

64. Sectoral developments and international meetings, such as the fourth session of UNCTAD and the Paris Conference on International Economic Co-operation, had a great influence on economic and social development and policies. The main achievement of the fourth session of UNCTAD had been its reaffirmation of the process of continued consultation and negotiation. There had been a clear commitment to negotiate on all elements of an Integrated Commodity Programme, including the possibility of setting up and financing a common fund. His Government had declared its readiness at Nairobi to participate in such a fund if the idea received the necessary support. It would take an active part in pursuing the objectives of the Nairobi programme on commodities, and looked forward to speedy action on the debt problems of the least developed among the developing countries on the basis of the Nairobi resolutions. He also welcomed the constructive outcome of the discussion on institutional issues, largely due to the skill and untiring efforts of the Chairman of the Trade and Development Board.

65. It was still too early to comment on the achievements of the Paris Conference, but he stressed the importance of maintaining the link between its proceedings and the work of the United Nations General Assembly. There should be no conflict of interest between the two as long as the legitimate right of the world community of nations to be fully informed of progress made at the Paris Conference

was recognized. The General Assembly would ultimately present its views on the recommendations of that Conference.

66. His Government and those of the other Nordic countries had always attached great importance to development as an integrated process, in which economic and social progress went hand in hand, with the ultimate aim of improving conditions for every human being. His Government was concerned, however, at the present state of world social policy, and felt that various aspects such as employment policies, income distribution, land reform and social and health services were not sufficiently stressed. It hoped that the recent Tripartite World Conference on Employment Income Distribution and Social Progress and the International Division of Labour would stimulate a new awareness of the importance of those problems in the context of a new international order.

67. Referring to the current regrettable situation as regards human rights, he said his Government regarded the complete elimination of colonial and minority rule and the abhorrent policies of *apartheid* as the imperative task of the international community. He was confident that the Council would discharge its own responsibility in that respect.

The meeting rose at 5 p.m.

2008th meeting

Thursday, 1 July 1976, at 10.20 a.m.

President: Mr. S. AKÉ (Ivory Coast)

E/SR.2008

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

AGENDA ITEM 3

General discussion of international economic and social policy, including regional and sectoral developments (continued) (E/5790 and Add.1, E/5806, E/5808, E/5823, E/5825/Rev.1, E/5827, E/5834)

1. Mr. RIVAS (Colombia) requested that the statements made at the 2006th plenary meeting by Mr. Houphouët-Boigny, President of the Republic of Ivory Coast, and by the Secretary-General of the United Nations should be circulated as official documents of the Council.

*It was so decided.*¹

2. Mr. DAVIES (World Meteorological Organization) presented the analytical summary of the annual report of WMO for 1975 (E/5814). Since the Council was to make an in-depth study of WMO activities during its present session,

he would confine himself to stressing some of the main points of the summary of special interest to the Council. The World Weather Watch established in 1968, in response to resolution 1721 C (XVI), adopted by the General Assembly in 1960, was the basic programme of WMO; it enabled all countries, developed and developing, to derive the maximum benefit from satellites, high-speed electronic computers, telecommunications systems and new technological devices. A new and greatly improved satellite system should be in operation in 1977 or 1978; the five geostationary satellites comprising it would be provided by the United States and the Soviet Union, to whose scientific and technical skill and spirit of co-operation WMO paid a tribute, and by Japan and a group of European countries operating through the European Space Agency. The European satellite would be of great benefit to all African countries.

3. The Global Atmospheric Research Programme, which had also been established in response to a General Assembly resolution (resolution 1802 (XVII), sect. III), had been organized jointly with the International Council of Scientific Unions. The experiment conducted from Dakar, in the tropical zone of the Atlantic Ocean, in which some 40 ships

¹ See the 2006th meeting, foot-notes 1 and 5.

from 12 countries had participated, had made it possible to gather data the use of which would undoubtedly lead to practical benefits. WMO was at present preparing a second experiment, on a global scale, in which satellites, ships and buoys carrying scientific instruments would play a part. Existing resources and those promised were considerable but there were still some gaps and the Council might wish to endorse the appeal to be made by WMO, inviting all countries to support that unprecedented scientific venture, which would be of benefit to all. The tropical sub-programme and the monsoon sub-programme, which would relate in particular to the African monsoon, would be of great benefit to developing countries whose agricultural production was dependent on the monsoon.

