

## 2011th meeting

Friday, 2 July 1976, at 3.25 p.m.

President: Mr. S. AKÉ (Ivory Coast)

E/SR.2011

*In the absence of the President, Mr. R. Rivas (Colombia), 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. LIANOPOULOS (Greece) said the Council's current meetings on the African continent served to highlight the importance of Africa in the modern world.
2. It was clear from the current international situation that, despite the progress made towards improved understanding among peoples, much remained to be done. It was distressing to note, for example, that the rate at which expenditure on world armaments was expanding was greater than that of the world economy as a whole, and that valuable resources which could be channelled into other areas were thereby being squandered. His Government was concerned at that situation and was doing everything in its power to expand international contacts and increase the effectiveness of international organizations. It believed that international relations should be governed by the principle of mutual respect and that disputes should be resolved by non-violent means, and felt that substantial progress had been made towards that goal both at the fourth session of UNCTAD, which had just been held at Nairobi, as well as at the Tripartite World Conference on Employment, Income Distribution and Social Progress and the International Division of Labour.
3. Greece wished to see the developing countries advance on the road to total development, in other words, in the economic, political, scientific and cultural fields. The Greek people had always shared the aspirations of the most disadvantaged countries and would continue to support them to the best of its ability politically, economically, and socially.
4. Mr. TOLBA (Executive Director, United Nations Environment Programme) said that Africa, with its largely natural environment, was a continent in which the mutually supportive nature of the aims of the protection and enhancement of the environment and of successful development would be demonstrated increasingly in the decades to come, being already reflected in the approaches adopted to the problems of the Sahel, the eradication of river blindness, the growth of tourism and the conservation of natural reserves.
5. In UNEP's view, the relationship between environment and development was one of the essential topics before the

world community. However, it realized that behind the external expression of problems inherent in that relationship lay more deeply rooted social and political forces, whose true dimensions were still exceedingly difficult to assess. The significance of man's impact on nature and society had been tremendously augmented by recent breakthroughs in the nuclear, chemical and biological sciences. It was not nature itself but man's manipulation of nature that was at the root of many of the world's most urgent problems. To muster the social consensus needed to redefine and refocus those manipulations had become a fundamental necessity of the times.

6. Industrial and agricultural development had brought about many environmental problems and the consequent impairment of human health and well-being largely as a result of man's mismanagement of natural ecosystems. The danger was not localized and, in itself or through its interaction with other factors, became a matter of regional or global concern. A much-quoted example was the possible impact on global climate of the continued combustion of fossil fuels to meet energy demands. Such cases constituted dangers to the "outer limits" which man must respect in the interest of his long-term well-being, and even his survival.

7. However, environmental problems were brought about also by lack of adequate development. There were hundreds of millions of people at the present time without the basic necessities of life and hundreds of millions more lacked access to even a rudimentary education or regular employment. That was not only intolerable in human terms but also had serious environmental consequences. The relentless pressures that arose where basic human needs were not met could erase the resource base from which man must inevitably derive his sustenance. The destruction of forests, the loss of arable soil, the loss of productivity through disease and malnutrition, and the increasing pressure on fragile ecosystems which so often resulted from poverty were as significant as pollution caused by industry, technology and over-consumption by the affluent; both led to the rapid depletion of basic natural resources.

8. In the light of those considerations, there were three conclusions to be drawn in connexion with the question of why development was needed. First, for the developing countries, in which more than two thirds of the world's population lived, there was no alternative to economic and social development; secondly, the nature and extent of destruction of the natural environment depended to a large degree on the manner in which development took place; thirdly, far from being in conflict, environmental and development objectives were complementary. A few years previously, it had been commonplace to state the environmental problem solely in terms of pollution and to measure

economic and social development solely in terms of the increase in the GNP. Given those premises, the pursuit of environmental objectives through pollution control would be a check on development. But, in fact, there had been significant advances in recent years in the world's understanding of the meaning of environmental and development objectives, and a growing acceptance that they converged. Environment might now be looked upon as the stock, seen in dynamic terms, of physical or social resources available at a given time for the satisfaction of human needs, and development as a process pursued by all societies with the aim of increasing human well-being. Thus, the ultimate purpose of both environmental and development policies was the enhancement of the quality of life. In recognition of that fact, there had emerged the terms "the new development" and "alternative styles of development", which suggested a more rounded way of looking at the purposes of development, in which environmental considerations played a central role.

9. UNEP believed that new kinds of development were needed because it was essential to relate development to the limitations of and opportunities created by the natural resource base. It was now clear that past patterns of development in both developed and developing countries had been accompanied by such serious environmental damage that they were simply not sustainable; nor had those patterns met the expectations of peoples in the developing world.

10. However, there should be important differences between the forms to be taken by the new kinds of development in rich and poor countries. In the industrialized countries, aims must be so reoriented that the entire population had more opportunity for self-expression in the fields of culture, education and the arts. That new orientation must be less demanding of natural resources, energy and the environment. Present patterns of production and consumption based on waste, extravagance and planned obsolescence must be replaced by patterns based on the conservation and re-use of resources.

11. In the developing world, which still lacked the infrastructure and readily usable resources required to meet the growing needs and aspirations of its peoples, the new kinds of development must continue to have a strong physical orientation. However, each country should be helped to follow a path to development best suited to its own human skills and natural resources, one which responded to its own needs and accorded with its own culture and value systems. Developing countries should have access to the technologies that they required to support that kind of development under conditions which would enable them to adapt such technologies to their own requirements. Most importantly, the new forms of development in the developing world should be based on the environmentally sound use of its natural resources.

12. The rich industrialized countries had an enormous investment in or commitment to a technological *status quo*, one which in its profligate use of resources and support of over-consumption patterns might not even be the most efficient model in present circumstances. Radical and rapid changes of direction for such economies were the more

difficult, and it was not easy for the overdeveloped to take quick advantage of new forms of technological innovation which conserved resources.

13. The world had not come to the end of the age of discovery of the biosphere, and in seeking to learn from natural processes, it might be possible to further human welfare. Food did not grow exclusively because of man's efforts, which succeeded mainly because of the natural properties of the soil, the micro-organisms it contained and the energy of the sun. More pests were controlled by their natural predators than by chemical means. Those examples could be multiplied, and they all pointed to the vast scope of the services offered by the natural environment. It was entirely unrealistic to believe that the future was best assured by a development process which did not recognize interdependence with the tropical forest, with the maintenance of the ozone layer, and with the common services provided by the environment and the natural resources available to mankind. It was a singularly ineffective development that exploited the present without regard to future consequences. In linkages with the biosphere, in a better understanding of the complex biological, biochemical, ecological, socio-economic and technological factors affecting the processes of development lay the clues to furthering mankind's welfare through new kinds of development. In that context, he welcomed the consideration to be given by the Economic and Social Council at the current session to pilot projects relating to the practical application of a unified approach to development analysis and planning, and to integrated rural development projects; UNEP stood ready to support those ventures.

