

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

to \$5 billion for 1976, and was expected to reach \$7.5 billion in 1977. The entry of the United Kingdom, Denmark and Ireland had enabled the Community to broaden its scope and to have closer relations with Asian and Latin American countries. If present proposals were accepted, \$450 million a year would be allocated to the third world countries to enable them to expand their agricultural, textile and other sectors.

4. It was necessary, however, to consider the impact of such assistance. Food aid did not solve any problems at all. The opening of frontiers under the GSP benefited only the strongest countries: 10 third world countries (Yugoslavia, Hong Kong, Brazil, India, Pakistan, Republic of Korea, Mexico, Singapore, Romania and Iran) out of the 113 or so represented by the Group of 77 enjoyed three-quarters of the benefits of the GSP. The President of the Republic of Ivory Coast had said (2006th meeting) that the ultimate object of development was the man in the street, in the factory, in the fields and in his family. He would like to add: man in his traditions, beliefs, friendships and alliances. Man who affirmed his pride and dignity, who built his development with his own hands and thought it out with his own brain – not that of a foreigner.

5. There were four conclusions to be drawn. First, the industrialized countries, whatever their political régimes, had no model or ideology to propose for development: they provided only the tools. The third world countries worked out their own development according to their own background and culture. Secondly, there was no single tool to solve all problems. Financial aid, access to markets and technical training were all important, but it was the combination of those tools, or means, that counted, and it was for the countries themselves to decide how to use them. Thirdly, the tools must be provided on a permanent and assured basis, without strings; the developed countries had no right to bargain or make conditions. Lastly, the approach must be non-political – an approach to developing countries which wanted to co-operate, whatever their politics, ideologies or degree of development.

6. Those four principles were the basis of the policy laid down in the ACP-EEC Convention of Lomé, which embodied all means of action and left the third world partners to choose their priorities. It was not surprising that 40 per cent of financial aid in the coming years would be used for rural development under a policy after the Chinese model. Europe's own diversities enabled it to understand the diversities of Africa and were also a guarantee of non-imperialism and co-operation. The Lomé approach was a start to finding answers to many world problems for it covered a wide range of measures, including regional co-operation, guaranteed price levels linked with costs, unemployment and sickness grants. It also enabled assistance to be given to the southern African countries which had suffered difficulties as a result of applying United Nations resolutions. The new policy was, in fact a joint approach to living.

7. Mr. MILLS (Jamaica) said the fact that the Council was meeting in Africa for the first time was significant for two reasons. The first was that world attention was focusing increasingly on Africa in the closing stages of its struggle to

eliminate the last vestiges of imperialism, colonialism and racial oppression. Examples such as Guinea-Bissau, Mozambique, Angola, Zimbabwe, Namibia, Sharpeville and Soweto, showed that those practices still existed and that there was need for international action and support. The second reason was that the release of human and other resources following full liberation would have a considerable effect in the world, and he noted that the countries of Africa were already playing an increasingly important role in international economic and political affairs, contributing their own attitudes and ideas based on their complex cultures and their experience.

8. Much had happened since the sixth special session of the General Assembly and a recurring question was what progress had been achieved in dialogues and negotiations on the establishment of the new international economic order. How was such progress to be measured? Relevant criteria must be the number and nature of resolutions passed, the extent to which proposals had been discussed in a harmonious atmosphere, the degree of consensus or the implications of reservation on important issues, how far proposals and pressures from third world countries had elicited a response in the form of specific proposals from industrialized countries and, particularly, the degree of implementation of proposals on major issues. The most important criterion, however, was the extent of real agreement on basic aims relating to the future organization and operation of the international economic system and the prospects of providing the people of the world with the means for a worthwhile life.

9. Developing countries believed that those aims could be achieved only by far-reaching changes in the existing economic system and in its impact on the interests of developed and developing countries. That system was based on the interests of a few countries – major trading nations, centres of colonial empires, or countries with dominant financial and military power – which had looked on the States now forming the third world as major sources of economic prosperity and prestige. The system was now in a state of collapse and had ceased to serve the interests of the rich countries, yet the gap between rich and poor countries continued to grow and world poverty was increasing. The restructuring of international political relationships, largely through the liberation of former colonies, and the development of the United Nations system must be matched by a restructuring of economic relationships in the interests of equity, peace and security.

