

2014th meeting

Tuesday, 6 July 1976, at 10.15 a.m.

President: Mr. S. AKÉ (Ivory Coast)

E/SR.2014

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. LONGERSTAEY (Belgium) said that the documents recently distributed by the secretariat enabled a better appraisal to be made of the results achieved midway through the Second United Nations Development Decade and, in particular, made it possible to determine more accurately the effects of the 1974-1975 recession from which the world economy was beginning to emerge. It appeared that, despite that economic setback, the average annual rate of growth in some sectors over the period 1970-1975 for the developing countries as a whole would have reached, if not exceeded, the targets fixed in the International Development Strategy. For instance, industrial production had increased at an average annual rate of 8.6 per cent in those countries, helping to reduce fluctuations in their growth. What was striking in recent developments, however, was the increase in the disparities between, and probably even within, the developing countries. In fact, for the whole period, the growth rate of GNP had reached or exceeded the 6 per cent per annum advocated by the Strategy in only one in four of those countries. It would therefore be necessary to determine ways of gradually reducing those disparities and of implementing policies calling for co-operation by all, first and foremost with regard to the poorest countries, among which were 18 African countries. Accordingly, it would be well to consider, in particular, the establishment of regional combines or groupings within which the developing countries would have the support of more advanced countries and in the framework of which international co-operation could operate with greater effectiveness. The strengthening of regional relations should in fact make it possible to determine the most rational economic unit for promoting the development of groups of developing countries.

2. In that context, there were two main elements which should promote the advancement of the developing countries: namely, their internal agricultural development and their external trade relations.

3. To prevent, or at least to lessen, the danger of the recurrence of famine which might be feared as a result of the present shortages, it was advisable, by appropriate financial means, substantially to increase agricultural investment in food production in the developing countries. IFAD was one of those means and Belgium, which supported it, was prepared to make a contribution of 500 million Belgian francs, as it had announced at the fourth session of UNCTAD, at Nairobi. Financial participation by States to

IFAD should be on a basis of equal sharing in accordance with the Fund's Statutes, which provided for an equal distribution of seats and votes between the two categories of contributing countries.

4. With regard to the external trade relations of the developing countries, the fourth session of UNCTAD had reached an encouraging consensus in the field of commodities; an irreversible process of negotiation on many commodities had now been set in motion which would also lead to the constitution of a common fund for financing what buffer stocks might be considered necessary. That was of course only a first step, but Belgium saw in it acceptance of an equitable sharing of the burdens resulting from a concerted policy and it hoped that all countries, developed or developing, to which a given commodity was of concern would participate in good faith in any negotiations undertaken on that commodity.

5. The development of agriculture and the development of foreign trade had a direct effect on the level of industrial production and those three sectors were obviously inter-related in many ways. One aspect of those relationships was worth pointing out: the agricultural and industrial development of developing countries was to a very large extent linked to progress in the training of management staff for the undertakings in the various branches of production, both in the public and in the private sectors. It would therefore be advisable for the countries concerned to intensify their efforts to promote a spirit of enterprise and for institutions and efficient supporting services for those efforts to be gradually set up, for example for trade information, market intelligence, information on financing, quality control, etc. Those services should obviously be closely related to the possibilities for economic development and the priorities laid down in the development plans.

6. The question of training went hand-in-hand with a strengthening of the technological capacity of the developing countries, and that required the establishment of structures and policies capable of absorbing foreign techniques and of promoting the development of local technology and research. On the latter point, it should be borne in mind that a study of the adaptability of techniques to local conditions should cover all the phases of utilization, from identification and selection of the equipment to its maintenance, its improvement and possibly its multiplication. In that connexion, he felt that the pre-investment studies which dealt with those problems should leave the developing countries a choice between possible techniques. There again, there could be no real effectiveness in that field unless the acquisition of techniques was closely associated with the objectives of planning and with the priority tasks laid down in the plan.