4. Three other research items were receiving attention. The first was the Weather Modification Programme, and in particular the Precipitation Enhancement Project; several members had already shown an interest and technical studies had been undertaken, but strict scientific control would be required and it would be several years before the experiment itself could be carried out. Another question about which public opinion was concerned was the possible depletion of the ozone in the stratosphere. WMO had been studying the matter for many years and had given its views in a statement annexed to the analytical summary of its annual report. The Executive Committee of the Organization had approved the execution of a global ozone research and monitoring project; WMO was collaborating closely in that area with UNEP and certain non-governmental scientific bodies. Lastly, a question that aroused considerable public interest was that of climatic changes brought about by natural phenomena or human activities. After careful study of that extremely complex subject, WMO had issued a statement showing the present state of knowledge on the subject and had approved a global programme for systematic review. In that area, too, it was working in close co-operation with UNEP.

5. In the matter of meteorological applications and the environment, the Seventh World Meteorological Congress, in 1975, had decided that WMO should respond positively to the requests for assistance contained explicitly or implicitly in the decisions of the World Food Conference in 1974; WMO had therefore extended its activities with a view to stimulating food production in various countries and was strengthening the collaboration it had maintained for many years with FAO and UNESCO in the field of agrometeorology.

6. Mention should also be made of the activities undertaken under WMO auspices to assist the drought-stricken Sahelian countries. Thanks to the constructive attitude of those countries, the generosity of certain donor countries and the assistance from UNDP and the United Nations Special Sahelian Office, the relevant projects had now been approved and good progress was being made. Those projects would lead to improved agrometeorological and hydrological services in the seven countries affected and to the establishment of a permanent regional centre for training.

7. Hydrology and the development of water resources would now form one of the main scientific and technical programmes of the Organization. Activities in that field

were therefore being strengthened and WMO was co-operating actively in preparations for the Water Conference to be held in Argentina in 1977. About one half of WMO's technical co-operation activities were concerned with hydrology. WMO was also active in questions relating to the seas and oceans and new sources of energy.

8. The importance of WMO's Technical Co-operation Programme could not be overestimated; developing countries should, on the one hand, reap the fullest benefit from modern technology and expertise in meteorology and hydrology and, on the other, play their full part in the various global programmes of the Organization; their participation was indispensable since the very nature of meteorology required that the programmes should be truly global. The two main components of WMO's Technical Co-operation Programme were UNDP and the Organization's voluntary assistance programme: during the past year, however, increased use had been made of funds-in-trust. The agreement signed recently with Algeria was an example of that type of arrangement which met the objectives of the Programme of Action on the Establishment of a New International Economic Order. In 1975, 95 countries had received aid totalling more than \$11.3 million. That situation could be regarded as encouraging but for the financial difficulties being experienced by UNDP. Those difficulties were having particularly unfortunate consequences in a field which WMO regarded as highly important, namely that of education and training. WMO nevertheless intended to develop its activities in that field, which already represented a large proportion of its Technical Co-operation Programme.

9. Although he had made no specific reference to the New International Economic Order and co-ordination, everything he had said was directly related to those two subjects. All WMO activities were directed to applying its knowledge of atmospheric processes and of operational hydrology to further the economic and social progress of all countries. With regard to co-ordination, in addition to its participation in UNDP and the relationships with UNEP, FAO and UNESCO to which he had already referred, WMO collaborated closely with ICAO, ITU, WHO, IAEA, IMCO, and the United Nations regional commissions. It would, indeed, be impossible for WMO to function effectively without a high degree of co-ordination with many other bodies in the United Nations system.

10. In conclusion, he said that WMO had always responded to the wishes and suggestions of the United Nations and it would be no less responsive to any new demands that might be made in the plans for the New International Economic Order.

11. Mr. RICHARD (United Kingdom) said that he was speaking on behalf of EEC in place of the Netherlands, which had now assumed the presidency of the Community Commission but was not a member of the Council.

12. Relations between developed and developing countries had become the dominant political question in international relations. He outlined what had occurred since, at its sixth special session, the General Assembly had proclaimed the agenda of much of the business facing the

international community over a decade. In the seventh special session, the General Assembly had unanimously adopted important conclusions. UNCTAD had continued the dialogue, although further negotiations were necessary to transform its conclusions into reality. There were still major differences on some basic issues, whilst they had been significantly reduced elsewhere. Agreement had been reached on major international monetary reforms, steps had been taken to help the most vulnerable economies through a period of harsh adjustment, and the most thorough examination ever undertaken of the problems of international trade in commodities was now in progress. Co-operation in the social field on population questions, on the role of women, on human settlements and on employment questions had been strengthened. Further conferences would seek new agreements on water resources, on the problem of encroaching deserts and on science and technology.

