

2068th meeting

Tuesday, 12 July 1977, at 3.25 p.m.

President: Mr. L. ŠMÍD (Czechoslovakia)

E/SR.2068

AGENDA ITEM 3

General discussion of international economic and social policy, including regional and sectoral developments (*continued*) (E/5937 and Corr.1, E/5937/Add.1 and Add.1/Corr.1 and 2, E/5937/Add.2 and 3, E/5937/Add.4 and Add.14/Corr.1, E/5977-5980, E/5995, E/5996, E/CEPAL/1027)

AGENDA ITEM 11

Assessment of the progress made in the implementation of General Assembly resolutions 2626 (XXV) entitled "International Development Strategy for the Second United Nations Development Decade", 3202 (S-VI) entitled "Programme of Action on the Establishment of a New International Economic Order", 3281 (XXIX) entitled "Charter of Economic Rights and Duties of States" and 3362 (S-VII) entitled "Development and international economic co-operation" (*continued*) (E/5939 and Corr.1, E/5942, E/5970, E/5974, E/5981, E/5985, E/5991, E/5992, E/5994, E/5999, E/6001, E/6016)

1. Mr. SUSSEX (International Confederation of Free Trade Unions), speaking at the invitation of the President, said that at the end of 1976 there had been great expectations that major progress would soon be achieved on key matters of international economic and social policy, such as the UNCTAD proposal for a common fund for the financing of buffer stocks of commodities, debt relief and the reform of the international monetary system, the GATT multilateral trade negotiations and a mandatory code of conduct for transnational corporations. Unfortunately, the first half of 1977 had seen those hopes thwarted to a certain degree. Not much success had been achieved at

the United Nations Negotiating Conference on a Common Fund under the Integrated Programme for Commodities or the Conference on International Economic Co-operation. In addition, the international economic recession continued to cast a dark shadow on the growth prospects of developing and industrialized countries alike.

2. ICFTU had made clear its commitment to the achievement of a reformed system of international economic relations and to the application of the International Development Strategy for the Second United Nations Development Decade. It had also supported the decisions adopted at the seventh special session of the General Assembly and the Charter of Economic Rights and Duties of States. Above all, it attached great significance to the Programme of Action adopted by the World Employment Conference organized by the ILO in 1976, recommending that policies to create employment and to satisfy basic needs should become an essential part of the International Development Strategy for the Second United Nations Development Decade and form the core of the strategy for the third development decade.

3. ICFTU supported the establishment of a common fund under the UNCTAD Integrated Programme for Commodities. It should be equitably financed by contributions from commodity-exporting and importing countries, from oil-exporting countries and by loans raised on international capital markets. Its administration should be in a position to co-ordinate buffer stocks of commodities and be closely associated with international measures to combat speculation in commodity markets. Furthermore, there must be a concerted effort to reduce the margin between the final consumer price of commodities and the price paid to growers. It was also necessary that plantation workers should be allowed to organize, so that they could protect themselves from unfavourable economic developments and

benefit from measures to secure stable and more equitable prices for commodities.

4. Recently, there had been a growing debt problem and many developing countries had reached a situation where the danger of their defaulting was extremely acute. Rather than an over-all moratorium, it would seem more fruitful to seek special assistance and generous relief from public and private debts with the specific aim of enabling developing countries to pursue basic needs strategies. Another very important issue was the over-all transfer policy of the developed countries; the targets set in the International Development Strategy ought to be attained.

5. The relative deadlock in the GATT multilateral trade negotiations could be accounted for by the general economic climate and the growing tendency towards trade protectionism, but such lack of progress could not be endured for long. The economies of the developing and the industrialized countries must be adjusted to meet the challenge posed by structural change. Governments had a responsibility to ensure that workers did not bear the negative consequences of such change and to pursue a general policy of full employment. At the international level, too, great efforts should be made to facilitate structural change and to remove fears, often genuine, about trade liberalization. In that context, ICFTU had proposed a GATT "social clause" calling for the revision of the GATT safeguard system (articles XIX and XX) so as to oblige contracting parties to the General Agreement on Tariffs and Trade to make provision for active employment policies before the application of trade restrictions and to permit the banning of imports produced under conditions that endangered workers' health. The safeguard system should be supervised by a tripartite committee composed of government, employers' and trade union representatives. Agreement on such a "social clause" would help to remove workers' suspicions about the GATT negotiations and facilitate a compromise.