7. The same consideration applied to the promotion of research and development activities at the local level, which called for the provision of adequate vocational training and technical education, once more related to the needs of the undertakings and to the capacity of national, subregional and regional markets. In the circumstances, in order that the research and development centres of the industrialized countries should be able to co-operate usefully in solving the technological problems of the developing countries, they should know as much as possible about local conditions and local cultural factors in order to ensure that technological solutions would be fully assimilated by the people concerned. The objective, in that field, must be to promote an autonomous technology, for the import of very advanced techniques and the resulting dependence was only justifiable in special or exceptional circumstances. Moreover, that was the implication of the decision on the transfer of technology adopted at the fourth session of UNCTAD: the participating countries had unanimously advocated, within the framework of a programme of action for the transfer of technology, the creation of national, subregional and regional centres. Provision was made, in particular, for the establishment of a multidisciplinary African centre for the development and transfer of technology, which was to start operating in 1977 or 1978 with the co-operation of the competent United Nations bodies. The developed countries had decided to collaborate in that initiative, which Belgium had been one of the first countries to support.

8. Among other recent developments, he was interested in those designed to promote co-operation between the developing countries at the trade, technological and economic levels. Such co-operation would require regeneration of the relations between the developing countries and their adoption jointly of far-reaching measures. Any agreements that might be concluded should of course take international trade commitments into account. So far, that new development had only been discussed in broad terms and it must be gradually defined in greater detail so that it could be translated into practical projects in due course. Belgium, for its part, would give positive consideration to any requests for assistance addressed to it in connexion with such projects. Furthermore, it was already making an important financial contribution to a vast regional programme to combat onchocerciasis which concerned several West African States and in which, apart from those States, a number of donor countries and international agencies were participating. More recently, Belgium had responded to the appeal of the "Friends of the Sahel Club", which, in collaboration with the Permanent Inter-State Committee on Drought Control in the Sahel, was co-ordinating the human and material contributions to the recovery of that regional.

9. With regard to the transfer of resources to the developing countries, Belgium had long since exceeded the target of 1 per cent of the GNP fixed under the International Development Strategy for the whole of such transfers: 1.35 per cent of the GNP in 1975. As far as the volume of official assistance was concerned, Belgium had subscribed to the target of 0.70 per cent fixed under the International Development Strategy and the Belgian Government had set itself the task of reaching that target before the end of the Decade. It was expected that that

type of assistance would exceed 0.60 per cent of Belgium's GNP in 1976. Generally speaking, at both the regional and the world levels, the trend towards multilateralism in Belgium's co-operation was continuing: at present, more than one third of the Belgian co-operation budget was devoted to multilateral assistance. Apart from important contributions made within the framework of EEC and to various regional banks and funds, Belgium was participating widely in the activities of the World Bank and had decided to participate in the fifth replenishment of the resources of IDA. At the level of bilateral co-operation, which was by no means neglected, Belgium gave priority to the poorest countries. In the African countries, it placed the emphasis on the rural sector, higher education, technology and agriculture, and public health.

10. Lastly, he turned to the question of the revision of the International Development Strategy, which was to be taken up by the General Assembly at its forthcoming session, and that of the restructuring of the economic and social sectors of the United Nations system. The Strategy formed a coherent framework of reflection and action for the functioning of the United Nations system and for development co-operation. The work of bringing it up to date must therefore be undertaken with due deliberation, taking many factors into account, and should be the subject of a wide consensus of the member States. At the outset, the Secretariat should prepare reliable documentation on the subject. As far as the reorganization of the economic and social system was concerned, the *Ad Hoc* Committee on Restructuring was dealing with the matter; particular attention should be given already to the place and role of the Economic and Social Council, on which the Charter itself conferred a central position in the economic and social system of the United Nations. It was essential that the Council should be able to fulfil that role more effectively, so that a synthesis of the contributions of the various institutions making up the United Nations family could be obtained and hence a real policy for international co-operation worked out. The Council must therefore see that the activities of the various elements of the system were harmonized and associated more closely with programme planning at the world level. There again, with regard to world policy measures and to the preparation of directives, a large place should be given to decisions adopted by consensus; that was the prerequisite for real progress towards international economic co-operation. Furthermore, the boosting of the activities of the Council must be founded on a new pattern of meetings; he would like frequent short sessions, spread out over the year, which would enable participants to focus their attention at each session on specific, well-prepared subjects, including the work of the Council's subsidiary bodies, consideration of programme budgets and medium-term plans, and operational activities as a whole.