13. There had been progress: it was too soon to make judgements of success or failure. The process had to be examined as a whole.

14. All Member States were aware that action taken at the country, regional and international levels was equally important. Indicative country planning under UNDP had proved valuable; regional co-operation, particularly among developing countries, was of growing importance and EEC welcomed the proposal for a conference to be held on the subject. The Community had established special relations with a large number of developing countries, particularly African countries, notably through the second Yaoundé convention² and the ACP-EEC Convention of Lomé.³ The Community was aware that 28 of the countries most seriously affected by the world crisis were African countries and that the Sahelian countries had suffered particular hardship. It was right that the Council should have the question of assistance to Zambia and Mozambique as separate items on its agenda.

15. All those questions were within the Council's responsibilities. In the Community's view, the Council's first and foremost responsibility was to co-ordinate United Nations activities in the economic and social sectors and to initiate new policies in those sectors. At its present session it would have to consider how best to fulfil those tasks, possibly basing itself on the text prepared for the purpose by the Chairman of the *Ad hoc* Committee on the Restructuring of the Economic and Social Sectors of the United Nations System established by the General Assembly at its seventh special session. The Council should, above all, endeavour to take its place in a world in which there was interdependence not only in relations among countries but also among issues, with all the consequences that that implied, and of which the Community had had experience. The Council should therefore take care not to

duplicate the work of expert bodies engaged in discussions and negotiations and should place the work in a clear and dynamic perspective. Above all, the Council should make constant efforts to look ahead. The CDP had recommended at its twelfth session that the Council and the General Assembly should, in their respective areas of competence, initiate the preparatory technical work for the formulation of an international strategy for the third Development Decade (see E/5793, para. 19). EEC endorsed that recommendation.

16. The restructuring of the economic and social sectors of the United Nations system was, of course, no substitute for discussion and action on basic questions, but it could render such discussion and action more fruitful. The Community would continue to play an active part in that important task in the *Ad hoc* Committee on the Restructuring of the Economic and Social Sectors of the United Nations System, in the Council and in the General Assembly.

17. Mr. VINCI (Italy) said that the President of the Ivory Coast had been right in declaring that economic development was not a goal but the means of implementing a policy whose final objective was the development of the human personality in its natural context, and that it was one of the most important tasks of the Council to remind States constantly of that point. The Council could not have received better advice. Its discussions would have all the more impact in that they were taking place in that part of the world whose problems were at present riveting the attention of the entire world: Africa was struggling against the last vestiges of colonialism in Southern Rhodesia and Namibia and against racial discrimination in South Africa. The Italian Government and people fully endorsed the objectives of the liberation movements in Southern Rhodesia and Namibia, and supported the African countries which had applied economic and political sanctions against Southern Rhodesia. Italy no longer had any economic relations with that country and it had taken steps, either alone or with its partners in EEC, to put an end to South Africa's presence in Namibia and to the policy of *apartheid* in South Africa. In addition, it hoped that the People's Republic of Angola would be admitted to the United Nations without delay. In conformity with its established policy, Italy was co-operating in the various development programmes for African countries, and thousands of Italians were taking part in their execution.

18. Referring to the facts of the world economic situation in 1975 and 1976, he noted that the interdependence of the economies of the developing countries and those of the developed countries, especially the market-economy countries, on the one hand, and the slowness of economic recovery in the latter, on the other hand, limited the prospects for growth of the third world, and especially of the African countries. It was paradoxical that the fear of inflation prevented the use of available manpower and production capacity, while assistance needs constantly mounted. In order to cover the growing deficit of oil-importing developing countries, solutions should be looked for in the development assistance that could be provided by the industrial countries of the east and the west and by the oil-producing countries, in loans contracted on the Euro-

² Convention of Association between the European Economic Community and the African and Malagasy States associated with that Community, signed at Yaoundé on 29 June 1969.

³ Convention between the European Economic Community and 46 African, Caribbean and Pacific States, signed at Lomé on 28 February 1975.

currency market, in direct private investment, and in the machinery of the international financial institutions.