6. The trade unions had long been in the forefront of the fight for better control over the activities of multinational companies and ICFTU had repeatedly demanded the formulation of a legally binding code of conduct. Experience with voluntary guidelines had already shown the weakness of that approach and it was apparent that any international agreement proposed by the United Nations would have to go a good deal further.

7. The world-wide economic recession had had a very unfavourable impact on both developing and industrialized countries; unemployment had rapidly increased, further depressing consumption levels and the demand for goods and services. Just before the London Economic Summit Meeting of Heads of State and Government of seven industrialized countries, held in May 1977, an international trade union delegation had met the United Kingdom Prime Minister as Chairman of the meeting and stressed that the Governments of the States members of OECD should take urgent action to create new jobs. That could best be done by agreement upon a new growth policy to stimulate world production.

8. It was obvious that institutional reforms, whether at the national or the international level, were long overdue

and it would be inexcusable to delay them until full economic recovery had been achieved. The pursuit of policies such as the redistribution of income and wealth and the raising of minimum living standards was often a prerequisite for achieving economic growth. It was therefore crucial that the unanimously agreed employment and basic needs strategy of the Programme of Action adopted by the World Employment Conference should be fully integrated in the activities of all United Nations specialized agencies and institutions and that their co-ordinated efforts in that field should be periodically reviewed by the Economic and Social Council. The document before the Council (E/5981) did not contain very much on that subject, but the special report of the ILO (E/6001) provided useful supplementary information. The central inspiration for the Programme of Action must continue to come from that organization, whose efforts to co-operate with IFAD were to be commended, as was its emphasis on the work of the tripartite industrial committees. It would be useful if the conclusions of those Committees could be brought to the attention of the Economic and Social Council. Unfortunately, not enough emphasis was placed in the documents on the role of rural workers' organizations in development; it was only through organizing those directly concerned that progress could be made.

9. ICFTU was currently engaged in a comprehensive review of the trade union position on development policies and had decided to prepare a "development charter" dealing with such issues as basic needs strategies and employment policies, land and labour, the new international economic order and trade unions' rights and responsibilities in the context of development. Following an international workshop on development organized by ICFTU in April 1977 and attended by some 80 participants from affiliated and friendly organizations, a recent meeting of the Executive Board of the Confederation had authorized its General Secretary to submit the draft development charter to affiliated organizations for consideration and comment.

10. Finally, it was apparent that not enough headway had been made on key issues of economic and social policy at the intergovernmental level during the first half of 1977. It was hoped that the second half of 1977 would offer an opportunity to see whether progress could still be achieved through dialogue and goodwill. If not, the future prospects for all countries would be bleak indeed.

11. Mr. RÚŽEK (Czechoslovakia) noted that it was increasingly possible to focus on problems of economic development, raw materials, sources of energy and a just social order, because there was no imminent danger of war or political crisis to divert nations from their concern for peaceful development. The process of détente was the main factor in international development today, especially in Europe, where serious problems were being solved by peaceful means. His country, together with other socialist countries, was striving to give détente a more concrete content and extend it also to the military sphere. There was no more urgent task than disarmament, which would increase the security and benefit the economy of all nations.

12. The Conference on Security and Co-operation in Europe held at Helsinki in 1975 had been a historic turning point, and it should be duly followed up at the current preparatory meeting at Belgrade, prior to the Conference, also to be held at Belgrade, in autumn 1977, as a continuation of the Helsinki Conference. It was necessary, however, that all participants should continue to implement the Final Act of the Helsinki Conference in its entirety, in the spirit which had characterized the whole Conference. His country complied fully with the Final Act and was prepared to make its contribution to the further development of its provisions. The time was ripe, for instance, to broach questions going beyond the bilateral framework. One of the most important of such questions was the normalization of commercial, economic, scientific and technological relations between CMEA and the European Economic Community. That would make it easier to solve related problems of co-operation in the spheres of the environment, transport and energy at all-European conferences, as suggested by the Soviet Union (2065th meeting). The success of that policy in Europe could act as a stimulus to other parts of the world; it was certainly not the purpose of the Helsinki Conference to isolate Europe from the rest of the international community.