14. It was to be hoped that the United Nations Conference on Desertification to be held in 1977, in the preparation of which UNEP had a special role, would further illustrate how an integrated approach to the problems of such fragile ecosystems might yield substantial benefits.

15. Harmonized objectives had to be elaborated to cover the entire set of interactions between environment, development, population and resources. That must be an immediate priority of the Council and, thereafter of the General Assembly, when States reviewed the goals of the Second United Nations Development Decade and the implementation of the Programme of Action on the Establishment of a New International Economic Order.

16. Each nation must accept the responsibility to plan and manage its own development so as to achieve a sustainable balance between its resources, its population and its capacity to meet the needs and aspirations of its people. All nations must join in creating a more equitable and viable world system based on a set of common principles that were realistic and achievable.

17. In conclusion, he emphasized that UNEP's activities were guided by the following principles: that the starting point for the world community must be the satisfaction of basic human needs; that the immediate purpose of development should be to satisfy those needs; that the process of development itself could and should improve the environment; that the impact of the development processes must

be monitored and identified when it threatened the life-supporting systems of the biosphere and thus endangered human well-being; and that, in order to meet that objective of sustainable development without destruction to the natural resource base, it was necessary to promote alternative patterns of development and life-styles in both rich and poor countries.

18. Mr. HOEHNE (German Democratic Republic) said that the holding of the first part of the current session on the African continent was an expression of the growing part played by African peoples and States in international relations and of their contribution towards the anti-imperialist struggle.

19. His Government strongly condemned the atrocious crimes committed by the *apartheid* régime of the Republic of South Africa which, through the massacres at Soweto, had once again demonstrated its inhuman nature and was trampling on the most elementary human rights of the African people. It wholeheartedly supported the Security Council resolution S/RES/392 (1976) of 19 June 1976 and reaffirmed its solidarity with all peoples fighting for the elimination of all forms of colonialism, racism and *apartheid*. Indeed, those who continued to co-operate with the *apartheid* régime of Pretoria were contributing to its maintenance, and steps should be taken to ensure its complete isolation.

20. His delegation expressed his Government's sympathy and solidarity with the People's Republic of Mozambique and the people of Zimbabwe in their legitimate struggle against the Smith régime. His Government also expressed sympathy and solidarity with the people of Angola who had won their freedom at great cost and were entitled to membership in the United Nations.

21. Remarkable changes had occurred in international relations since the fifty-ninth session of the Economic and Social Council; the idea of peaceful co-existence between States with different social systems had gained ground, the Helsinki Conference on Security and Co-operation in Europe had been successfully concluded, and a major step had been taken towards advancing international co-operation in all fields. The seventh special session of the United Nations General Assembly had adopted far-reaching resolutions aimed at translating the progressive principles of the Charter of Economic Rights and Duties of States and the Declaration on the Establishment of a New International Economic Order of the sixth special session of the General Assembly into practice. It was in that same light that his delegation viewed the results of the fourth session of UNCTAD, even though it realized that much remained to be done. Another important contribution to the development of international economic relations was the progress made in bringing about international relaxation of tension – a process that was inseparably linked with development and that led to tangible economic benefits for all States, including the developing countries.

22. His Government fully supported the programmes for peace and international co-operation adopted by the twenty-fifth Congress of the Communist Party of the Soviet Union, for they encompassed all the objectives to be

attained in the interests of peace, the strengthening of security and the social and economic progress of peoples. The proposals of the USSR to halt the arms race and bring about disarmament had a considerable bearing on the work of the Economic and Social Council, and could not be ignored in the context of international economic co-operation. As could be seen from recent data published by the CDP in its report (E/5793 and Add.1), armaments expenditure in 1975 had greatly exceeded the total amount made available in assistance to the developing countries. Indeed, it was the developing countries which had to bear the brunt of the crisis of the capitalist economic system, as was obvious from their growing trade and balance-of-payment deficits, their increasing indebtedness and the reduced demand for their export products. The fact that the economic situation of a few developing countries had improved as a result of high prices for certain raw materials had not fundamentally changed that state of affairs.

23. With regard to the question of the implementation of the Charter of Economic Rights and Duties of States and the decisions of the sixth special session of the General Assembly, he said that what was most important was to determine the obstacles to such implementation and to work out measures for their removal. For its part, his Government considered that it should be implemented as a whole, but did not underestimate the value of partial steps aimed at controlling the activities of transnational corporations or leading to the exercise of sovereignty over natural resources, including the right to nationalize those resources. Eventually, however, the Charter must be universally applied and all its provisions implemented.

24. The German Democratic Republic, like all its socialist allies, had from the outset developed its relations with the developing countries on the basis of the progressive principles embodied in the Charter of Economic Rights and Duties of States and the decisions of the sixth special session of the General Assembly. All serious international surveys indicated that the community of States in CMEA was the most dynamic economic region in the world which, in 1975, had produced 34 per cent of the world's industrial output. Moreover, as a result of the process of socialist integration, increasingly favourable conditions were being created for the development of his country's trade relations with the developing countries as well as with the capitalist States. The German Democratic Republic intended to extend its economic, scientific and technical relations with the developing countries, thus helping to strengthen their economic independence, assisting them in their industrialization and creating new possibilities for expanding its imports of their raw materials and manufactures.

25. He recalled the provisions of a comprehensive programme for the further development of the economic and trade relations with the developing countries which the socialist States had submitted at the fourth session of UNCTAD. Resolution 95 (IV) adopted on that occasion on trade relations between countries having different economic and social systems constituted a good basis for achieving success in promoting mutually advantageous co-operation on a footing of equality with the developing countries.

26. Referring to the report of the CDP, he said his delegation agreed that the targets of the International

Development Strategy should not be revised, for it was logical to translate into practice all aspects of the fundamental decisions of the United Nations designed to develop equitable economic relations. He was convinced that the measures proposed by the Committee would be supported by the Council, particularly since they were in line with the desires expressed by a majority of Member States for many years.

