of the reports and then to hear statements in explanation of vote, if any.

It was so agreed.

8. The PRESIDENT drew attention to the report of the Policy and Programme Co-ordination Committee on agenda item 15 (E/5736), and in particular to paragraph 27, in which there were five draft resolutions and four draft decisions recommended for adoption by the Council. Draft resolutions I, II, III and V and the four draft decisions had all been approved by the Committee without a vote. He took it that the Council would wish to do the same.

Draft resolution I: Proposal for an international year of the child

Draft resolution I was adopted.

Draft resolution II: Technical co-operation among developing countries

9. Mr. FRAZÃO (Brazil) reminded the Council that his delegation had been mainly responsible for the submission of draft resolution II. The representative of UNDP to the Economic and Social Council had stated, however, that operative paragraph 4 might give rise to some problems of co-ordination and implementation, since the Administrator of UNDP had been told by the executive directors of some regional commissions that they might be unable to meet the target date of June 1976 set in that paragraph. For example, the regional meeting on technical co-operation in Latin America would be held in either May or June 1976. He therefore proposed that the target date should be changed from June 1976 to December 1976.

Draft resolution II, as orally amended by the Brazilian representative, was adopted.

Draft resolution III: Report of the Executive Board of the United Nations Children's Fund

Draft resolution III was adopted.

Draft resolution IV: Youth policies and programmes

10. Mr. LOBANOV (Union of Soviet Socialist Republics) said that his delegation had not opposed the approval in the Policy and Programme Co-ordination Committee of the draft resolution entitled "Youth policies and programmes" contained in Council resolution 1922 (LVIII), but that should not be interpreted as a change in its position on the United Nations Volunteers programme, which had been explained on a number of occasions. He wished that reservation to be included in the report of the Council.

Draft resolution V was adopted.

Draft decision I: Reports of the Governing Council of the United Nations Development Programme

Draft decision I was adopted.

Draft decision II: Report of the Joint Inspection Unit on the need for a revised concept of the regional training programmes of the United Nations Development Pro-

gramme in the least developed countries: the East African case

Draft decision II was adopted.

Draft decision III: Reconstitution of the United Nations/FAO Intergovernmental Committee of the World Food Programme as a Committee on Food and Aid Policies and Programmes

Draft decision III was adopted.

Draft decision IV: Amendment to General Regulation No. 6 of the General regulations of the World Food Programme

Draft decision IV was adopted.

Draft resolution IV: United Nations Revolving Fund for Natural Resources Exploration

11. The PRESIDENT reminded the Council that draft resolution IV had been approved by the Committee by a vote. If, however, he heard no objection, he would take it that the Council wished to adopt it without a vote.

12. Mr. LOBANOV (Union of Soviet Socialist Republics) said that his delegation had abstained in the vote on the draft resolution in PPCC and wished to reiterate the reservations it had made at that time. He wished those reservations to be included in the report on the fifty-ninth session of the Council.

Draft resolution IV was adopted.

13. The PRESIDENT asked if any delegations wished to speak in explanation of vote.

14. Mr. FERNÁNDEZ VILLAVERDE (Spain) said that his delegation wished the comments he had made concerning draft resolution II at the 572nd meeting of PPCC to be reproduced in the report on the current session of the Council.

AGENDA ITEM 16

International co-operation and co-ordination within the United Nations system

REPORT OF THE POLICY AND PROGRAMME CO-ORDINATION COMMITTEE (E/5733 AND CORR.1)

15. The PRESIDENT drew the Council's attention to the two draft resolutions and two draft decisions in paragraph 18 of the report before it (E/5733 and Corr.1). The Committee had approved them without a vote and the Council might wish to do likewise.

Draft resolution I: Rural development

Draft resolution I was adopted.

Draft resolution II: Tripartite World Conference on Employment, Income Distribution, Social Progress and the International Division of Labour

Draft resolution II was adopted.

Draft decision I: Harmonization of programme budget presentation and co-ordination within the United Nations system

Draft decision I was adopted.

Draft decision II: Report of the Joint Meetings of the Policy and Programme Co-ordination Committee and the Administrative Committee on Co-ordination, and report of the Administrative Committee on Co-ordination on spheres of competence and work programmes of United Nations organizations and agencies in the field of marine science and its applications

Draft decision II was adopted.