13. The creation of a favourable political climate and the more realistic approach of a number of capitalist Governments to the expansion of economic co-operation with the socialist States had already produced positive results. The prolonged crisis of the world capitalist system continued to hinder the development of international economic co-operation and trade and markedly affected the vital interests of the developing countries, particularly the least advanced. Their economies, for the most part, showed stagnation and even decline. The rising prices of imported goods, especially foodstuffs from capitalist countries, created an especially unfavourable situation for the developing countries.

14. The economic and social progress of the socialist countries contrasted greatly with the unbalanced development of the capitalist world. The rate of growth of the industrial production of the CMEA countries in the past five years had been four times greater than the rate of growth achieved by the capitalist States. That favourable development was furthered by mutual co-operation under the CMEA Comprehensive Programme for the further extension and improvement of co-operation and the development of socialist economic integration. CMEA had a socialist orientation, but it was not a closed group. The socialist division of labour was part of the international division of labour, and CMEA was ready to co-operate on the basis of equality and mutual advantage with anyone who showed real interest.

15. His country's national economic targets in the sixth Five-year Plan called for further economic integration and co-operation with the socialist countries and concomitantly for a steady development of economic relations with the advanced capitalist and developing countries, based on the principles of equality, non-intervention in the internal affairs of States, mutual advantage and non-discrimination. In general, his country had achieved or surpassed the planned rate of development in the various sectors of the economy. Foreign trade had increased during the period of

the previous Five-year Plan by 44 per cent, exchanges of goods with the socialist countries rising by 54 per cent. In relations with the industrially-advanced capitalist countries, Czechoslovakia adhered to the provisions of the General Agreement on Tariffs and Trade, but continued to encounter some discrimination in the sphere of tariffs, and even more so in the non-tariff area, where quantitative restrictions represented a serious obstacle to the development of trade.

16. Czechoslovakia's economic relations with the developing countries, like those of other CMEA countries, were guided by the principles of equality of the parties, mutual advantage and non-intervention in each other's internal affairs, in direct contrast with the relations maintained by the former colonial Powers. His country had vast potential for trade with developing countries and for various forms of co-operation, which, in many cases, went beyond mere exchange of goods to the stage of economic and industrial collaboration. Czechoslovak exports to developing countries were characterized by a long-term growth in the share of engineering products and equipment for complete plants, usually accompanied by technical assistance. Agreements concluded included provisions on the exchange of experts and scientific staff, the preparation of studies and projects, the granting of scholarships in various technical and scientific branches and the establishment of technical training centres. His country was also an important and reliable partner of the developing countries as an importer, mainly of raw materials but increasingly of finished and semi-finished products, which constituted the fastest-growing sector. It was in the interests of both Czechoslovakia and the developing countries to develop their mutual relations further, and that was particularly borne out by the conclusion of a number of new long-term agreements.

17. With reference to agenda item 11, he said that in comparison with the first United Nations Development Decade, the Second United Nations Development Decade showed, in its International Development Strategy, some progress, as it was directed not just at economic growth but also at social justice and was better adapted to conditions in the developing countries. Nevertheless, it was not free from serious shortcomings, as the socialist countries had pointed out, and the not very satisfactory results so far proved them right. His delegation shared the view of the developing countries that the existing international economic order resulting from the capitalist system seriously hampered their economic and social development and had resulted in an ever deepening gap between them and the industrially-advanced capitalist countries. His delegation therefore fully supported the establishment of a new international economic order based on justice, sovereign equality, mutual co-operation and non-discrimination among States, regardless of their economic and social systems, and the democratization of international economic relations.

18. There were a number of complex questions on the agenda of the present session whose solution would undoubtedly contribute to the improvement of international economic co-operation. His country would continue to take an active part in the further development of mutual relations and was ready to contribute to the achievement of positive results at the current session.