10. His delegation believed there was some evidence of progress – in particular the indication by a few industrialized countries early in the dialogue that they shared the developing countries' views on the need to establish the new economic order. There was also evidence of movement by other industrialized countries, particularly on some important elements of the third world's proposals. The fact that the industrialized countries were now all fully aware of the issues and that some major proposals had been made was also a positive indicator. On the other hand a serious obstacle to progress was the fact that many industrialized countries, including some major ones, had not yet accepted the need for fundamental change in the organization and operation of the international economic system. Nego-

tiations must therefore be pursued, but with special attention to underlying broad principles and aims with a view to securing their universal acceptance. Otherwise progress would continue to be limited and disappointing.

11. He did not agree with those who thought that philosophical discussions on those issues should cease. Some of the developing countries' proposals represented fundamental departures from present practices and beliefs, and his delegation did not expect them to be accepted easily by all countries. Such acceptance required a wider perception of the world community and a realization that the interests of each nation were best served when all nations and people could live a tolerable life, free from poverty and underdevelopment. The Secretary-General had referred (2006th meeting) to the need to escape from conventional modes of thought, as had been emphasized at the sixth and seventh special sessions of the General Assembly. It was now two years since the sixth special session which, although it had marked a major turning point in international economic relations, had not represented the beginning of the dialogue on development.

12. It would be a mistake either to belittle or to overstate the extent of progress. Dialogue was taking place in some communities and even between countries in particular groupings. It was necessary to continue stressing the urgent need for material signs of movement and for action likely to benefit those who were the subject of international concern. Yet his delegation regarded the outcome of the fourth session of UNCTAD as an avoidance of the disaster of failure. The coming negotiations on the major issue of primary commodities would show whether there were real grounds for optimism. With regard to the Paris Conference, he repeated the statement made by his delegation at the fourth session of UNCTAD at Nairobi to the effect that nothing at that Conference should stand in the way of effective conclusions, nor provide any excuse for delay on the part of the industrialized countries; only the absence of political will could obstruct real progress and genuine concessions.

13. The United Nations had an increasingly vital role to play as the development dialogue proceeded. His delegation appreciated the efforts of the specialized agencies, UNCTAD, UNDP, the World Bank and IMF, but even more was expected of them. The present Council session was a test and an opportunity, for the Council's future was a fundamental issue in the restructuring of the United Nations system.

14. The future organization of the world economic system also merited discussion outside official and United Nations circles. His delegation commended the efforts of the non-governmental organizations and other agencies to promote understanding and appreciation of the issues, but more needed to be done.

15. One of the real obstacles to complete understanding and co-operation was the tendency to think of people in terms of numbers or to judge them by the Governments that represented them. The condition of the vast mass of the world's population had hardly changed materially in spite of changes in régimes and the transition from colonial

status to independence. That was not to deny the differences that effective and enlightened administration could make in the long run, but the roots of poverty in much of the world were deeper than was sometimes admitted. True and lasting development depended on the people themselves, and the secret of development was the process of discovering how their energies could be released so that they could help themselves. It was not easy, especially where poverty and deprivation had almost killed people's spirit.

16. More and more developing countries were recognizing that their own economic and technical co-operation would benefit not only themselves but the whole world; but it was essential to correct the situation in which the developing countries were at a disadvantage in their relations with the industrialized countries if the countries of the third world were to provide a worthwhile life for their people and have a fair share of the benefits of the world's resources.

17. His country was taking part in all discussions on international development. It was seeking at home to establish a truly democratic society based on social justice and greater opportunity for participation in social, political and economic life. That required a direct attack on poverty and a diversion of resources towards improving the condition of a large part of the population which had been bypassed in the preoccupation with economic development.

18. Mr. AN Chih-yuan (China) said it was of great significance that the first part of the Council's current session was being held at Abidjan, for it indicated the increasingly important role played by Africa and the third world in international affairs.

19. In the past year, the international situation had developed in an encouraging manner. The third world, fighting in concert, had scored one great victory after another in the struggle against the forces of imperialism, colonialism and hegemony, which were not, however, reconciled to defeat. Rivalry between the superpowers for spheres of influence and world hegemony was becoming more acute, and the wildly ambitious superpower that claimed to be the natural ally of the developing countries was flagrantly engaged in aggression, expansion, interference and subversion everywhere. The third world countries and other small and medium-sized nations had come to realize that rivalry between the superpowers was the main threat to their independence and security; but they were strengthening their unity and vigilance and resolutely defending their independence and sovereignty. The desire for independence, liberation and revolution had become an irresistible historical trend, and victory would inevitably go to the people.