27. Mr. HJORTH-NIELSEN (Denmark) said that all members were aware of the tremendous problems facing the African countries in their struggle for development; impressive gains had already been made but much remained to be done. Although primary responsibility for their development rested with the Government and people of each individual country, it was evident that the international community had a vital role to play in providing the independent African States with assistance in the solution of their tremendous economic and social problems. Fortunately, such assistance had been forthcoming, although hardly in sufficient volume to meet their needs, from EEC and from a number of multilateral development organizations, of which UNDP was the most important. Since the inception of UNDP, his Government had been one of the main contributors and, over the period 1972-1975, had contributed more than 9 per cent of the total. His Government considered that UNDP performed a very important and constructive function in the development field, and hoped that all countries in a position to do so would increase their contributions to UNDP considerably so that it could regain its central role in the development field.

28. Bilateral development co-operation was also important, and he stressed the close ties that existed between Denmark and a number of African countries; his Government hoped to be able to continue and intensify such co-operation in the future.

29. The North-South dialogue had been expanded during the past year at a number of important international meetings and bore witness to the vigour with which economic problems were being tackled within the framework of the United Nations.

30. His Government recognized that the development process which, in a comparatively short span of years, had transformed Denmark from an exclusively agrarian into a highly industrialized society, had not been brought about by the unfettered interaction of economic forces; it had been a process influenced and controlled by Government policies. Similarly, in international relations, there was a need for appropriate control and guidance of economic forces in order to achieve an economic order which corresponded to common aspirations. Secondly, his Government realized that the current world economic system had not led to the development of a just international society. It recognized the need for changes in order to mitigate inequalities in the distribution of wealth, and wished to make a positive contribution to the process of gradually establishing a just international economic order. Thirdly, his Government was aware that the need to improve the international economic order was urgent, but that the process would have to be achieved in an orderly

manner, in other words, it would have to be brought about gradually. Time was needed by the developed countries to adjust their economic structures, and by the developing countries to establish viable industries. Undue haste might well disrupt the world economy and have adverse effects on the developed and developing countries alike.

31. On the question of raw materials, his Government considered that a comprehensive approach to commodity problems was needed. The aims of an international commodities policy should be to stabilize the export earnings of developing producing countries at a reasonable level, reduce price fluctuations and promote stable supplies to consumer countries. He welcomed the decision reached at the fourth session of UNCTAD on the subject and endorsed the ensuing statement by the Netherlands representative – on behalf of 16 Western countries including Denmark – that those countries would co-operate actively to ensure that the decision produced a genuine, comprehensive and Integrated Programme for Commodities, which would represent a decisive step towards a more equitable international economic order.

32. In the past three years the dialogue between developed and developing countries had been radically transformed in the search for a new international economic order. The process was only beginning, however, and the transfer of resources in the form of development assistance would still be the crux of the international community's development efforts for a long time to come. In that connexion he supported the proposals of the CDP. Instead of following the General Assembly's invitation in its resolution 2626 (XXV), of 24 October 1970, to submit proposals for revising the goals and objectives of the International Development Strategy for the present decade, it strongly recommended that the international community should start concentrating on making the 1980s a more successful development decade, and therefore suggested that the 1977 review and appraisal exercise, instead of being mainly retrospective, should mark the beginning of careful and considered planning for a third United Nations Development Decade (see E/5793, para. 19). He also emphasized the three points made by the Committee in explaining the generally disappointing results of the developing countries' performance and international efforts on behalf of those countries.

33. In the first place, according to present forecasts, the agricultural performance of the third world as a whole would barely be able to keep pace with population growth in the present decade. There could be no improvement in the lot of the majority of developing countries unless the shortfall in food production was made good, and that required greater emphasis on rural development by the developing countries themselves, supported by an increase in external capital assistance. He hoped that the establishment of IFAD, to which his Government had pledged \$5 million, would be able to mobilize the necessary resources, and that all countries able to do so would contribute generously. It should be clear, however, that while everything possible should be done to increase food production, the present rate of population growth would seriously hamper efforts to achieve any basic improvement in a great number of developing countries. High priority should

therefore be given to that problem – for example by strengthening UNFPA.

34. The second point was that the poorest countries were lagging further and further behind the more fortunate ones and that the gap – not only between developed and developing countries but also among developing countries themselves – was widening. That should be one of the main considerations in planning the third Development Decade. The statement in the report that the lower-income countries as a group had attracted a disproportionately small share of the transfer of resources in relation to their populations and needs did not apply to his country's official development assistance, which had been increasingly geared to the needs of the least fortunate countries.

35. Lastly, the CDP had described the international community's performance as the most disappointing of all. He fully agreed that attention must be concentrated on the transfer of resources in favour of developing countries. It was only by continued study and debate that the necessary political will could be created in the developed countries – despite their problems of inflation and unemployment – to meet the 0.7 per cent target of the International Development Strategy for the Second United Nations Development Decade. His Government was determined to achieve that target before the end of the current Development Decade.

36. The volume of economic and social activities that the United Nations system had been called on to handle in recent years had increased to a point where it was open to question whether the best ways of coping with the task had been found. Without anticipating the work of the *Ad Hoc* Committee on the Restructuring of the Economic and Social Sectors of the United Nations System, which seemed to be making good progress, he described what he thought should be the central role for the Council. A clearer definition of the Council's role and a widening and strengthening of its authority in relation to the General Assembly would enhance the ability of the United Nations system to deal with pressing political and economic problems in a co-ordinated and rational way. The present chain of command from the subordinate bodies through the Council to the General Assembly caused duplication, waste and dilution of authority and there should be a clearer division of work between the Council and the General Assembly. The problems would not be insoluble and should not prevent a determined effort to strengthen the Council's role.

37. Mr. SMOLE (Yugoslavia) said that the holding in Africa of sessions of the two most important bodies in the United Nations system dealing with international economic co-operation and development – the Economic and Social Council and UNCTAD – was proof that non-aligned and independent Africa was becoming an increasingly important factor in international relations and an essential element in the solution of world as well as African problems.

38. The 1960s had rightly been called the Decade of Africa because of the large number of African countries which had achieved independence and become full members of the international community. He welcomed the countries that had joined the community of free nations in

the preceding and the present year and hoped that Angola would shortly become a member of the United Nations. The African continent was still, unfortunately, facing sinister forms of colonialism, aggression, foreign domination, racial discrimination and *apartheid* – and recently bloodshed; and it was regrettable that some countries still maintained relations with the régimes responsible for the situation and even gave them political, economic, military and financial support. The international community must do all in its power to put an end to present racist policies and thus speed up Africa's economic development and contribute to world peace and security.