19. The situation of some of the major western donor countries, however, would not allow them to increase their assistance very much in 1976, and the keen competition among borrowers on the Euro-currency market was causing a rise in interest rates, which were too high for a number of developing countries. On the other hand, direct private investment and the role of the international financial institutions offered better prospects: the CDP considered that in 1976 those institutions could contribute some \$6,000 million and IMF between \$3,000 and \$4,000 million. Nevertheless, the deficit of the non-oil-producing developing countries would still be some \$8,000 to \$15,000 million. There lay the real problem which the international community must face in 1976.

20. The market-economy countries were obviously prepared to increase their efforts. Italy, in spite of the crisis through which it was passing, was trying to play an ever larger part in the joint action: it had recently announced its intention of contributing the sum of \$25 million to the IFAD and it would set aside \$180 million for IDA; it would also participate in the forthcoming negotiations on the multilateral financing of buffer stocks decided upon by UNCTAD.

21. Some of the steps taken within the general framework of international economic co-operation justified a moderate degree of optimism; that applied in particular to the initiative of the oil-producing countries with regard to the financing of major projects. Those countries could also, in a triangular co-operation with developed and developing countries the value of which could not be overemphasized, direct their efforts towards the building up of food reserves. In addition, financial and technical assistance provided jointly by industrial and oil-producing countries could perhaps help to solve two of Africa's main structural problems: the fragmentation of markets and the inadequacy of the infrastructure, especially in the matter of transport and communications. At their joint meeting at Algiers in November 1975, the trade and development experts of ECA and of OAU had spoken about the possibility of establishing an African common market, which would undoubtedly greatly increase the development possibilities of the African countries. Europe was an illustration of the multiplying effect of integration. Italy, for its part, would be prepared, to the greatest extent its means permitted, to take part in the execution of such a project, for no possibility of international economic co-operation for development should be neglected.

22. With respect, more specifically, to the work of the present session of the Economic and Social Council, he considered that the international community should set itself three main objectives. Firstly, the negotiations planned for 1976 should concentrate first, on improving the compensatory financing machinery with a view to stabilizing commodity markets and the export income of developing countries, by devising new multilateral formulae or schemes comparable with the Stabex system adopted in the ACP-EEC Convention of Lomé; secondly, on working towards a liberalization of trade through the multilateral

negotiations carried out under the auspices of GATT; thirdly, on implementing the resolutions of the World Food Conference, in particular through the financing of IFAD; fourthly, on encouraging all countries to give their support to existing machinery for the transfer of resources, especially the Trust Fund of IMF and of IDA; fifthly, on endeavouring systematically to create new programmes of assistance for the deprived majorities in the developing countries.

23. Secondly, delegations should try to refrain from constantly reverting to controversial political issues which had no direct bearing on the subjects under discussion, such political altercations having thwarted a number of economic agreements which would have been extremely useful to the international community and the developing countries. Further, certain topics which were not yet ripe for a general agreement, such as the questions of direct indexation and producers' associations, should be left aside; there again, it was important that in the present year a constant re-opening of such issues should not be allowed to hamper negotiations that could and should be fruitful.

24. Thirdly, the various negotiations should be more closely co-ordinated: those which UNCTAD had just decided to hold on the establishment of machinery for the joint financing of buffer stocks, the multilateral negotiations to be held under the auspices of GATT, the Conference on International Economic Co-operation in Paris and the work of the Council itself at Abidjan. That was a matter in which the Council had an opportunity to show that it was indeed, in accordance with the terms of the United Nations Charter, the principal instrument of international co-operation. He proposed that during the second part of its sixty-first session, at Geneva, the Council should begin planning the third United Nations Development Decade along the lines set forth in the Declaration and the Programme of Action on the Establishment of a New International Economic Order adopted by the General Assembly at its sixth special session and in its decisions at the seventh special session. It was the responsibility of the General Assembly and the Council to draw up a plan setting forth interdependent goals, a distinct order of priority and a clear-cut distribution of tasks, to which the entire international community could refer in its development efforts. That was a difficult task but the Council could accomplish it if there was a general desire to have done with rhetorical polemics which merely accentuated differences and subjected negotiations to the growing influence of exaggerated nationalism. From that point of view the meeting at Abidjan might mark a turning-point in history, if it could show a firm determination to find solutions acceptable to all.