20. In the economic sphere, the third world countries had, in the past year, worked unremittingly to safeguard their national independence and sovereignty, develop their national economies and establish a new international economic order, and they had won new victories. More and more of them had taken steps to defend their sovereignty over their natural resources, strengthen their control over transnational corporations, nationalize foreign monopoly enterprises and take their national economic lifelines into

their own hands. A number of new organizations for commodity-producing countries had been set up. Economic co-operation among developing countries had expanded rapidly, and several new regional organizations such as the West African Economic Community and the Latin American Economic System had been established. Economic co-operation among the south-east Asian, Arab, African and other countries had expanded. That reflected the just demands of the developing countries and their firm determination to rely on their own efforts, unity and mutual help in developing their national economies and opposing international monopoly, exploitation and the export of economic crises.

21. The third world countries were well aware that, after achieving political independence, they still faced the task of attaining economic independence and development. It was essential to change the existing extremely unfair and irrational international economic relationships based on international exploitation and plunder, and to establish an equitable and rational new international economic order. The question was not only whether the developing countries could achieve economic independence and develop their national economies, but whether the political independence they had won through protracted struggle could be consolidated. The Declaration and Programme of Action on the Establishment of a New International Economic Order adopted by the United Nations General Assembly at its sixth special session was an expression of the strong desires of the developing countries in that regard, and a milestone in their struggle against economic hegemony.

22. At the Third Ministerial Meeting of the Group of 77 at Manila, and at the fourth session of UNCTAD at Nairobi, the third world countries had further strongly condemned the old international economic order based on colonialism, imperialism and hegemony, and presented a series of just and reasonable proposals aimed at reforming international trade relations, establishing an integrated programme for commodities, reducing external debt burdens and transforming the international monetary and financial system.

23. Regrettably, at the fourth session of UNCTAD the superpowers had continued to obstruct those proposals. One superpower had peddled the idea of increased aid and the establishment of an international resources bank, while the other had tried hard, through the long-bankrupt hoaxes of "disarmament" and "détente", to divert the Conference from the struggle against imperialism and hegemonism. It had also loudly proclaimed the so-called theory of the international division of labour, which was neo-colonialism in disguise, and tried to subject the developing countries to its social-imperialist system of exploitation through the conclusions of so-called long-term trade agreements.

24. Nevertheless, the old international economic order based on imperialism, colonialism and hegemony must not, and indeed could not, continue. A new order based on the principles of independence, self-reliance, sovereignty, equality and mutual benefit had to come into being: it was a historical trend which could not be stemmed. In the past year, the developing countries had won great victories in their common fight to establish a new international economic order, and at the fourth session of UNCTAD had

secured the adoption of significant resolutions. None the less, the political fight for a new international economic order would be a long and complicated one. His delegation was, however, confident that the developing countries would be able to promote their just cause if they strengthened their unity and vigilance, combated intrigues in good time and persevered.

25. The People's Republic of China was a developing socialist country and had always co-operated closely with the other third world countries in Asia, Africa and Latin America in the common struggle against imperialism, colonialism and hegemony. It had consistently maintained that all countries, big or small, rich or poor, should be equal, and that economic as well as political relations between nations should be based on the five principles of mutual respect for sovereignty and territorial integrity, mutual non-aggression, non-interference in each other's internal affairs, equality and mutual benefit, and peaceful co-existence. Every people had the right to decide upon its social system in its own way. China opposed the establishment by any country of hegemony and spheres of influence in any region, and aggression, subversion, control, interference or bullying.

26. China firmly supported the developing countries in their struggle to defend their sovereignty, safeguard their national resources, develop their national economies and establish a new international economic order. It supported their just and reasonable proposals for reforming present international economic relations, establishing an integrated programme for commodities and its common fund, reducing their external debt burdens and transforming the international monetary and financial systems.

27. In accordance with General Assembly resolution 3202 (S-VI), the Economic and Social Council was duty bound to do its utmost to promote the implementation of the Declaration and Programme of Action on the Establishment of a New International Economic Order. His delegation hoped that the Council would give serious consideration and support to the proposals of the developing countries, and take effective steps towards implementing the Declaration and Programme of Action on the Establishment of a New International Economic Order. The Chinese delegation would work with all members to that end.

28. Mr. HUSAIN (Pakistan) said that the present session of the Council was of special significance to the international community, for Africa contained more developing countries than any other continent and was a symbol of man's continuing struggle against oppression and exploitation.