19. Mr. AL-HADDAD (Yemen) considered that the time was ripe for more serious efforts to make progress towards the establishment of a new international economic order. The present session of the Council came after a number of international conferences which had devoted most of their discussions to that subject. The Governing Council of UNDP had just concluded its twenty-fourth session with notable success and the emphasis placed on the role of UNDP reflected the growing concern at the inequities of the existing order.

20. In the dialogue between developing and developed countries, the Conference on International Economic Co-operation held in Paris had unfortunately made little progress, although agreement had been reached on some issues, such as the establishment of a common fund for the financing of buffer stocks of commodities. Nevertheless, many issues remained unsolved, including those of the protection of the purchasing power of export earnings, debt relief and the transfer of technology; they constituted major obstacles confronting the developing countries. Only by restructuring existing international relations could economic justice be realized.

21. The failure of the International Development Strategy was inherent in the Strategy itself, which had attempted to tackle development problems within the existing institutional framework. The disappointing results were due to a lack of interest and lack of political will on the part of the developed countries. However, a number of statements made by representatives of developed countries at the present session had been encouraging, and he hoped that the Economic and Social Council would pay heed to them.

22. The Council had a greater responsibility today than ever before and must be effective in carrying out its tasks. It was the duty of all States Members of the United Nations, especially the developed countries, to support the Council so that its decisions in favour of equitable development could take full effect.

23. In his own country, despite the heavy legacy of under-development left by the former régime and the scarcity of resources, the Government, with the co-operation and assistance of a number of Arab countries and other friendly nations, had been able to make progress in many fields, with a view to meeting the most basic needs of the people, particularly in health, education and transport. The three-year development programme started in 1972 had been successful. Since the reform movement launched in 1974 by President Ibrahim Al-Hamdi, the country had acquired an economic vigour which was giving new meaning to the life of the people. The Government was now taking more serious steps to tackle the problem of under-development. The first five-year development plan had been introduced in June 1977. The over-all objectives were to improve the country's basic infrastructure, to achieve an advanced agricultural and industrial economy, to raise the standard of living, with emphasis on education, health and housing for all, to develop the agricultural sector through mechanization, seed selection and the use of fertilizers, to attain self-sufficiency in food production and to develop tourism.

24. Referring to the Secretary-General's opening statement, he said that his delegation also shared the concern of the world community over the question of energy, which was an integral part of a whole set of issues of equal importance. The answer to those problems was for all countries to seek to implement the Programme of Action for the Establishment of a New International Economic Order, adopted by the General Assembly at its sixth special session in 1974.

25. Mr. THUNBORG (Observer for Sweden), speaking at the invitation of the President, said that the General Assembly, at its sixth and seventh special sessions, had outlined a wide range of measures needed to remedy the failure of the international economic system to create decent living conditions for the majority of the world population and to redress the imbalance between developed and developing countries. The measures dealt with such matters as trade and raw materials, aid and investment, industrialization and technology. Many of them would be taken up by the Council under the appropriate agenda items; all formed part of the efforts to achieve a new international economic order.

26. The Conference on Economic International Co-operation had made only limited progress and the pace of negotiation must be speeded up. The Conference seemed to have marked a new stage in the North-South dialogue and heightened the awareness of the complex problems involved. Resistance to many of the developing countries' demands seemed to be softening, and the work of fulfilling the objectives set by the United Nations should continue without delay. The broad agreement to increase the volume of official development assistance substantially was to be welcomed, particularly in the light of the disappointing statistics recently published by OECD. So was the acceptance of the principle of establishing a common fund to serve as a key instrument in attaining the agreed objectives of the UNCTAD Integrated Programme for Commodities; the early implementation of the principle would require full attention. Sweden deplored the failure to reach agreement on such issues as the debt problems of the least developed countries and compensatory financial assistance; a programme should be prepared for the continued discussion of those and other unsolved problems. The discussions on energy, despite the failure to reach agreement on all issues, had in many respects demonstrated a common view on the need for intensified international co-operation, on energy, underlined by the Secretary-General in his opening statement. It was now up to the United Nations to take its part in satisfying that need.