25. Baron von WECHMAR (Federal Republic of Germany) welcomed the fact that the present session of the Economic and Social Council was being held in Africa, for that would focus attention on Africa's problems. The Federal Republic of Germany sympathized with Africa's desire for independence and freedom and was opposed to efforts by any State to establish a new sphere of influence in that continent. It supported the demands of the young African States for respect for their human dignity and for social, legal and political equality for all, including the

inhabitants of southern Africa. It would like to see the elimination of the last remnants of colonialism; his Government had taken advantage of the meeting between Mr. Kissinger and Mr. Vorster on German soil to reiterate its views on those matters.

26. At its fifty-ninth session, the Council had prepared some important decisions, which had been unanimously adopted by the General Assembly at its seventh special session. Co-operation between industrial and developing countries had entered a new and constructive phase, as could be seen from a series of measures subsequently adopted at the international level.

27. In the financial sphere, mention should be made of the decisions taken at Kingston to improve the various IMF facilities and to set up a trust fund. The facilities offered should help to balance the losses in export earnings suffered by the developing countries, which had already made considerable use of them. If they proved to be inadequate, his Government was willing to consider, with others, ways and means of increasing the funds available for that purpose.

28. International arrangements which had meanwhile been concluded or renewed, in particular with respect to tin, cocoa and coffee, would also have a stabilizing effect. With regard to the transfer of resources, encouraging progress had been made in the negotiations on the fifth replenishment of IDA. Moreover, the World Bank had participated in talks on the possibilities for improving the access of developing countries to capital markets.

29. In June, in Rome, the agreement on the establishment of an international fund for agricultural development had been adopted in principle (see E/5841). His Government was prepared, subject to parliamentary approval, to contribute the sum of \$52 million to that fund, in order to encourage food production in the developing countries themselves. It was to be hoped that the minimum target of \$1,000 million for the fund would soon be achieved through additional contributions from oil-producing and industrial countries.

30. Inspired by the favourable atmosphere which had prevailed at the seventh special session of the General Assembly, the Conference on International Economic Co-operation had begun its work in Paris. The preliminary discussions had already done much to create a better understanding of the questions at issue and of the views of participants.

31. Mention should also be made of the GATT multilateral trade negotiations, in which 91 countries were discussing proposals affecting 85 per cent of world trade. A particularly important offer had been made to the developing countries with respect to trade in tropical products. For EEC alone the trade in those products amounted to approximately 1,900 million units of account. His Government would do its best to ensure that those negotiations would result in genuine non-reciprocal advantages for the developing countries and it welcomed the resolution adopted by UNCTAD at its fourth session, which had given fresh impetus to the multilateral trade negotiations.

32. The UNCTAD session held at Nairobi represented a significant phase in the world economic dialogue. Resolution 93 (IV), adopted by UNCTAD on commodities constituted a practical compromise which, while not entirely satisfactory, had not obliged any country to abandon positions of principle. With regard to the programme of work drawn up by UNCTAD, it would be necessary to undertake a thorough and detailed examination of the 18 commodities concerned in order to find out if it would be appropriate and feasible to set up buffer stocks. It would also be necessary to consider the modalities and objectives of a common financing fund. The Federal Republic of Germany would play an active part in all that work in order to help to achieve the desired results.

33. The documentation submitted by the secretariat on the world economic situation showed that, while some progress had been made, a large number of problems remained unsolved. In 1975, two thirds of the developing countries had almost attained the growth target of 6 per cent, but the remainder had fallen far short of it. In his Government's view, the first thing that must be done was to remove the consequences still being felt of the serious recession of recent years. In the past few months there had been world-wide signs of economic recovery, which would stimulate the demand for goods exported by the developing countries. What was needed now was to maintain that trend through a growth policy that would guarantee stability; thus, measures to halt inflation remained the primary objective of the economic policy of all countries and, first and foremost, of the industrial countries.

34. His Government had endeavoured, in spite of the difficulties due to the recession, to give priority to such policies, without interfering with free trade and free capital movements. It had tried to open up its markets to the exports of the developing countries. In 1975, for example, non-European developing countries had sold goods to the Federal Republic of Germany worth over \$30,000 million, thus maintaining their balance-of-trade surplus with that country. The share of African countries in that surplus amounted to more than 3,000 million German marks. He did not think that such results could have been achieved within a system of market regulations. Any artificial system of commodity price fixing entailed the dangers of a decline in consumer demand, over-production which would be hard to control, and a switch to substitute goods. Furthermore, those who would profit most from such a policy would be industrial countries which were themselves major exporters of raw materials, whereas the burden, including the higher cost of industrial goods, would have to be borne mainly by the net importers of commodities, whether developed or developing countries. In any event, the industrial countries that lacked raw materials, like the Federal Republic of Germany, would no longer be able to help the developing countries to the same degree.