29. The session was taking place at a critical moment for the third world and for its relationship with the developed economies of Europe, North America and Japan. The crises of the poor were greater than those of the rich, for they lived on a small margin, with little or no room for manoeuvre, and their political and social circumstances rendered the problems of adjustment to lower incomes and deteriorating terms of trade infinitely more difficult. For most of the third world the crisis of the mid-1970s had been the worst since independence. It had cost them many

years of development, increased their dependence, once again reduced the value of the toil of their masses, sunk them deeper into the mire of debt, and had had the greatest impact in the poorest and the least developed countries, where the vast majority of the peoples of the world lived. The burden of all its adverse effects had been shifted onto the developing countries because of higher prices for manufactured goods and oil and lower prices for their own commodities. In most of those countries *per capita* income had declined, and in many it might not rise again for the rest of the decade.

30. The crisis and its aftermath had etched in sharp relief the shortcomings and inequities of the system governing economic relationships between poor and rich nations. Some hoped that time and the revival of industrial activity in the rich countries would somehow solve the problem, although in his view it was much more fundamental in nature and concerned trade, financial flows and the transfer of technology.

31. His own country had, in the last two years, experienced a massive deterioration in its terms of trade and, despite increasing production, *per capita* income had declined. According to one estimate, 60 to 80 per cent of the \$1 billion increase in Pakistan's balance-of-payments deficit during that period was attributable to the deterioration in its terms of trade. In that situation, Pakistan could have cut consumption and maintained the rhythm of its development effort, it could have maintained consumption and curtailed its development effort or it could have borrowed more, maintained its *per capita* consumption and the momentum of its development effort; it had chosen the third course. Clearly, that would have been impossible without generous additional assistance from the OPEC countries and international institutions. However, the overall terms on which Pakistan could borrow had deteriorated, and it had found trade relationships particularly frustrating in trying to adjust to the new situation. Its cheap labour gave it a comparative advantage in textile exports, but rigid quotas, with very low growth factors, had prevented it from expanding exports in order to mitigate its reliance on external resources. It had also found that the continued "tying" of a substantial part of aid and the continuing close association between commercial and external assistance had limited its flexibility in development planning and increased project implementation costs.

32. Pakistan was deeply concerned about the working of the existing economic order, not simply because of its inherent inequity but also because of the manifest inability of institutions to meet the challenge of the changing economic situation. It was worried by the absence of adequate support from the richer and more influential nations when an individual country or an institution tried to respond to the challenge and by the continuing erosion of support for international organizations. Increasingly, the seemingly innocuous thesis was being propagated that the growth of the poor depended on the continued rapid growth of the rich, for only then could the markets for the goods of the poor expand and the prices of their commodities be maintained. Closer scrutiny showed it to be a most pernicious doctrine, for it meant that the gap between the poor and the rich would continue to widen and that the

rich would continue to appropriate an overwhelming proportion of the world's natural resources. It also meant that if, for one reason or another, the rich chose zero growth, there would be no hope for the poor. The foundations of that system, in which the future of the less privileged depended upon growing inequality, had to change. A way had to be found to improve and stabilize the terms of trade of the developing countries, to remove the inequities of quota restrictions and import bans – which could not be done through the GSP – and to alleviate the debt burden, which was to a large extent the result of the problems of terms of trade and access to markets.

33. His delegation was, however, aware that the fundamental effort at development had to come from within. The decision-makers and economic managers in the developing countries constantly had to choose between alternatives – usually sub-optimal – and to make hard decisions to mobilize domestic resources, to effect institutional change, to bring about greater equity and to improve the productivity of resources. His own country had taken far-reaching measures in all those areas in the past four years. But all its efforts would come to nought if the external environment for development was not sufficiently responsive to the fundamental situation and the changing needs of the developing countries.

34. His delegation was also concerned at the erosion of support from the larger and richer among the developed countries for international development institutions. Switzerland had recently rejected a proposed loan to IDA, whose largest shareholder was lagging behind in appropriating its pledged contribution. Moreover, an agreement on the next replenishment of IDA at a higher and more appropriate level was still not in sight. His delegation was also concerned at the growing emphasis in pronouncements in developed countries on private capital flows, and the curtailment of public international finance. The projected capital requirements of the developing countries were so large that the problem could not be solved through increasing reliance on the market and on private initiative. What was needed was an active search for solutions on all fronts, an improved flow of public resources on soft terms, the adoption of general measures to mitigate debt-servicing burdens, and the opening up of markets to enable developing countries to adopt an export-oriented growth strategy and generate more resources to service their debt.