AGENDA ITEM 17

Food problems

REPORT OF THE POLICY AND PROGRAMME CO-ORDINATION COMMITTEE (E/5734)

16. The PRESIDENT drew the Council's attention to the draft resolution in paragraph 6 of the report before it (E/5734) and invited the Secretary of the Council to make a statement on the financial implications arising from the new operative paragraph 7.

17. Mr. CORDOVEZ (Secretary of the Council) said that the financial implications of that paragraph, together with other financial implications arising from the first session of the World Food Council, would be included in the budget estimates established by the Council secretariat for submission to the thirtieth session of the General Assembly, as stated in paragraph 11 of the report of the World Food Council (E/5708).

18. The PRESIDENT pointed out that, as indicated in paragraph 5 of the report under consideration, the Committee had adopted the draft resolution without a vote. In the absence of any objection, he would take it that the Committee wished to do the same.

The draft resolution on food problems was adopted.

19. Mr. LOBANOV (Union of Soviet Socialist Republics) said that his delegation had not objected to the adoption of the draft resolution either in the Committee or at the present meeting but wished to confirm its position of principle, which had been explained in detail at the World Food Conference and at the first session of the World Food Council. He would like that position to be reflected in the Council's report on the current session.

20. The USSR delegation would state its position concerning the financial implications in the Fifth Committee of the General Assembly, when it had had an opportunity to see the report on those implications.

AGENDA ITEM 18

Marine questions

REPORT OF THE POLICY AND PROGRAMME CO-ORDINATION COMMITTEE (E/5730)

21. The PRESIDENT drew the Council's attention to the

draft resolution in paragraph 7 of the report before it (E/5730), which the Committee had approved by vote.

22. Mr. LOBANOV (Union of Soviet Socialist Republics) requested that a vote be taken on the draft resolution.

The draft resolution on uses of the sea and coastal area development was adopted by 43 votes to none, with 5 abstentions.

23. Mr. LOBANOV (Union of Soviet Socialist Republics) said that his delegation had abstained in the vote on the draft resolution because it considered that the question of coastal area development and the programme of action in that field should take into account the interests of all States, on the basis of the solution of fundamental problems of sea law to be reached at the forthcoming United Nations Conference on the Law of the Sea. He wished that statement to be reproduced verbatim in the Committee's report.

24. Mr. FRAZÃO (Brazil) said that his delegation had voted in favour of the draft resolution; it congratulated the sponsors on including the third preambular paragraph on the need not to prejudge the outcome of the United Nations Conference on the Law of the Sea. It was on that understanding that his delegation had voted in favour of the draft. He too wished his statement to be reproduced verbatim in the Council's report.

AGENDA ITEM 20

Assistance in cases of natural disaster and other disaster situations

REPORT OF THE POLICY AND PROGRAMME CO-ORDINATION COMMITTEE (E/5744)

25. The PRESIDENT drew the Council's attention to the two draft resolutions in paragraph 12 of the report before it (E/5744), which the Committee had approved without a vote. In the absence of any objection, he took it that the Council wished to do the same.

Draft resolution I: Assistance to the drought-stricken areas of Ethiopia.

Draft resolution II: Assistance in cases of natural disaster and other disaster situations

Draft resolution II was adopted.

AGENDA ITEM 21

Transport questions

REPORT OF THE ECONOMIC COMMITTEE (E/5741)

26. The PRESIDENT drew the Council's attention to the three draft resolutions in paragraph 8 of the report before it (E/5741), which had been approved by the Committee without a vote. In the absence of any objection, he would take it that the Council wished to do the same.

Draft resolution I: Further steps to be taken concerning the transport of dangerous goods

Draft resolution I was adopted.

Draft resolution II: Work of the Committee of Experts on the Transport of Dangerous Goods

Draft resolution II was adopted.

Draft resolution III: Transport of dangerous goods

Draft resolution III was adopted.