39. The present Council session was part of a continuing effort to find solutions for the most urgent problems of the world economy and to pave the way to accelerated development for the developing countries. According to the *World Economic Survey, 1975* (E/5790 and Add.1), the developed market-economy countries were now overcoming the difficulties caused by the most serious recession since the early 1930s, and some were achieving higher rates of economic growth. It was expected that the socialist countries of Eastern Europe would achieve similar, or even higher, annual growth rates.

40. In contrast, the economic situation of the developing countries was unsatisfactory, and showed little or no prospect of improving before the end of the present decade. It was clear from the report of the CDP and the *World Economic Survey, 1975* that progress in those countries would remain far below expectations. The growth of the GNP had not exceeded 5.5 per cent in the first half of the present decade, which meant that the 6 per cent target under the International Development Strategy would not be attained. Annual growth in agriculture had reached only 2 – 2.5 per cent, which was even below that achieved in the First United Nations Development Decade. Taking population growth into account, *per capita* agricultural growth would be less than 1 per cent. Added to that was the catastrophic decline in export earnings and the debt burden. The fact that 18 of the 29 least developed among the developing countries and 29 of the 45 most seriously affected countries were in Africa showed the need for special attention to that continent by the international community.

41. The position of the developing countries was a matter of concern to the world, as well as to the countries themselves, because of its possible impact on the stable development of the world economy. He was disturbed at the way in which some of the highly industrialized countries formulated their strategies for the economic growth of their economies – especially as regards reducing inflation and unemployment – on a unilateral basis, viewing the developing countries' economies as a by-product of the developed economies. The argument that an upturn in economic activity in the highly industrialized countries would benefit the developing countries had not so far proved valid. Consequently, a stable growth rate was a political and social imperative in the developing countries and should be recognized as an internationally agreed objective compatible with structural transformations stemming from new technology and social and economic changes in the developed countries.

42. It was clear that the trends towards self-sufficiency in some of the developed countries reflected motives that had nothing to do with economics and were directed against a rational division of labour. That was contrary to the strengthening of international co-operation and partnership, had far-reaching economic and political implications and fostered large-scale misallocation of resources. Any move in that direction was an obstacle to the international community's efforts to build new relations between the developed and developing countries in matters of energy, commodities, trade and capital flow. The only way of achieving that aim, in the present world of growing interdependence was within a larger framework of international commitments and co-operation, by liberalizing trade and stimulating the flow of goods, especially manufactures and semi-manufactures, from the developing countries to the markets of the developed countries. Better co-ordination of national policy measures and international trade and capital flow commitments were the only ways of bringing inflation under control and increasing employment through appropriate structural changes.

43. At the fourth session of UNCTAD the international community had made yet another effort to find solutions to the most important problems. Despite the lack of spectacular results and the fact that the developing countries' expectations had not been fulfilled, a step had been taken in the right direction. Two problems deserved special mention: the Integrated Programme for Commodities as a set of international measures for regulating raw material markets and its key element, the common fund, and the problem of the developing countries' debt burden. Although the agreement reached satisfied no one, least of all the developing countries, he felt that the Council should give full political support to the consensus and insist on its strict implementation. The agreement on an integrated programme and on authorizing the Secretary-General of UNCTAD to convene negotiating conferences on the common fund paved the way for the process of stabilizing prices and raw materials through constructive co-operation between raw material producers and consumers.

44. He looked forward to a greater sense of realism on the part of the developed countries in the coming months. It was difficult, therefore, to understand the recent statements of representatives of some of the most developed countries, particularly at the Meeting of the OECD Council at Ministerial Level, which were not in line with the consensus or the climate in the final phase of the fourth session of UNCTAD and which gave rise to doubts regarding the commitments assumed at Nairobi.

45. Commodity problems, especially the large-scale supply of critical raw materials, could not be tackled efficiently without regard to the need for a new partnership and new co-operation between consumers and producers. In the past, commodities and energy had been subordinated to the requirements and policy of the industrial consumers, with disastrous effects on the economies of raw material producers. *The world market machinery*, consisting of a highly sophisticated organization of commodity consumers with concentrations of power, decisive influence and monopolistic practices, could not be accepted on a permanent basis. That state of affairs must be remedied and a

more equitable balance of interests established, bearing in mind the need to introduce a development component in the commodity field. That included the gradual dismantling of the privileges which had been built up in the past and which were sometimes identified with the working of market forces.

46. The development of natural resources, and especially minerals, in the developing countries did not require large flows of long-term capital. A search had been undertaken for new institutions, particularly with a view to improving existing institutional arrangements in that area; further studies would be necessary to obtain a full picture of the merits or disadvantages of any new institution. Investment was an important aspect of the commodity problem and it was vital to approach it from the point of view of providing a more durable framework for a better international understanding and a new co-operation between producers and consumers with a view to establishing a new balance of responsibility on both sides.

47. In view of the circumstances that had brought about the developing countries' debt burden and its political and economic implications, the debt problem should be solved as soon as possible. It was suggested by some that the economic upswing in the developed countries would substantially change the nature of debt problems, which then might not represent a serious obstacle to more accelerated growth for the developing countries. In his view, debt servicing should be looked at from the point of view of its effect on future growth rates and the kind of trade measures needed to facilitate an increase in foreign exchange earnings. Repayment obligations were incompatible with large and unexpected fluctuations in commodity prices and uncertainty over the future trade policy of developed countries. The developed countries' efforts to stabilize their economies and protect them against uncertainties were understandable; but greater attention should be given to international measures to ensure the sustained growth of developing countries. That did not concern his own country.

48. No tangible results had yet emerged from the Paris Conference on International Economic Co-operation which had so far consisted of a dialogue. It was surprising that some countries were behaving as if no problems were urgent and as if the Conference's terms of reference had not been limited to one year. He was aware of the complexity and intricacy of the problems involved, but some gradual steps must be taken towards solutions which would inspire further action.

49. In view of the present level of international activity, especially following the sixth special session of the General Assembly and the adoption of the Declaration and Programme of Action on the Establishment of a New International Economic Order, it was the Council's task to review and assess in depth how far decisions had been implemented. A closely related matter was the revision of the International Development Strategy for the Second United Nations Development Decade, which had been largely overtaken by events and was no longer adequate. Although some work had already been done, his delegation felt that the only way to proceed would be to concentrate

efforts on implementing the goals and objectives set forth in the Strategy. A start should also be made on preparations for a third Development Decade which should differ from the present Strategy in concept and method, and such preparations should be based primarily on the decisions of the sixth and seventh special sessions of the General Assembly and the fourth session of UNCTAD.