35. His delegation was also worried about the growing cynicism in the developed countries about the situation and the future of the poor. There seemed to be a resurgence in the rich countries of the puritanical idea that poverty was the result of inherent character flaws, and that the poor had no one but themselves to blame for their condition. When the leaders of developed countries met, the focus was almost exclusively on their own economies; discussions of development issues were perfunctory, and scant attention was paid to the problems of the less developed countries in the consideration of the reform of the international monetary system and trade questions.

36. The attempt to save the fourth session of UNCTAD from failure had been futile; the "agreement" reached had merely papered over the wide gap between the positions of

the developed and developing countries. At the Paris Conference on International Economic Co-operation, moreover, the developing countries had advanced specific proposals to tackle the most important problems in trade, transfer of resources, and industrialization, on the basis of agreements reached in other international forums. However, the developed countries had not responded to those proposals, but had merely reviewed their own past performance and analysed the problems involved. The group of 19 developing countries taking part in the Conference on International Economic Co-operation had therefore been obliged to issue a declaration expressing its disappointment at the lack of progress made at the Conference.

37. The developing countries could not resign themselves to that situation; they had to evolve a concerted response to break the deadlock in international development co-operation, re-examine and adapt their own policies and develop alternative strategies to achieve their objectives. In that context the Prime Minister of Pakistan had proposed the convening of a conference of all countries of the third world, at the highest level, with a view to mobilizing their full force for greater self-reliance and exerting their influence more effectively for a change in the present unfair international economic order. Such a conference should serve to promote two broad objectives. First, it should help strengthen the unity and negotiating position of the developing countries, and Pakistan believed that, if the necessary preparatory work was carried out, the developing countries would be able to adopt a position and a strategy which would equitably serve the interests of all their groups. Secondly, the conference could give body to the concept of collective self-reliance among the developing countries. Pakistan considered that the vast potential for economic expansion in the developing countries should be developed in directions which mutually reinforced the third world's economic capacities.

38. The proposal of the Prime Minister of Pakistan was a response to the manifest desire of the peoples of the developing countries to seek solutions commensurate with the immense economic problems they faced. Co-operation among those countries had been initiated several years ago and was growing, as was shown by the decisions of the non-aligned group, OAU, the Islamic countries and the League of Arab States. In the next few months, the Fifth Conference of Heads of State or Government of Non-Aligned Countries at Colombo and the Summit Meeting of the Group of 77 in Mexico would carry that task a stage further. The outcome of those meetings could then contribute to action on a higher plane and on a broader basis through a well-prepared and appropriately timed conference of all third world leaders.

39. Despite Pakistan's disappointment at the meagre response of the developed countries to the problems of the third world, it was still prepared to pursue efforts to achieve a consensus for a new economic relationship through dialogue. However, the developing countries hoped that at the Paris Conference and in other forums concrete agreements and practical solutions would be delayed no further. A co-operative solution would be in grave jeopardy if that were to happen.

40. The Economic and Social Council must play its part in evolving a consensus on world economic relations. In the past the Council had hardly lived up to the important role assigned to it under the United Nations Charter, but a more rational organization of its work and that of its subsidiary machinery might enable it to provide policy guidelines on matters of political and economic importance. It was essential also to ensure that the assistance received by the Council from the secretariat was of a high quality, oriented towards the solution of global economic and political issues. His delegation therefore attached significance to the restructuring exercise being carried out.

41. The Abidjan meeting of the Council could be a historic event if all member States squarely faced up to the deadlock in development co-operation and acknowledged the grave problems undermining the economic and social fabric of many developing countries. It was the duty of the Council to contribute with sincerity and perseverance to the task of overcoming difficulties and differences on the basis of fundamental principles; that objective would guide the Pakistan delegation throughout the present session.

42. Mr. EKLUND (International Atomic Energy Agency) said he wished to describe briefly some of the activities of IAEA in promoting the transfer of nuclear power technology to developing countries.

43. Many industrialized countries were carrying out intensive surveys on the availability of energy resources and the future demand for energy. The general consensus was that demand would continue to increase and that nuclear energy was the sole immediately available alternative to fossil fuels. However, it was important to recall that present thermal reactors used only a few per cent of their nuclear fuel. Since the world's uranium resources amounted to some 3.5 million tons, and since a thermal 1000 MW(e) reactor without plutonium recycle would use about 5000 tons of uranium during its lifetime of 30 years, it was clear that there was an upper limit of 700 thermal power reactors which could be fuelled by currently known uranium resources. As the number of power reactors would reach about 200 during the current year, it was obvious that unless the breeding concept (fast or thermal) was introduced on an industrial scale or a process leading to competitive prices of uranium extracted from abundant lower-grade ores was developed, the fission energy era might not last long. That was why the Agency was at present supporting uranium exploration projects in some 20 countries, in some cases with promising results. Those projects formed part of the programme on nuclear raw materials which covered all aspects of the subject. The assistance available under that programme included expert services, equipment and supplies, UNDP large-scale projects, fellowships, and regional projects such as training courses and study tours. It was planned to hold a meeting in 1977 on the uranium geology of Africa.