AGENDA ITEM 9

Mid-term review and appraisal of progress in implementing the International Development Strategy for the Second United Nations Development Decade: Programme of Action on the Establishment of a New International Economic Order

REPORT OF THE ECONOMIC COMMITTEE (E/5738)

27. The PRESIDENT drew the Council's attention to the two draft resolutions and two draft decisions in paragraph 12 of the report before it (E/5738), which had been approved by the Committee without vote. In the absence of

any objection, he would take it that the Council wished to do the same.

Draft resolution I: Identification of the least developed among the developing countries

Draft resolution I was adopted.

Draft resolution II: Public administration and finance for development

Draft resolution II was adopted.

Draft decision I: Mid-term review and appraisal of progress in implementing the International Development Strategy for the Second United Nations Development Decade

Draft decision I was adopted.

Draft decision II: Report of the Board of Governors of the United Nations Special Fund

Draft decision II was adopted.

The meeting rose at 4 p.m.

1979th meeting

Thursday, 31 July 1975, at 10.55 a.m.

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

E/SR.1979

AGENDA ITEM 19

Implementation of the Declaration on the Granting of Independence to Colonial Countries and Peoples by the specialized agencies and the international institutions associated with the United Nations

REPORT OF THE POLICY AND PROGRAMME CO-ORDINATION COMMITTEE (E/5743)

1. The PRESIDENT invited the Council to consider the report of the Policy and Programme Co-ordination Committee on agenda item 19 (E/5743) and drew attention to the draft resolution on the subject of the item contained in paragraph 6, which the Committee had adopted without a vote. He asked whether it was the wish of the Council also to adopt the draft resolution without a vote.

It was so decided.

AGENDA ITEM 22

Calendar of conferences

REPORT OF THE POLICY AND PROGRAMME CO-ORDINATION COMMITTEE (E/5742; E/L.1664 AND ADD.1-6)

2. The PRESIDENT invited the Council to consider the report of the Policy and Programme Co-ordination Committee on agenda item 22 (E/5742).

3. Mr. FERGUSON (United States of America) pointed out that provision was made in the note by the Secretariat (E/L.1664) for the Working Group on Communications, a subordinate body of the Sub-Commission on the Prevention of Discrimination and Protection of Minorities, to meet both in 1976 and in 1977. His delegation would have no objection to that arrangement provided that it was understood to be without prejudice to the biennial cycle of meetings for the Working Group established by Council resolution 1768 (LIV).

4. The PRESIDENT asked whether he might take it that the Council, on the understanding stated by the United States representative, agreed to the inclusion in the calendar of meetings for 1977 of an entry for the meeting of the Working Group on Communications from 8 to 19 August, as proposed by the Secretariat in document E/L.1664.

It was so decided.

5. The PRESIDENT drew attention to the draft resolution and the three draft decisions recommended for adoption by the Council in paragraph 14 of the Committee's report. All four had been adopted by the Committee without a vote. He took it that it was the Council's wish also to adopt them without a vote.

Draft resolution: Preparatory work for the United Nations Water Conference

The draft resolution was adopted.

Draft decision I: Cycle of sessions of the Commission on Narcotic Drugs

Draft decision I was adopted.

Draft decision II: Calendar of conferences and meetings

Draft decision II was adopted.

Draft decision III: Third session of the Preparatory Committee for the special session of the General Assembly devoted to development and international economic co-operation, and meetings of Working Group II of the Committee for Development Planning, and of the Working Group on Oceanography and Data Exchange of the Intergovernmental Oceanographic Commission

Draft decision III was adopted.

AGENDA ITEM 10

Special session of the General Assembly devoted to development and international economic co-operation

REPORT OF THE ECONOMIC COMMITTEE (E/5739)

6. The PRESIDENT invited the Council to consider the report of the Economic Committee on agenda item 10 (E/5739) and drew attention to paragraph 10 which contained a draft resolution on the subject of the item and a draft decision setting out the draft provisional agenda and annotations for the third session of the Preparatory Committee for the seventh special session of the General Assembly. Both had been adopted by the Committee without a vote.

7. He asked whether the Council also wished to adopt the draft resolution and draft decision without a vote.

It was so decided.

8. The PRESIDENT said it was his understanding that the Council wished the proposals which had been submitted in informal talks on preparations for the seventh special session to be circulated by the Secretariat as a document of the Preparatory Committee in the limited distribution series.