50. The United Nations was undertaking a very delicate task in endorsing the programme of work of the Commission on Transnational Corporations. The preparation of a code of conduct was a matter of high priority, but the Commission and the United Nations Information and Research Centre on Transnational Corporations had other tasks as well. His delegation had always believed that studies of the political, legal and economic effects of the operations and practices of transnational corporations were of special importance to the international community, and particularly to non-aligned developing countries. He mentioned in particular the study on the activity of transnational corporations in southern Africa and the extent of their collaboration with the illegal régimes in that area, as well as the problem of corrupt practices, including various forms of bribery. If those problems were really to be solved, the fullest co-operation would be needed on the part of all the parties concerned, and first and foremost that of the Governments of countries where those corporations had their headquarters. The role of the United Nations and the Commission on Transnational Corporations was irreplaceable. The non-aligned countries had always given the greatest attention to the problem, for obvious reasons. They had therefore decided to set up their own centre which would establish close contact with similar institutions, primarily the Information and Research Centre on Transnational Corporations.

51. The present session was of crucial importance in determining the Council's role in the restructuring of the economic and social sectors of the United Nations. The predominant view in discussions so far had been that the Council should serve, among other things, as a central forum for formulating recommendations on policies relating to economic and social problems, and that it should follow and appraise the implementation of the strategy, policy and priorities determined by the General Assembly. The present session was the first on a high political level, and it was for the Council to prove that it was really able to carry out its obligations successfully.

52. Mr. CHAUFOURNIER (International Bank for Reconstruction and Development) said that the Bank had enjoyed a long and fruitful relationship with the Republic of Ivory Coast and had established its Western African Regional Mission at Abidjan in 1965. Although the Bank was active in about 75 developing countries, it would be appropriate on the present occasion to speak of its efforts to assist the countries of Africa.

53. In the past year the economic fortunes of developing countries in general had continued to be subject to changes, mostly adverse, in the international market conditions for their exports and to fiscal adjustments caused by higher import costs – even though the rate of general price advances in the industrialized countries had tended to level

off during the year, at least in comparison with the dramatic price increases in 1974 and the first half of 1975. Generally, however, developing countries were still in the process of adaptation to the burdens imposed by higher import costs. In many cases the process had been exacerbated by declining volumes or prices of exports due to the recession in the industrialized countries. With rising costs and falling tax revenues, especially from foreign trade, the capacity of many Governments to contribute domestic resources to investment finance had been eroded. Only higher-income developing countries with access to world capital markets had been able to smooth the process of adjustment by borrowing heavily to fill the intervening gap. More typically, developing countries and especially the poorest among them had had to reduce imports and investment, with the consequence of lower economic growth. In countries showing little improvement or even a further deterioration in their terms of trade, *per capita* real income had declined for the second successive year.

54. The chronic squeeze on the resources of the developing countries, including the developing African countries, particularly the poorest among them, had been a major source of concern at the seventh special session of the General Assembly and its resolution 3362 (S-VII) was concerned specifically with the question of the transfer of financial resources for the development of the developing countries. The Bank, for which the problem was also a major concern, had taken good note of the resolution, especially section II, and had found that most of the recommendations on resource transfers coincided closely with its own ideas and actions.

55. The *Survey of Economic Conditions in Africa, 1975* was concerned with the volume of aid to Africa and the external debt situation. It was rightly pointed out in paragraph 92 of the summary of that document (E/5806) that a higher proportion of grants and soft loans was needed to keep down the percentage of aid lost in debt service payments; and in paragraph 93 it was stated that, in the long run, net income from exports of goods and services was the only source from which loans could be repaid and that, in the short run, loans with long grace periods and extended maturities must help alleviate the problem. He would add that loans on concessionary terms from sources such as the Bank and IDA were designed to be much more than the temporary expedient referred to in paragraph 93. It was the Bank's fundamental policy that its loans should be used for productive purposes – for example, helping to equip the borrowing country to improve its foreign exchange earning capacity.

56. To help to alleviate the resource squeeze, the Bank had greatly increased its lending, particularly to its poorest member countries – those with *per capita* incomes of \$200 or less. In the fiscal year ended 30 June 1976 total lending by the Bank and its soft-loan affiliate IDA had reached a new high level of \$6.6 billion, an increase of 13 per cent over the previous year. The increase for the 40 poorest countries among its members had been 21 per cent; and, for the 29 least developed member countries, 32 per cent. Eighteen of the 29 were in Africa, the poorest being the four land-locked countries of the Sahel: Mali, Upper Volta, Niger and Chad, for which lending had increased by nearly 40 per cent.

57. The additional lending to the poorest member countries during the past year had been entirely on concessional terms, and amounted to nearly \$2 billion, thanks largely to the new Third Window facility, under which the Bank could lend on concessional terms half-way between those of the Bank and IDA. Of the \$450 million available under that new facility during the fiscal year just ended, nearly \$300 million had been committed to the poorest member countries. Seventy per cent of all lending to that group and 93 per cent of lending to the least developed countries had been on concessional terms. That response to the needs of the poorest and least developed countries coincided largely with the recommendations of the seventh special session of the General Assembly.

58. The Bank's ability to provide such a high proportion of development finance to the poorest countries on concessional terms depended to a great extent on the level of replenishment of IDA resources. The Bank was grateful for the strong support for IDA expressed in the General Assembly and other United Nations organs. It was now holding discussions with potential donors on the fifth replenishment since, in one year's time, existing resources would have been fully committed. Negotiations were therefore taking place for a substantial increase in IDA's funds for the ensuing three-year period (1977 to 1979) when the needs of the poorest countries for concessional development finance would be greater than ever.

59. In an effort to mobilize further resources, the Bank had worked closely with recipient countries and other donors to arrange the co-financing of priority development projects. The scope for co-financing had increased in recent years, but the problem of cost increases was specially acute in Africa. In the 1976 fiscal year the Bank's co-financing arrangements had amounted to about \$2 billion for 63 projects, about \$735 million being committed to 34 projects in Africa. About two thirds of the co-financing had come from the traditional aid-giving countries, and a significant part from Arab oil-producing countries which were increasingly active in project lending and were using Bank project identification and appraisal as they increased the number of their staff engaged in development assistance. Bank appraisals were particularly useful to the Arab Bank for Economic Development in Africa which had provided \$60 million for co-financing on the basis of those appraisals.