44. There was now a greater tendency to leave the promotion of nuclear energy to industry and commerce, and many regional and national nuclear energy authorities had become increasingly absorbed with its safety and regulatory aspects. IAEA too had greatly expanded its programme on nuclear safety, and it was expected that five

of the safety codes being prepared under its Nuclear Safety Standards Project would be completed by 1977. In addition to safety codes and guides, the Agency had developed a series of computer programmes for the economic analysis of electric power systems. The resulting methodologies served as basic tools of nuclear power planning surveys which, in some cases, had already been completed for Bangladesh, Pakistan, Indonesia and Hong Kong.

45. Training was another important aspect for the participation of developing countries in that form of energy. In 1975, IAEA had begun a series of training courses on nuclear power project planning and implementation, intended for senior utility and government personnel, and he was pleased to be able to report that 100 of 169 applicants from developing countries had been accepted to attend the entire course. For 1977-1978, emphasis in the training courses would shift to construction and operation management aspects.

46. While most aspects of nuclear power production had now reached the stage of normal commercial and industrial operations, that was not the case for certain aspects of the nuclear fuel cycle, such as fuel reprocessing and radio-active waste management. In 1975, therefore, the Agency had embarked upon an in-depth study on the concept of regional nuclear fuel cycle centres, which would include fuel fabrication plants as well as reprocessing and waste management facilities. The study, partially financed by UNEP and the World Bank, was intended to provide member States with machinery for co-ordinating their work and co-operating with one another in the optimization of nuclear fuel cycle strategies. Regional nuclear fuel cycle centres would offer not only benefits stemming from economies of scale but also other advantages, such as improved manpower utilization, more efficient technological operations, radio-active waste management and disposal, better security as regards materials and more effective international safeguards.

47. The symposium held by IAEA the previous year in Gabon with the assistance of the Government of Gabon and the French Atomic Energy Agency had yielded some interesting results. Over 1,700 million years ago a natural reactor had operated for at least 100,000 years in Gabonese uranium deposits, producing and depositing plutonium. The symposium showed that the plutonium had never moved from the site of its formation but had disintegrated slowly on the spot. That fact might help to dispel some of the present concern about the risk of storing nuclear waste in suitable underground formations.

48. In order to obtain the necessary global overview of the nuclear fuel cycle, IAEA was organizing an international conference on nuclear power and its fuel cycle, to be held in Austria in May 1977 and directed towards persons responsible for the development and implementation of energy programmes, namely, planners, decision-makers and managers. The conference would concentrate on general guidelines for the utilization of nuclear power and focus attention on the experience and problems encountered by countries that had already implemented nuclear power programmes.

49. With regard to safeguards, he noted that in May 1976 Japan had ratified the Treaty on the Non-Proliferation of Nuclear Weapons, thus becoming the one hundredth party to that instrument. Its ratification meant that all major industrial countries outside the nuclear-weapon States had acceded to the Treaty and had undertaken to place their nuclear industries under the IAEA safeguards régime. Safeguards procedures and inspection practices were being further standardized for all types of nuclear plants, and the Agency was now working on manpower-saving techniques and instrumentation for surveillance in order to ensure optimum cost effectiveness.

50. In February 1976, the Board of Governors had decided to limit further the amount that developing countries would have to pay in future to the IAEA safeguards budget. Accordingly, the secretariat was preparing for the next General Conference a system that would freeze the safeguards contributions of low *per capita* income countries at the level of their 1976 contributions. Those contributions would remain frozen until 1980, irrespective of the total amount that the Agency spent on safeguards, which was likely to increase during that period.

51. The controversy which had arisen a few years previously concerning public acceptance of nuclear power had, in some countries, seriously affected the implementation of nuclear power programmes. The work of the Agency and member States on safety measures, codes and regulations, research and development activities concerning waste management, as well as the implementation of non-proliferation measures and studies on physical protection was expanding and intended to meet the public desire to make nuclear energy as safe as possible. The Agency was co-operating with the International Institute of Applied Systems Analysis, WHO and UNEP in a research project on risk assessment and in a study on comparison of energy options. The purpose of that first project was to gain a better understanding of how societies judged the acceptability of any new technology and how objective information on risks and anticipated responses to them might be considered in the decision-making process. The second study sought to develop a methodology whereby a comparative evaluation could be made of the effects of various energy technologies on the environment.