35. It would be preferable to consider measures designed to enable the weaker partners to compete successfully on world markets. Such measures should safeguard the export earnings of developing countries and help them to diversify their economies so that they were less vulnerable and to develop processing industries. In that connexion, mention should be made of the assistance measures provided for in

the ACP-EEC Convention of Lomé, and the resolutions adopted by UNCTAD at its fourth session on the transfer of technology, the revision of international patent law, the extension of the GSP, and access to markets for the manufactured and semi-manufactured products of developing countries.

36. With regard to the debt problem, his Government considered that it should be discussed further at the Paris Conference on International Economic Co-operation on the basis of the relevant resolution adopted by UNCTAD at Nairobi.

37. Among other measures which it would be desirable to promote were those which the developing countries were planning to take to intensify co-operation among themselves. In support of those efforts, the Government of the Federal Republic of Germany was helping to finance regional development banks, and especially the African Development Bank, and it welcomed the formation of regional economic communities, some of them among African countries.

38. The Federal Republic of Germany would play an active part in the implementation of all those measures, which were designed to give developing countries special advantages within the framework of international economic co-operation.

39. Mr. ADEDEJI (Executive Secretary, Economic Commission for Africa) said that, during the year that had elapsed since the fifty-ninth session, ECA had been engaged in a major operation, the first part of which had been a re-examination of the basic assumptions of socio-economic strategy for the region. It had been conducted in the light of the processes of socio-economic change in general and of the growing doubts about the efficiency of external trade as the engine of growth and the principal means of solving domestic problems.

40. The second part of the operation had been the restructuring of the secretariat to enable it to respond more effectively to the needs and demands of the countries of the region. The range and volume of activities that ECA had to undertake were such that, to be relevant, it must be constantly in the field. It had therefore begun to reorganize the secretariat and its outlying organs and had been strengthening its working relations with other agencies such as FAO, UNIDO, UNESCO, the ILO, IMCO and UPU. In addition, it had been examining forms of continuous collaboration with other regional commissions.

41. Turning to the problems which lay behind the reorganization, he said that in May 1973 the member States of the region had stated that they no longer believed in the existing international economic order. Since then, both within and outside the United Nations, they had gradually evolved two basic objectives of over-all strategy: an increasing measure of self-reliance and the installation in each of the member States of a mechanism of self-sustaining economic growth and diversification that would enable them to cope effectively with unemployment, the rural exodus, perverse urban growth and mass poverty. Whether the self-reliance was to be national, multinational,

regional or multiregional, the responsibility of choosing, with the assistance of ECA, the United Nations and other agencies, an appropriate mechanism for growth and diversification lay squarely with Governments and national communities. On the one hand, the components internally available had to be identified and, on the other, the components externally available had to be secured. From the point of view of the developing countries, external trade, private investment and foreign aid related to the second area of action.

42. The use of foreign trade to import external components of growth and diversification required project design, analysis and evaluation. That entailed skills that were still very scarce in the region. The necessary components apart from individual human skills and entrepreneurial talents, were technology, natural resources, capital goods and services. To them must be added what might be called factorial conditions, namely, efficient mechanisms for policy-making and implementation, research institutes, investment promotion agencies and expanding markets.

43. With regard to skills, it was necessary to plan for the training of Africans in the disciplines that were essential for the conversion of raw materials, and to undertake research into the means of speeding up the process of skill transmission and acquisition and the development of entrepreneurial resources, managerial cadres, business consultancy services and business support institutions, etc. It was of particular importance to look into the role of the technical entrepreneur and deliberately promote the emergence of that category of persons.

44. The region was well endowed with a wide variety of natural resources and its principal problem was to develop national and multinational capabilities for exploring, identifying, evaluating and extracting them. Africa had to make a great effort in that respect if it wanted its share of world industrial production to reach 2 per cent by the year 2000, in accordance with the target set in 1975 by the Second General Conference of UNIDO.

45. Moreover, Africa needed a technological revolution. The ECA secretariat was closely studying the experiences of the western countries, Japan, the socialist countries of Europe, China and Latin America in order to engineer that revolution. ECA therefore welcomed the resolution taken at the fourth session of UNCTAD on strengthening the technological capabilities of developing countries and the recommendations made with regard to the United Nations Conference on Science and Technology for Development.