27. After the General Assembly, at its thirty-second session, had analysed more thoroughly the implementation of the major economic and social plans and programmes, taking into account the Council's assessment, the United Nations system would be in a better position to improve on past action, speed up the implementation of measures already agreed upon, and decide what further measures were necessary to give the developing countries a growing share of the world's resources and provide a basis for the satisfaction of peoples' basic needs.

28. Economic self-reliance presupposed political self-reliance and the situation in southern Africa could there-

fore not be separated from United Nations activities concerning economic and social development. While the future of southern Africa would have to be decided by the peoples of the region themselves, the rest of the world should be ready to support them. The United Nations had expressed the international community's determination to see change in southern Africa; it must now assume responsibility for channelling support for the liberation struggle.

29. In facing the United Nations' formidable responsibilities in economic and social matters, the Council's role as the central forum for the system's activities in economic and social co-operation should be stressed. The General Assembly's decision in its resolution 3362 (S-VII) to call for a review of the structure of the United Nations system was therefore welcome. His Government regretted the slow progress of the *Ad Hoc* Committee on the Restructuring of the Economic and Social Sectors of the United Nations System, which had been entrusted with that task, since it thought that the Committee's findings should make the system better adapted to deal with the crucial issues of economic and social development; otherwise, those issues might well be taken up in other forums. He hoped that at least some of the proposals made by the *Ad Hoc* Committee in its report¹⁸ would soon be implemented in particular those for strengthening the Council, consolidating the various development funds and increasing the Secretariat's capacity for analysis and reflection. However, solutions could not be achieved just by changes in machinery, as long as substantive progress towards establishing new and equitable international economic relationships was slow.

30. At its present session, the Council was a particularly suitable forum for discussing the broad issue of operational activities and co-ordination within the United Nations development system. Attention should be paid to some of the UNDP Governing Council's decisions taken at its twenty-fourth session, held from 13 June to 1 July 1977, which offered challenges as well as possibilities for the whole United Nations system. His delegation felt that the desired stability of the Programme could only be guaranteed through some form of indicative commitment on contributions, extending beyond the present one-year pledge. It also shared the growing awareness of the need to hold down administrative costs for technical assistance activities. The two considerations were obviously linked; a reasonable assurance about the effective use of funds was more likely to bring about commitments for more than one year. His delegation therefore welcomed the Governing Council's decision to establish an intergovernmental working group on overhead costs to study the problem of compensation for overhead costs incurred in technical assistance activities executed by the agencies (see E/6013, para. 348); it hoped that UNDP and the agencies involved would co-operate closely, since that would make for better cost control and improve the quality of the whole programme.

31. Mr. DAVIES (Secretary-General, World Meteorological Organization) referred members of the Council to the

analytical summary of the annual report of WMO for 1976 (E/5955) for an account of its activities. Although WMO might not have a major part to play in establishing the Council's plans for the future, it would undoubtedly be closely involved in their execution. In recent years, WMO, in organizing its programmes, had paid close attention to the developments in the Council and the United Nations system as a whole.

32. Recent scientific and technological advances in various fields were at last providing meteorologists with the tools they needed. It was in order to put such advances to use on a world-wide scale that WMO, at the request of the General Assembly, had launched the World Weather Watch. That programme, which was already working efficiently, would shortly be further improved by the provision of five geostationary satellites by the United States of America, the Union of Soviet Socialist Republics, Japan and the European Space Agency. It would then be able to keep a continuous watch on virtually all the world's weather conditions, although the polar regions would continue to be covered by their own satellites. The system, which would be in operation in 18 months' time, would also contribute to the Global Atmospheric Research Programme (GARP) which was a major item of WMO research and development. In 1978, an important experiment, the first GARP Global Experiment would begin, designed to provide observational data for improved weather forecasting and a better understanding of climate. Commitments for that Experiment had been received from countries all over the world, both developed and developing, including a substantial financial contribution by Saudi Arabia, and UNEP was providing useful collaboration. However, a modest increase in funds would be needed if the Experiment was to attain all its original objectives. He therefore stressed the importance of the recent appeal to Governments for additional commitments and hoped that the Council would endorse it.