It was so decided.

Programme budget implications of actions taken by the Council at its fifty-eighth and fifty-ninth sessions (E/5745; E/L.1675)

9. The PRESIDENT invited the Council to consider the summaries of programme budget implications contained in the report of the Secretary-General (E/5745) and document E/L.1675.

10. Mr. LOBANOV (Union of Soviet Socialist Republics) said that his delegation wished to reserve its position on the budget implications of resolutions and decisions adopted by the Council of its fifty-eighth and fifty-ninth sessions until they were considered by the Fifth Committee of the General Assembly. It requested that its reservation should be recorded in the Council's report.

11. The PRESIDENT said that he took it that it was the Council's wish to take note of the Secretary-General's report (E/5745) and the summary statement (E/L.1675).

It was so decided.

Adjournment of the session

12. The PRESIDENT noted that one of the Council's main tasks at the current session had been to prepare the ground for the forthcoming seventh special session of the General Assembly, which would be devoted to questions of development and international economic co-operation. The Council had, indeed, just adopted resolution 1980 (LIX), proposing an agenda for the session, establishing some guidelines for the substance of its work and asking the Preparatory Committee to complete arrangements. It was, however, regrettable that the Council would conclude its session without agreeing upon specific recommendations on matters for consideration by the special session or defining more precisely the points on which there was agreement among States and those on which they differed. Given the complexity of the issues involved, the diversity of interests to be reconciled and the slow pace at which the governmental machinery of various States and groups of States appeared to move, that was perhaps inevitable.

13. Although the session might end with a sense of opportunities not fully used, it remained true that the economic and social problems of the world were now permanently on the agenda of international bodies and that the importance of finding solutions to them by consultation and consensus had been confirmed during the present session. The value of dialogue and consensus, so regularly emphasized in international debates, should not be underestimated, but it would be a mistake to shirk the airing of genuine differences or the affirmation of firmly held beliefs for fear of provoking confrontation. Genuine agreement could scarcely be reached without frank discussion and a clash of ideas. The spirit of accommodation must not become a substitute for negotiation on specific issues or obscure the need to devise a new set of rules to reconcile conflicting national and group economic interests, in order to ensure that resources and amenities were more equitably shared. That was no simple task and efforts to discharge it must continue during the preparatory period for the special session, during it and thereafter in the appropriate forums.

14. The task was made easier by the tacit agreement not to persist in arguments already settled by events. Although the statements made at the present session reflected continuing differences about the nature of the current crisis and the remedies that should be adopted, they also indicated a gradual convergence of belief that things could not be put right without major changes. The United Kingdom delegation had said that the developed countries had accepted a fundamental alteration in the world economic situation as a moral imperative (1960th meeting). A general recognition of the need for change was accompanied by a realization that it would have to be brought about in an orderly, step-by-step manner and with the co-operation of all concerned.

15. Under the general item on economic development and co-operation, the special session would pay particular attention to countries handicapped by their geographical position and those suffering most acutely from the ill effects of the recent economic crises. The general debate had recognized the need to strengthen the position of the developing countries as partners in world trade and to widen their access to the world market by reducing or eliminating tariff and non-tariff barriers, and by further developing a general non-reciprocal system of preferences. The principle had also been accepted that the purchasing power of developing countries' exports should be increased and protected. Although there were differences on how that objective could be attained, it was generally accepted that commodity prices should be remunerative to producers and fair to consumers, and that trade in commodities should ensure both security of earnings for the producer and security of supply for the consumer. The practical application of those principles would not be easy, but it might well confirm the belief that there was no fundamental contradiction between an integrated and a commodity-by-commodity approach.

16. There had been a wide measure of agreement that the transfer of real resources to the developing countries needed to be increased. The failure of most donor countries to meet the targets of the International Development Strategy showed that the whole subject needed to be reviewed. The idea that there should be some automatic machinery to effect such transfers raised a number of questions, which must be carefully examined. The objective should be to devise a system which would enable recipients to know what they were to receive in terms of net real resources over a period of years, so that they could make their development plans accordingly, and which would also enable donor countries to satisfy themselves that the resources were being used efficiently and for the avowed ends, thus eliminating the necessity to justify transfers on non-economic grounds. Agreement would have to be reached on giving priority to that question and to the related question of a system for affording debt relief, in other words, making debt servicing a rational proposition.