60. The pattern of lending over the past year was an accurate reflection of the Bank's concern to help the poorest sectors of the population in the developing countries. Four areas of concern had been prominent: continued emphasis on rural development, promotion of local industry and traditional enterprises, increased attention to urban problems and expansion of technical assistance. About one third of all projects financed by the Bank in the past year had directly promoted agriculture and rural development – a particular challenge in the African region because of the extreme vulnerability of many economies to external influences both in terms of climate and commodity prices. The aim had been to increase agricultural output and productivity and to improve incomes and living conditions for small farmers and the poorest rural groups. An example was a recent IDA credit of \$10.7 million to assist the

Maradi Integrated Rural Development Project in Niger and to increase the incomes of some of the poorest people in the region. The credit would finance extension services, applied research, credit and input services to improve ground-nut, millet and cowpea production and the development of new livestock to replace herds depleted during the Sahelian drought. The project also included expansion of educational and training programmes, irrigation, construction of feeder roads and plantation development. It would benefit about 250,000 people.

61. Another particular concern had been the promotion of economic diversification, with emphasis on the development of small-scale and medium-scale local industry and traditional enterprises. A recent Bank loan of \$5.6 million would help the development of small-scale industries in the Ivory Coast, generating an estimated total investment of about \$9.4 million, thus permitting the establishment or extension of about 130 small-scale enterprises and the creation of about 1,600 jobs.

62. The rapid increase in urban populations throughout the developing world had placed severe pressures on housing, water supplies and sewerage, transport and other basic services. The influx of poor rural workers had increased the needs in the poorest neighbourhoods of large and small cities, and the Bank was trying to meet those needs through loans of various types for urban infrastructures such as transport, water and sewage facilities and sites and services projects.

63. In 1976, the Bank had lent about \$480 million to assist 17 projects in the urban sector, and in the previous fiscal year it had made a \$20 million loan to Zambia for the improvement of the social environment and public health conditions of the low-income squatter population in Lusaka. Urban infrastructure was being provided for more than 29,000 dwellings and residential plots, and schools, community centres, health clinics and markets were being built.

64. Yet another of the Bank's concerns in Africa had been the provision of technical assistance to its borrowers in identifying, preparing, designing and carrying out projects, and in strengthening national or regional institutions with economic development responsibilities. The Bank's economic sector and project analysis was the vehicle for considerable technical assistance. In addition, project loans and credits included funds specifically earmarked for feasibility studies, resource surveys, management or planning advice, and training.

65. The Bank had been increasing its assistance in economic planning and project preparation, particularly in Africa. Planning in Sudan, for instance, would be facilitated by a \$4 million IDA credit designed especially to finance a programme of project preparation studies and to expand the capacity of Sudanese institutions to execute pre-investment work. A \$1.5 million technical assistance credit to Burundi would help the Government's technical planning agency to integrate the work of existing advisory teams and give it a more effective orientation towards investment planning; it would also help build a pipeline of well-prepared projects.



66. Because of the shortage of skilled manpower, a training component was included in many of the projects financed by the Bank. Moreover, the Bank's Economic Development Institute, established 20 years ago, provided training in practical techniques of development programming and project identification, preparation, analysis and evaluation for officials concerned with development programmes and projects in developing member countries. There were some 41 separate courses in the work programme for the new fiscal year, with a total of more than 1,000 participants – 10 times the number 10 years before. There were six courses in the programme for Africa; an education project course would be given jointly with the International Institute for Educational Planning in Paris for the French-speaking countries, and an agricultural projects course in partnership with the Arab Planning Institute in Kuwait would be held, to which some African countries would also send participants. African countries were also represented in the 11 courses given at Washington.

67. The promotion of regional development and economic co-operation among developing countries had been the subject of an important section in General Assembly resolution 3362 (S-VII) and had been frequently discussed in other United Nations forums. The Bank appreciated the importance attached by the Council to that matter and was constantly seeking ways to support that aspect of development.

68. With respect to regional development, he had recently signed on behalf of the World Bank a loan agreement with Togo to help finance a regional clinker project. Togo, the Ivory Coast and Ghana were each borrowing \$3.5 million to be made available to Ciments de l'Afrique de l'Ouest, and the Bank was lending a further \$49.5 million directly to that company, jointly and severally guaranteed by the three Governments. The project, at a total cost of \$284 million, was also being financed by seven other international development banks. There had been other such projects in Africa, in particular in the field of regional transport development. Moreover, the Bank had taken the lead in mobilizing funds on an international basis to finance the first six-year phase of the onchocerciasis control programme which, together with WHO, UNDP and FAO, it had launched in seven countries of western Africa. The Bank had initiated a very active and productive dialogue with the Organization for the Development of the Senegal River Basin, was actively engaged in the preparation of its own regional studies on grain storage and river basin development, for example, and had co-operated with ECA on several others, including electric power and tourism development. Bank experts had participated in a variety of meetings and conferences organized by ECA on planning, population problems, intra-African trade, research statistics and economic co-operation. The Bank followed with special interest all regional efforts aimed at closer and more formal co-operation, particularly in West Africa, the West African Economic Community and the Economic Community of West African States, and had recently had the pleasure of welcoming ECA's Executive Secretary at the Bank at Washington for discussions with the President and members of the staff.

69. In conclusion, he emphasized two points. The Bank shared the sense of urgency that had marked the debate on the problems of international economic and social development. It had stated very clearly its view that the current foreign exchange crisis in the developing world was an emergency situation requiring emergency measures. It had also stated that, beyond the immediate emergency, lay another more profound problem: how to reduce, and ultimately eliminate, absolute poverty. Concern about the immediate crisis must not be allowed to obscure those longer-term objectives. The Bank was resolved to help its member Governments in every feasible way to meet those objectives.

70. The Bank also wished to be of whatever service it could to the Council in bringing to light, discussing, and seeking solutions to the pressing problems of development. As a specialized agency of the United Nations system it could pledge no less; indeed, its relationship with the United Nations went far beyond the original agreement signed in 1947 and now consisted of an elaborate network of co-operative arrangements and agreements, both formal and informal, with the many components of the system. Within that framework the Bank had the ability and the determination to make a major contribution to the global struggle to rid the world of poverty. He pledged the Bank's fullest co-operation in the Council's important work.

71. Mr. GRIHISH (Observer for the Council for Mutual Economic Assistance and Co-operation), speaking at the invitation of the President, said that the current session of the Council was taking place at a time when the world was facing the tasks of accelerating the process of economic and social development and securing an equitable position for all countries in the world economy. It was therefore gratifying that the Council was meeting in Africa, whose peoples had only recently attained national independence and were still struggling for the complete elimination of colonialism.