52. Co-operation with the United Nations and its specialized agencies had been satisfactory. For example, UNEP was supporting an increasing number of Agency projects and new working arrangements had recently been approved between WHO and IAEA concerning the establishment of a network of secondary standard dosimetry laboratories. The Agency had continued to collect environmental isotopic data from the IAEA/WMO global network of precipitation stations, and had concluded agreements for collaboration with UNESCO and WMO under the long-term Hydrological Programme. Close liaison would be sought with international as well as national organizations on the project for a computerized energy data bank which the Agency was planning to establish and in which primary emphasis would be on nuclear power and its fuel cycle. That project should be taken into account in considering the proposal to establish an international energy institute within the framework of the United Nations. In that

connexion, he said that the Agency had always favoured co-operation and the strengthening of existing mandates rather than the creation of new institutions.

53. Mr. EVANS (Australia) said that the current session of the Council and the recent session of UNCTAD were of special significance for Africa, for it remained a tragic fact that the majority of the world's poorest nations were to be found in that continent. His Government's participation should be seen as evidence of its resolve to work for the building of an international order based on justice and equity.

54. The current session provided States members of the Council with an opportunity to take stock and to draw together in advance of the General Assembly the various interrelated aspects of the international community's efforts to find practical solutions to the world's pressing economic and social problems. Moreover, as it was difficult to devise a generally acceptable framework for global economic development the Council should be receptive to imaginative proposals from any quarter in its pursuit of the common objective.

55. Developing countries, and in particular the least-developed, had been hard hit by the world-wide recession and the export proceeds of most of the non-oil-producing developing countries had declined while their import bills had continued to rise rapidly. It now seemed that the worst was over and that the major developed market-economy countries were moving steadily towards economic recovery. None the less, serious problems remained, and there was a real possibility that policies designed to stimulate growth might trigger another inflationary spiral and bring about another damaging recession.

56. Recovery in those countries could be expected to stimulate an increase in exports from the developing world, but that was not likely to happen quickly. For many commodities, the fall-off in demand had resulted in the acquisition by consumers of large inventories. In other cases, it would take time for producers, particularly of primary commodities, to respond to the new situation. Recovery did not mean a return to the situation which had prevailed in the early 1970s; it was not possible to turn back the clock. The future must take account of the developments that had occurred since 1974, including the sixth and seventh special sessions of the General Assembly, the World Food Conference, the work being done by IMF and the World Bank to increase funds available to developing countries, the multilateral trade negotiations, the Paris Conference on International Economic Co-operation and the fourth session of UNCTAD. The immediate task was to ensure that recovery continued and that developing countries, especially the least developed, shared in the benefits.

57. The development of a more equitable world economic order was bound up with a change in traditional patterns of international trade and financial relationships. The continuing balance-of-payments problems of many developing countries had had a serious effect on their rate of development, and it was now recognized that the key to reducing the gap between rich and poor nations lay in

finding solutions to the problems of developing countries, many of whose economies were highly vulnerable to fluctuations in world demand for primary commodities. Australia would willingly participate in the construction of a stable and just framework for world commodity trade, and supported proposals for change in the international system that were practical, viable and beneficial.

58. Improved access to the major markets of the developed world for the products of developing countries was an important factor in stimulating the growth of the latter. Australia had taken a number of steps to facilitate imports from developing countries, particularly within the framework of the Australian system of tariff preferences which had first been introduced some ten years previously. The recently announced changes in his country's tariff system meant that approximately 80 per cent of imports from developing countries would enter Australia either free of duty or at preferential rates.

59. Trade assistance, however generous, did not eliminate the need for financial transfers, including development assistance, to developing countries either multilaterally or bilaterally. His Government had recently announced that it would provide approximately \$500 million in aid for 1976/77 - an increase of 14 per cent over the previous financial year. The provision of that amount at a time when the Government was endeavouring to reduce a large budget deficit demonstrated the importance which Australia attached to its objective of providing development assistance. While it had concentrated its development assistance efforts on countries within its immediate region, Australia had nevertheless been conscious of the development requirements of other regions. It had a long-standing programme of assistance to African countries and the Australian community had responded to emergencies in Africa and elsewhere, for example by providing food aid during the droughts in Ethiopia and the Sahel region.