46. With regard to capital goods, he emphasized the futility of the exhortations addressed to Africa to mobilize domestic savings when capabilities for converting those savings into capital goods and services were so limited in volume and range. The fact was that savings had flowed into the forms of capital formation in which Africa had the capability, such as public works and housing. ECA found it difficult to see how Africa could contemplate manufacturing for export when it was unable to manufacture the implements and tools needed by its farmers or spare parts for the machines and equipment now in use there. It was

doubtful whether there was any serious possibility of establishing a foundry industry in most of the countries of the region, let alone engineering industries although they were rich in possibilities.

47. Africa needed a revolution in marketing and distribution. The programmes drawn up by ECA in transport, communications and trade would assist in transforming national markets thanks to the economic relations between African countries and to greater co-operation with other developing regions and with the socialist countries. That should remove or at least moderate the commodity problems and geographical constraints which had so far hampered the region's external trade and should put it in a better bargaining position vis-à-vis its traditional trading partners.

48. The revised Framework of Principles for the Implementation of the New International Economic Order in Africa⁴ set out a new strategic approach to the economic problems of the region. The ideas it embodied were to be found in the ECA revised work programme for 1976-1977 and the medium-term plan for 1978-1981. The revised Framework of Principles took fully into account the resolutions of the General Assembly and other proposals, declarations and plans of action concerning the new international economic order. He would like to say, however, that while ECA considered that a target for Africa of 2 per cent of world industrial production by the year 2000 was useful, it was more concerned with the role of industry in the structural transformation of the economies of the region and with the mechanics of getting a genuine industrial sector established.

49. None of those projects could be put into effect from one day to the next. In ECA's experience, it took from six to eight years from the formulation of an idea to its implementation. From now to the year 2000 there were three eight-year periods. As take-off had to be rapid and interlinked in several areas, the reasons for restructuring ECA and improving its capabilities must by now be obvious to the Council. It was for those reasons that the Executive Committee of the Conference of Ministers had called on the competent bodies of the United Nations, particularly the Economic and Social Council and the Fifth Committee of the General Assembly, to provide ECA with the additional resources it needed to implement its medium-term plans for the period 1976-1977 and the period 1978-1981.

50. In conclusion, he said that unless immediate steps were taken both nationally and internationally to give greater momentum to the development process in Africa, the region would derive only minimal benefits from the new economic order. Economically, the external dependence of Africa had been increasing during the past decade. While it was true that the African countries should fashion their destiny out of the resources at their disposal, the region required massive international support, both material and moral, and in that respect the Economic and Social Council could take the lead.

Mr. Aké (Ivory Coast) took the Chair.

51. Mr. LUYIMBAZI (International Confederation of Free Trade Unions), speaking at the invitation of the President, said that ICFTU represented 55 million workers in 88 countries and its main concern was the achievement of full employment in conditions of economic and social justice. At its World Congress at Mexico City in 1975, ICFTU had unanimously adopted economic and social policies to put an end to the problems facing working people in every country — unemployment and the reduction of working time and income, etc. — which could not be dealt with by the existing international system.

52. ICFTU was convinced that fundamental changes had to be made in the world economy to deal with the underlying causes of the problems rather than the symptoms. It supported the establishment of a new international economic order to replace the present *laissez-faire* system, which had led to the uneven distribution of the world's wealth, the creation of all-powerful transnational corporations and a highly unified world economy in which 70 per cent of the population accounted for only 30 per cent of the world's income and 800 million people in the third world lived in conditions of complete deprivation.

53. The first purpose of economic growth should be to satisfy the basic needs of health, hygiene, housing, food and education. In the developing countries, the expansion of employment should go hand in hand with the expansion of internal markets and of the purchasing power of the masses. In the developed countries, Governments should ensure that structural adjustments did not lead to unemployment and hardships for the groups directly concerned and should combat inflation and all its causes, bringing the trade unions much more fully into economic policy-making.

54. The power of the transnational corporations, which employed only 0.3 per cent of the active population in the developing countries and whose investments had sometimes led to a reduction in the work force on the pretext of rationalization, should be controlled. ICFTU held that Governments should promote the adoption of co-ordinated national legislation and international conventions laying down standards and regulations for the activities of the transnational corporations.

55. The developing countries needed to have improved access to the markets of the developed countries for their manufactures, but the emphasis should be laid on the creation of employment and the expansion of industrial activity in both developed and developing countries rather than on the international division of labour.