17. Everyone agreed that industrialization was the motive force for transforming the economic and social condition of developing countries, but the targets and objectives agreed upon at the Second General Conference of UNIDO at Lima, and wholeheartedly endorsed in the Council's discussions, must, in the course of the proposed consultations among the developing and developed countries, be put in the frame of a programme and timetable. UNIDO was the most appropriate forum for that purpose, but the task of establishing links between industrial and agricultural production, between technology and employment policies, and between international effort and transnational enterprise was one for the Council, which must be made capable of performing it.

18. That led to the question of reforming the economic and social institutions of the United Nations system. The criticism had once more been voiced that the Council's proceedings were pointless and its decisions irrelevant. On the other hand, proposals for reform -- the latest being those made unanimously by a group of experts from all

regions and representing diverse interests and ideologies (E/AC.62/9) -- had been noted only in the most general terms. The suggestion that an intergovernmental committee should be established to examine the proposals was a sound one, but he would suggest that the special session of the General Assembly might also establish guidelines and a timetable for the committee's work.

19. It would be optimistic to say that the present session of the Council had established enough common ground for the seventh special session of the General Assembly to lay the foundations for a new structure of international economic relations. On the substance and details of major issues the positions of various countries, including many of the most important developed countries, remained to be defined. But a considerable effort had been made in informal meetings to discuss proposals related to the agreed list of topics. He wished to express his deep appreciation to the members of all groups participating in those meetings, and to their presiding officers, in particular, for the personal contributions made by Mr. Barceló (Mexico) and Mr. Martínez (Argentina).

20. In view of the value of informal consultations and the likelihood of their increasing use in the future, it was necessary to make sure that they kept their informal character and that their procedures did not become an obstacle to their purpose. Some of the ideas and proposals resulting from those consultations had been formulated in documents, which he was sure would help in the resumed preparations for the special session. While it was too soon to predict what form the decisions of the special session might take, he drew attention to the Netherlands representative's suggestion (1962nd meeting) that the Council might adopt an omnibus document setting out a consistent set of inter-related recommendations for consideration and adoption by the special session. In his opinion, such a document should not be simply a declaration of intent but, as far as possible, a blueprint for action, setting forth, without ambiguity, what the international community agreed to do regarding specific problems and how, where and when it proposed to set about doing it.

21. No spectacular results should be expected from the seventh special session, since the subjects to be dealt with would preclude such an outcome. Nevertheless, it was reasonable to expect agreement on principles and purposes and a clear indication of the intention to negotiate for the achievement of agreed ends. Everyone realized that the special session would be only one step in the process of building a new system of international relations: but it had all the importance of a first step.

22. The United Nations had been criticized because its Membership did not show proper respect for the Organization's rules and regulations or consideration for each other's views and interests and because they failed to draw a distinction between economic and political issues. That situation, it had been said, could jeopardize the very existence of the United Nations. In his opinion, the success or failure of the United Nations and its survival or demise depended on whether or not it succeeded in bringing about a peaceful settlement where there was war or the threat of war, in enforcing justice and protecting human dignity

where they were systematically denied and in removing the vast and ever-widening economic disparities between countries. The problems of fateful importance for the future of mankind were the situation in the Middle East, racial discrimination and minority rule in Africa and grinding poverty in many parts of the world. Unless those problems were faced and solved, the most faithful observance of the rules and regulations and the most devout adherence to the principles of the United Nations Charter would not save the United Nations from irrelevance and atrophy.

23. The problem was basically political, in that conscious decisions had to be made to redirect economic activity so that the legitimate aims and interests of all countries could be achieved and protected. The economic and social development of the developing countries was too vast an enterprise to be considered merely as a by-product of the growing prosperity of the industrialized countries. Matters could no longer be left to the supposedly benign workings of a system alleged to be based on neutral economic laws. It was unhelpful to argue as if there were a hard and fast choice between mutually exclusive economic systems – one based on the free market and the other on planning and regulation.