60. As a member of the United Nations Committee of 24 and the United Nations Council for Namibia, Australia had supported international efforts to find a peaceful solution to the problems of decolonization, *apartheid* and white minority rule in southern Africa. For example, his Government had responded to the appeal for assistance to Mozambique following the closure of that country's borders with Southern Rhodesia, and had helped Zambia to overcome some of its transport problems following the closure of its border with Southern Rhodesia.

61. The Australian and African continents had both presented their peoples with formidable natural obstacles to development. One important common problem was the exploitation of arid lands. Australia had acquired some expertise in cultivating areas with low and irregular rainfall, and it therefore welcomed the initiative of Upper Volta in proposing the Conference on Desertification. It had also had to face problems of flood control and water management, particularly in its tropical areas, and hoped to be able to make a contribution to the United Nations Water Conference in 1977. Those two specialized conferences should have a beneficial impact on the development policies of many countries, especially in rural areas, and lead to improved systems for the management and utilization of



natural resources. In his delegation's view, strenuous endeavours should be made in the direction of food self-sufficiency and the development of employment in agriculture-associated industries.

62. The search for a solution to the complex and fundamental problem of the widening gap between the rich and poor was a tortuous one. The efforts being made to evolve a more equitable global society required that the international community should utilize the machinery available to maximum advantage. Some progress had been achieved in efforts to make the economic and social sectors of the United Nations system more efficient. However, much more remained to be done. The transfer of "political" matters to the Economic and Social Council and, more importantly, to the General Assembly for consideration would give the subsidiary and associated organs greater scope for concentrating on their fields of specialization. Consideration should also be given to the problem of the finances of the United Nations, which were at present

limiting the capacity of the system in the development, peace-keeping and other fields.

63. It was important to make the most of the opportunities provided by the economic recovery which now seemed to be under way. In drawing upon the results of the fourth session of UNCTAD, the Paris Conference on International Economic Co-operation and the multilateral trade negotiations, it would be necessary to consider how the benefits of the growth in the world's economy might be spread more equitably among and within nations. The International Development Strategy for the Second United Nations Development Decade had identified goals for certain key sectors of the economies of developing countries. In contemplating the revision of that strategy, members must strive for the realization of a global society based upon equity, justice and universal respect for human rights.

*The meeting rose at 5.40 p.m.*

## 2010th meeting

Friday, 2 July 1976, at 11 a.m.

*President:* Mr. S. AKÉ (Ivory Coast)

E/SR.2010

*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. SRIVASTAVA (Secretary-General of the Intergovernmental Maritime Consultative Organization) recalled that when IMCO had come into being in 1959 it had been composed largely of countries which had a substantial interest in international shipping operations. By bringing together their expertise, those countries had contributed much to improving maritime safety in its widest sense: safety of seafarers, safety of ships and safety of cargoes. IMCO's membership had subsequently increased, more especially as during the past few years the developing countries had become keenly aware of the role maritime transport could play in the growth of their economies. Of IMCO's present 97 member States, considerably more than two-thirds were developing countries in Africa, Asia and Latin America. Moreover, during the previous two years, the Convention establishing IMCO had been amended to increase the membership of its Council from 18 to 24, the additional members to be drawn largely from the developing world. The membership of the Maritime Safety Committee, which was the highest technical body of the Organization, would become open to all. It should be noted that that change in the structure of the Organization had

been decided upon unanimously by the IMCO Assembly, namely, by both developed and developing countries.

2. After referring to the objectives of IMCO, which was the only specialized agency whose functions related exclusively to maritime matters, he stressed the importance of maritime safety. Currently, at any given time, over 2 million seafarers were serving on board 60,000 vessels which plied the oceans of the world. Furthermore, there was the dangerous nature of many types of cargo. IMCO's Conventions aimed at ensuring the world-wide implementation of rigorous safety standards relating to the construction and equipment of vessels, the loading of cargoes and navigation proper, which had to conform to internationally accepted regulations for the preventing of collisions. As shipping technology was making rapid progress, there was need for a continuous review of those safety requirements. IMCO was no longer content with merely laying down standards or adopting regulations; its intergovernmental bodies had recently adopted a new scheme providing for the inspection of vessels in port to eliminate the hazard which sub-standard vessels could represent.

3. Turning to the establishment of an international maritime satellite system, he said that the Diplomatic Conference convened for the purpose would probably adopt the necessary international instruments during its final session at the beginning of September 1976.

4. IMCO was also deeply conscious of the perils of marine pollution from ships and was giving attention to various aspects of that problem. The International Convention of