33. The Secretary-General of the United Nations, in his opening statement to the Council, had referred to the importance of understanding the climate. Activities under GARP to improve man's understanding of the climate were part of a broad, comprehensive international effort, now known as the World Climate Programme, to study the impact of climate on mankind's activities. He drew attention to the WMO statement on climatic change (E/5955, appendix C), recently confirmed by the WMO Executive Committee, which should help Governments to assess the situation and realize the importance of the World Climate Programme, for which ACC had already expressed its full support. As part of that Programme, a World Climate Conference was to be convened early in 1979, at which experts from a wide range of disciplines would review knowledge of climatic variation, assess possible future changes and their implications and determine possible courses of action for consideration at a subsequent ministerial conference. It could be seen, therefore, that WMO had responded to the growing concern of other international bodies and Governments about the consequences of future climatic changes.

34. As reported to the Council previously, several Governments had expressed interest in the scientific rain-making experiment known as the "Precipitation Enhance-

¹⁸ A/32/34.

ment Project", which was part of the WMO Weather Modification Programme. Work had continued on the selection of a suitable site and a detailed plan of operation would be submitted to the WMO Executive Committee at its next session. There had also been preliminary discussions about a possible international project on hail suppression as part of that Programme. WMO was co-operating with UNEP on the atmospheric ozone problem; its Global Ozone Research and Monitoring Project was well under way, as part of the World Plan of Action on the Ozone Layer. It was also concerning itself with the observed increase in atmospheric carbon dioxide, for which a research and monitoring project had been approved by the Executive Committee. On the question of tropical meteorology, the Executive Committee had approved proposals for a comprehensive programme, which should be of particular benefit to developing countries, many of them being in the tropics.

35. With regard to more directly practical aspects of the work of WMO, there had been many requests for WMO experts to visit developing countries on short-term assignments to give advice on agricultural meteorology services; 11 such missions had so far been successfully carried out, and the remaining requests would be dealt with as swiftly as the resources available would allow. Some 20 West African countries had joined in a pilot project to provide agrometeorological information to a regional centre in Algeria, where the data would be processed before being returned to the participants for practical application, especially in relation to the effects of recent weather on agriculture and hence on agricultural planning. Further co-operation in agricultural meteorology had also been arranged between WMO and FAO.

36. In the application of meteorology to energy problems, WMO had been providing advice on the use of solar and wind energy and had collaborated with IAEA on the meteorological and hydrological aspects of the siting of nuclear power plants. In the field of hydrology and water resources development, WMO had helped with the United Nations Water Conference held in Argentina in March 1977. The WMO Executive Committee had noted with interest that many of the Conference's substantive recommendations were relevant to WMO and to those national services which collaborated in its programmes, and had

taken steps to ensure that they were duly reflected in the future work of WMO. The Executive Committee had also noted that the Conference's recommendations on institutional arrangements would be considered by the Council and other United Nations organs and had asked them to report on the implications of their final decisions.

37. Under the Technical Co-operation Programme, WMO continued to assist its member countries, mainly through UNDP and the WMO Voluntary Assistance Programme. There had been a further substantial increase in the use of funds-in-trust arrangements although UNDP was still the main source of funds for the WMO over-all Technical Co-operation Programme.

38. Education and training activities had continued to expand. Ten compendiums of lecture notes on various branches of meteorology were being prepared for publication later in 1977. In collaboration with UNESCO and UNEP, more attention was being given to training in environmental protection, with special emphasis on air pollution meteorology. The demand for fellowships continued to grow, and good progress had been made in establishing regional meteorological training centres at Baghdad and Caracas, in addition to others already operating; the existing Caribbean Meteorological Institute in Barbados had recently been formally designated as such a centre.

39. As far as co-ordination was concerned, there was a high degree of collaboration by WMO with other United Nations bodies, not only those already mentioned but also such agencies as ICAO, ITU and IMCO; WMO also collaborated with WHO on the relevant aspects of environmental pollution. The fruitful efforts of WMO and ESCAP on tropical cyclones was a good example of joint enterprise and of the excellent relations WMO maintained with the regional commissions. Collaboration with other United Nations bodies was usually direct and rarely needed discussion by ACC; WMO played its full part, however, in the work of ACC on the more general problems affecting United Nations bodies as a whole.

The meeting rose at 4.50 p.m.