24. The problem was not an abstract one, but a critical situation which was likely to become more difficult for all countries in the coming months. The *World Economic Survey, 1974* (E/5665, E/5681 and Add.1-4) showed a sombre outlook for the coming year: the GDP of the developed market-economies and the rate of expansion of their GNP were likely to be lower in 1975 than in 1974 and unemployment and inflation would remain high. Those estimates tempered the optimism voiced in recent months regarding an improvement in the developed countries' economies. Moreover, the inflation, unemployment and depression in the developed countries had immediate consequences for the economies of the developing countries, weakening the market for their exports, raising the prices of the manufactured goods and services which they imported and causing a further deterioration in their terms of trade: it was estimated that the prices of most primary commodities, on which the majority of developing countries subsisted, would decline in 1975 in relation to the prices of imported manufactured goods, so that the burden of debt service would continue to grow and the process of reserve accumulation would be reversed. Most developing countries would thus find it harder than ever to carry out the relatively modest programmes of economic development and social reform set out in the International Development Strategy and in their own development plans. Whether or not the developed countries' economies improved, the situation of the developing countries would be worse. As the Executive Secretary of ECE had pointed out (1966th meeting), the western European countries, with a population of 700 million and a GNP of \$2 million million, and the non-oil-producing developing countries, with a population of 1,700 million and a GNP of \$300,000 million, had each had the same trade deficit of about \$30,000 million in 1974. Those figures showed how unevenly the burden of the economic crisis had fallen on the two groups of countries. Clearly, the machine was out

of joint and needed not only major repairs but considerable redesigning.

25. In the past, only a privileged minority of people had been able to take necessities for granted and enjoy the good things of life. To-day there was a privileged minority of nations. The world was facing a crisis of growth: it was inconceivable that vast numbers of people should continue for ever passively enduring privation and suffering and it was inconceivable that, with the ever-expanding resources of technology, man would not be able to meet the challenge. With every advance in knowledge and technology, the interdependence of peoples and nations was growing closer and more inescapable. The refusal of people to accept their condition, and their demand for a place in the sun, could be the stimulus that would lead to a positive interdependence based on complementarity. As the United States representative had rightly said (1956th meeting), crisis offered opportunity. The task now was to seize the opportunity in order to give direction and purpose to events and not let events take the lead.

26. Mr. KEGEL (German Democratic Republic), speaking on behalf of the socialist countries of eastern Europe, expressed satisfaction at the successful conclusion of the session, to which the socialist countries had made their contribution in a spirit of co-operation and understanding. The Council had, firstly, been working against the background of the Conference on Security and Co-operation in Europe, which would help to relax international tension and encourage co-operation between countries and peoples. Secondly, it had been dominated by the preparation for the seventh special session of the General Assembly, on which substantial progress had been made and further efforts should continue. The decisions taken by the Council would help with the implementation of the Declaration and Programme of Action on the Establishment of a New International Economic Order, adopted at the sixth special session of the General Assembly and of the Charter of Economic Rights and Duties of States. The session had shown that with good will and determination to face the facts, with a long-term relaxation of international tension, it would be possible to get down to solving the real problems of international co-operation.

27. Mr. SCHWARTZ-GIRÓN (Spain), speaking on behalf of the western European countries, said that by the time the Council met at its resumed session important decisions would have been taken, affecting man's legitimate struggle for development and wealth. The present session had been one of work rather than words and had been marked by the preparations for the seventh special session of the General Assembly.

28. Mr. MARTÍNEZ (Argentina), speaking on behalf of the Group of 77, said that the developing countries hoped that the seventh special session of the General Assembly would concentrate on arriving at substantial agreement and clear guidelines on a limited number of areas where success might be achieved in establishing the new international economic order. The members of the Group of 77 had spent many days in informal consultations and in discussions with the market-economy and socialist countries. They could not really express satisfaction with the results,

but they hoped that by intensive work, it would be possible to reach understanding and so ensure the success of the seventh special session, thus putting a stop to the sterile confrontation which impeded international solidarity in a world of increasing interdependence.

29. After an exchange of courtesies, the PRESIDENT declared the fifty-ninth session of the Economic and Social Council adjourned.

The meeting rose at 12 noon.

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