72. Under the guidance of their communist and workers' parties, the CMEA countries had achieved great successes in developing their economy, science and technology, through the creative work of their peoples, the mobilization by each country of its own resources and the promotion and extension of comprehensive mutual co-operation and assistance.

73. The five-year national economic plans of the CMEA countries had been completed in 1975, and the 1971-1975 period had marked a new stage in their economic, scientific, and technological co-operation. The Comprehensive Programme of Socialist Economic Integration adopted in 1971 at the twenty-fifth session of CMEA had provided a powerful impetus to that co-operation and had helped to further national economic objectives in all member countries.

74. National income in the CMEA countries had increased by 36 per cent in the 1970-1975 period, and almost everywhere the average annual growth rate of the national income had either reached or exceeded the average annual growth rate envisaged in national economic development plans, one of the main contributory factors being labour

productivity, which had risen by 30 per cent between 1971 and 1975.

75. Industrial development in the CMEA countries in 1971-1975 had been increasingly influenced by the scientific and technical revolution; great stress was being laid on modern methods of production, the improvement of the technical level and quality of products, the pattern of industrial production, increased labour productivity, and the reduction of production costs.

76. In the past five years, the gross industrial output of the CMEA countries had increased by nearly 45 per cent. There had been high development rates in sectors crucial to scientific and technological progress, such as mechanical, electrical and radio engineering, electronics, and the chemical, petrochemical, and gas industries. The most rapid development had taken place in countries with a previously lower level of industrial development. Romania, for instance, had increased its industrial output by 85 per cent, Poland by 66 per cent, and Bulgaria and Mongolia by 54 per cent.

77. In 1975, labour productivity in the CMEA member countries had increased by 33 per cent as compared with 1970 – a development that had accounted for a total expansion of about 75 per cent in industrial output.

78. The growth in national incomes had brought about a further improvement in living standards and cultural levels in all CMEA countries. The salaries and wages of office and factory workers had risen, as had those of collective farmers. The volume of retail trade, including public catering and everyday services, had expanded and considerable improvements had been made in housing conditions.

79. Allocations from State budgets for social security, education, public health and culture had been increased, and new nurseries, kindergartens, schools, institutes, hospitals, polyclinics, playgrounds, stadiums and other sports facilities had been built. The process of improving the national pattern of consumption and of eliminating differences in conditions and living standards in rural and urban areas had continued.

80. The economic gains of the CMEA countries over the past five years illustrated the tremendous possibilities and advantages of the planned-economy system, which was free from unemployment, inflation and the crises that periodically shook the capitalist world.

81. According to the plans of individual countries, national income in the 1976-1980 period would rise by 28 to 68 per cent, industrial output by 35 to 79 per cent, and *per capita* income by 18 to 30 per cent.

82. International co-operation was assuming increasing importance in the implementation of the five-year plans of the CMEA countries, as was the Comprehensive Programme of Socialist Economic Integration. The CMEA countries intended to contribute to the development of the national economy of the developing countries and the consolidation of their economic independence, and to expand economic, scientific and technical relations with them. In that

connexion, CMEA considered the decisions adopted by the sixth and seventh special sessions of the General Assembly to be of major importance. At those sessions the CMEA member countries had declared their support for the developing countries' desire to speed up the process of economic and social development, to reduce the gap separating them from the developed countries, and to achieve equality in the world economy. In 1975, the trade turnover of the CMEA member countries with the developing countries had been 13.4 per cent greater than in 1974 and 2.3 per cent greater than in 1970. In 1975 alone, the CMEA countries had signed over 180 agreements on economic, scientific and technical co-operation with the developing countries.

83. The CMEA countries provided economic and technical assistance to 64 developing countries; they did not claim a share in the ownership of projects completed with their aid, nor did they try to establish control over the economies of the young developing States. They believed that each State had an inalienable right to exercise sovereignty and control over its own natural resources.

84. In 1975, CMEA had concluded co-operation agreements with Iraq and Mexico, providing for multilateral co-operation in economic, scientific and technological matters, and reflecting CMEA's desire to contribute on a multilateral basis to the accelerated development of independent, diversified economies.

85. CMEA also assisted the developing countries in the training of national personnel. Eighty-six vocational technical schools and training centres had so far been built in the developing countries and 44 more were under construction; 26 higher and secondary specialized educational institutions had been completed and another 28 were in the process of construction. Furthermore, CMEA offered in-service training for specialists and workers in industrial enterprises, design and research institutes and government offices. In the past decade alone, over 20,000 citizens of more than 100 developing countries had been trained in many different fields of technology, economics and science. Since 1957, moreover, over 30,000 qualified specialists from developing countries had graduated from higher and secondary specialized educational institutions in the CMEA countries, and two years previously CMEA had set up a fellowship fund to help the developing countries train national personnel in the higher educational institutions of CMEA countries in fields important to the development of economics, science and technology. So far, 700 CMEA scholars from 34 developing countries had been enrolled.

86. CMEA was participating in a UNDP/UNCTAD technical assistance project under which a number of seminars would be held for trade officials, on the subject of the development of trade between the socialist countries of Eastern Europe and the developing countries. The three seminars already held had been attended by some 80 participants from about 50 developing countries. Participants had been offered a series of lectures highlighting CMEA activities and co-operation between CMEA countries in planning, science, technology and foreign trade, and the UNCTAD secretariat had commended that contribution as

an excellent example of co-operation between UNCTAD and CMEA; CMEA intended to continue such programmes.

87. With a view to taking an active part in the international division of labour in accordance with the principle of peaceful co-existence between States with different social and economic systems, the CMEA countries were increasing and diversifying their trade and other forms of economic co-operation with the industrialized capitalist countries. Stress was being laid on long-term bilateral intergovernmental agreements on economic, scientific and technical co-operation. Multilateral co-operation was also highly beneficial, and in 1973 CMEA and Finland had signed an agreement on co-operation relating to foreign trade, engineering, chemicals, paper and pulp, transport, statistics and standardization. The combination of bilateral and multilateral forms of co-operation contributed to the growth of trade, the volume of which had increased more than threefold in the 1971-1975 period.

88. The Conference on Security and Co-operation in Europe had been an important milestone in the normalization of international relations. Its Final Act<sup>1</sup> was of importance both to Europe and to the world as a whole, and contributed substantially to the readjustment of international economic relations in the interests of all countries, the developing ones in particular. The CMEA Executive Committee had welcomed the results of the Conference, which it believed would create favourable conditions for the further development of fruitful co-operation between European States in economics, science, technology and environmental protection. In the spirit of the Final Act, CMEA had proposed to EEC the establishment of official contacts with a view to the creation of favourable conditions for co-operation on a footing of equality between the two groupings and their members.