56. In order to co-ordinate the action taken by individual Governments to liberalize their trade and adjust their industrial structures, ICFTU recommended the establishment of an international reconversion fund to which contributions could be made in proportion to each country's national income and *per capita* income and in inverse proportion to the share of manufactures from developing countries in its market. The fund could cover, say, 50 per cent of the cost of schemes to rationalize vulnerable industries, to create new employment and to retrain workers, etc.

⁴ E/CN.14/ECO/90/Rev.3.

57. Trade liberalization would be resisted by workers if they felt that the cost advantage of other countries was due to exploitation of the workers and that it was chiefly the transnational companies that benefited. ICFTU therefore proposed that a social clause should be added to GATT obliging Governments in the industrialized countries to adopt anticipatory measures of adjustment to protect their workers, and Governments in the developing countries to ensure that companies operating in their countries observed the labour standards laid down by the ILO.

58. Solidarity between industrialized and developing countries should take a practical form and the trade unions were willing to support new initiatives in that field. Consideration might be given, for instance, to the introduction of a development tax. Moreover, assistance should preferably be multilateral, untied and in the form of grants, and a large proportion should be devoted to the mobilization of human resources and the development of social institutions. Financial and technical assistance should be designed to offer the developing countries an alternative to private foreign investment.

59. Generally speaking, development should be primarily oriented towards people's needs. In the first place, that

meant the creation of productive employment for the 300 million workers in the developing world who were either unemployed or under-employed, and policies that met the basic needs of the workers. Governments should recognize that trade unions and rural workers' organizations were prerequisites for the pursuit of successful development strategies and they should seek to involve those associations in the economic and professional decision-making process.

60. The trade unions represented a powerful force for economic and social progress and their rights should be guaranteed. Governments should also encourage the setting up of rural workers' organizations through the ratification and implementation of the Convention adopted by the International Labour Conference in 1975. Contrary to common belief, trade-union rights were not a luxury, relevant only in affluent societies, but were part and parcel of any economic and social development worthy of the name. It was only through freedom of association and respect for trade-union rights that economic forces could be brought under democratic control and that growth could be planned and geared towards the attainment of deliberately defined objectives of economic and social equality.

The meeting rose at 12.40 p.m.

2009th meeting

Thursday, 1 July 1976, at 3.30 p.m.

President: Mr. S. AKÉ (Ivory Coast)

E/SR.2009

AGENDA ITEM 3

General discussion of economic and social policy, including regional and sectoral developments (*continued*) (E/5790 and Add.1, E/5806, E/5808, E/5823, E/5825/Rev.1, E/5827, E/5834)

1. Mr. CHEYSSON (Observer for the European Economic Community), speaking at the invitation of the President, said that the Economic and Social Council, in which countries of all shades of political opinion and at all stages of economic development were represented, was one of the few bodies really in a position to examine the fundamental problems of economic and social development. It was significant that the Council should be meeting in Africa, where questions of poverty, dependence on outside supplies and resources and the balance of payments were particularly acute, and where national identity was often forgotten and independence was still threatened by outside forces, at a time when an increasing number of important international meetings was being held, such as the fourth session of UNCTAD, the Tripartite World Conference on Employment, Income Distribution and Social Progress and the International Division of Labour, the World Food Conference and the Paris Conference on International Economic Co-operation, and in a period of persistent unemployment, uncontrolled and uncontrollable inflation, and complete monetary and economic confusion.

2. Europe depended heavily on the African continent, with which it was linked geographically and historically, and had developed a policy towards Africa which, although limited and incomplete, represented an entirely new departure. How did EEC fit into the picture? EEC was, above all, an effort to do away with hatred, enmity, conflict and war. Europe had been a shameful example of war between neighbours; but the members of the Community, despite their many dissimilarities, were trying to work together within the framework of their history and traditions.

3. That was the background against which Europe should and could approach the third world, and the Community was fully aware of its responsibilities at the international level. It recognized that, since the sixth special session of the General Assembly, everything had changed and that concerted action had become essential, for development was a global economic and social task, not a piecemeal exercise. Apart from its participation in world meetings, the Community had direct responsibilities. In view of the intolerable problem of hunger and the fact that part of the third world depended on imported food, it would shortly be raising its present commitment of \$350 million for third world aid to \$500 million. The Community had been the first to adopt UNCTAD's recommendations concerning a GSP. In 1971, its six members had granted manufactured and industrial goods valued at \$1.2 billion duty-free access to their markets. That figure had been raised progressively