89. In recent years, there had been considerable improvement in CMEA contacts with international economic, scientific and technical organizations. CMEA collaborated successfully with EEC, the United Nations regional commissions, and many specialized agencies, and was resolved to contribute to the realization of the principles set forth in the Final Act of the Conference on Security and Co-operation in Europe through active co-operation with international organizations, including the Economic and Social Council.

90. Mr. EVUNA OWONO (Observer for Equatorial Guinea), speaking at the invitation of the President, said that the Council meetings in Africa symbolized its determination to assume its responsibilities under the United Nations Charter, and also provided it with an opportunity to see for itself the situation in Africa and thus orient its programmes with greater objectivity.

91. The Council had convened at a time of serious economic crisis which was causing a deterioration in the terms of trade of developing countries with developed countries, affecting their balance of payments and bringing

inflation to money markets. Other aspects of the situation were the world energy crisis, malnutrition and unemployment. The United Nations and other international organizations, in collaboration with Governments, had to find a way out of that crisis. To do that, it was essential for the United Nations system as a whole to improve and make fairer its system of assistance to, and co-operation with, Member States.

92. His Government believed, however, that each individual State must be responsible for solving the serious problems affecting both developing and industrialized nations. But that belief in no way detracted from his Government's view that the economic relations between States were interdependent. His Government practised a policy of friendship and co-operation with all countries of the world. It felt there could be no true international co-operation without the participation of every member of the international community, and no integral development of the international community while some of its members remained in a state of underdevelopment. Only sincere co-operation based on those principles could meet the true needs of States.

93. His Government was grateful for the various activities of the United Nations, the specialized agencies and the peace-loving countries of the world aimed at the establishment of a new and fairer international economic order. Yet despite many United Nations resolutions, thousands of people in South Africa were still being subjected to cruelty and oppression through *apartheid*; the racist régime of South Africa was still illegally occupying Namibia, a territory under international administration; in Southern Rhodesia, a minority racist régime, abetted by South Africa and unfortunately also by other members of the United Nations, continued to oppress the black majority, and in the Middle East the Israeli expansionists were still occupying Arab lands by force and arrogantly trampling under foot the legitimate rights of the Palestinian people. Such situations should not be allowed in societies which spoke of development and co-operation. Moreover, his delegation believed that careful consideration should be given to the admission of Angola as a sovereign State to the United Nations, so that full effect could be given to the principle of universality.

94. The Council's discussion of the crucial problem of economic and social relations among nations was taking place in Africa, the continent which had suffered and was still suffering the most from colonial domination and the exploitation of its resources. Africa was prepared to play its part in setting up machinery for the radical transformation of society and the building of a worthy, free and fraternally united continent, capable of making a decisive contribution to the forces of peace throughout the world. Racial discrimination, colonialism, neo-colonialism and imperialism could not continue if economic and social conditions in Africa were fairly balanced. The world was still governed by an essentially discriminatory, archaic economic system and the present economic crisis was the result. Radical but reasonable changes were now needed. An economic system that took no account of the sovereign right of States to choose their economical, political and social system, that denied the sovereignty of States over their natural resources

<sup>1</sup> Conference on Security and Co-operation in Europe, document CSCE/CC/64.

and other economic activities and their right to obtain remunerative prices for their products could result only in clashes and chaos in international economic relationships.

95. Economic imperialism had the same adverse effects as political imperialism, and together they had caused almost all the present misery of mankind. The Government of Equatorial Guinea was therefore in favour of economic as well as political independence, for that was the path to true sovereignty. What was needed was sincere international co-operation, with the maintenance of each country's political and economic independence.

96. The Guinean concept of independence did not imply that countries could not co-operate with each other to their mutual benefit. His delegation was convinced that the Programme of Action on the Establishment of a New Economic Order and the Charter of Economic Rights and Duties of States, if fully implemented by all States, would be prime factors in normalizing world economic relations, for through the harmonization of economic policies they

would bring about a balance of the forces between developing and developed countries.

97. His Government was developing a vigorous policy directed towards the establishment of a national economy free from any external influence. That policy would benefit the rural and urban masses and raise their living standards, end illiteracy, promote culture and improve housing and sanitation. All citizens were guaranteed full participation in the task of building up the economy, without discrimination as to race, religion, sex or social condition. Equatorial Guinea, which had itself suffered brutal exploitation and oppression, firmly believed in the peaceful revolutionary struggle against colonialism, neo-colonialism, racism and imperialism, and supported all countries desirous of independence.

98. His delegation would support any resolutions adopted by the Council likely to promote peace, progress and social welfare.

*The meeting rose at 6.10 p.m.*

## 2012th meeting

Monday, 5 July 1976, at 10.20 a.m.

*President:* Mr. S. AKÉ (Ivory Coast)

E/SR.2012

### 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. Dr. MAHLER (Director-General, World Health Organization) said that at its present session, the Council would be undertaking, through the Policy and Programme Co-ordination Committee, an in-depth review of WHO; he would therefore merely refer to a few general problems of common interest.

2. In the health sector, WHO was endeavouring to exploit the momentum generated by the seventh special session of the General Assembly, by defining more precisely the ways in which it could play a more effective part in the accelerated implementation of over-all economic and social development measures.

3. Its starting point had been a critical analysis of the direction in which WHO and its Member States were moving. It had been obliged to place great emphasis on the social dimensions of the framework in which it was working and that had meant considering, at the national level, how health was conceived by society itself and what expectations society had in relation to health care and services.

4. While applying existing knowledge to the full, it was now essential to redefine social goals and to use the

combination of political, economic, social and technical factors at the disposal of the world, which were the key to future development.

5. The development of health was not the prerogative of the health professions. Rather, it was one of those areas which required conscious involvement by every member of society. The health authorities would have to open their doors much wider to persons representing the broadest possible range of interests to enable them to take part in the planning and programming of health-related activities. Conversely, the health authorities themselves had by no means been sufficiently involved in the programming and planning of other sectors and national Governments would have to change that state of affairs.

6. Among the more obvious failures at the present time, the most disturbing was that only a very few people benefited from the tremendous advances in disease technology. Hundreds of millions of people continued to suffer and die from parasitic diseases and in Africa alone more than one million children died from malaria each year. At the same time, sophisticated cost-explosive institutions had been set up but they remained both technically and geographically isolated from the overwhelming majority of the population.

7. There were, however, certain successes. The most recent had been the smallpox eradication campaign, as a result of which transmission of the disease had been interrupted in 15 countries of West Africa and in Bangla-