11. It was undeniable that the international community had been given new opportunities as a result of the fourth session of UNCTAD. That trend must become irreversible in the many negotiations which would be held later at UNCTAD, at the Conference on International Economic Co-operation in Paris, and elsewhere. Belgium did not intend to give preference to any negotiating forum. All opportunities for dialogue should be seized in order to

improve the situation of the third-world countries, in particular the situation of the least-endowed countries.

12. Mr. AMIRMOKRI (Iran) said that he was particularly conscious of the fact that the many important international conferences held in recent years had led to the adoption of a large number of policy decisions of great importance, but unfortunately they had remained dead letters. The developing countries continued to suffer the backlash of the crisis which was hitting the developed countries and the objectives of the International Development Strategy for the Second United Nations Development Decade, modest as they were, had still not been achieved. At its sixth special session, the General Assembly had laid the foundation for a new international economic order. At its seventh special session, it had identified a number of basic issues for action and negotiation. The developing countries had expected that, benefiting from the momentum thus created, the fourth session of UNCTAD would be the best opportunity for the international community to translate those decisions into practical action and to achieve at last the objectives fixed so long previously. Their hopes had been disappointed with regard to two main items on UNCTAD's agenda: the question of commodities and that of the finance and debt problems of the developing countries. On that second question, in particular, the outcome had been total disappointment. On the question of commodities, total failure had been avoided, but the results were far from being satisfactory to the developing countries.

13. It was now evident that the fragmentary approach so far adopted with regard to commodities was inadequate to deal with the main problems of international commodity trade. The developing countries had for a long time been advocating the idea of an integrated approach. It was encouraging that they had finally been able to win acceptance for their views on that point at the fourth session of UNCTAD, but it was still a matter of concern that an essential part of that Integrated Programme – the establishment of a common fund for the financing of buffer stocks – had not been accepted. Yet that was the binding factor of the Integrated Programme for Commodities and should play a catalytic role in promoting the establishment of financial resources for the implementation of commodity agreements. Without the common fund, the Integrated Programme would be of little practical use.

14. In view of the meagre results of the fourth session of UNCTAD and the lack of any substantive agreement at the Conference in Paris, there would be grounds for concluding that the momentum which had marked the seventh special session of the General Assembly had completely disappeared. Discouragement should not, however, be allowed to prevail. The President of Ivory Coast, in his opening statement (2006th meeting), had stressed the importance of strengthening the bonds of solidarity among the developing countries. The countries of the third world should give favourable consideration to the idea, put forward by the Prime Minister of Pakistan and referred to by the representative of Pakistan (2009th meeting), of convening a summit conference of the developing countries, if only because the spirit of the seventh special session must be preserved at any price. There should therefore be a firm commitment to the idea that the work of the fourth session of UNCTAD

might be continued in 1976 and in 1977 by negotiations leading to the removal of the reservations which the developed countries still had with regard to the establishment of the common fund, so that the Integrated Programme for Commodities would finally become a viable programme.

15. In conclusion, he referred to the establishment of IFAD, which was of the utmost importance to Iran, as to all developing countries. The OPEC countries had decided to participate in the establishment of the new international economic order by making a sizable contribution to the new Fund. They hoped that the industrialized countries would follow suit so that IFAD could become operational as soon as possible.

16. Mr. KARIM (Afghanistan) said that his country was glad to have been elected to the Economic and Social Council, for its long history of membership of the United Nations and the interest it took in the solution of the problems confronting mankind had prompted it to take an active part in the discussions of the various organs of the United Nations and in all the dialogues dealing with common problems, in particular at the sixth and seventh special sessions of the General Assembly and at the Ministerial Meeting of the Group of 77 at Manila and at the fourth session of UNCTAD at Nairobi. Afghanistan was especially interested in participating in the work of the Council, since the latter was the centralizing and co-ordinating organ for all the economic and social activities of the United Nations.

17. The world crisis which had started in 1974 had put a brake on the economic expansion of the developing countries, in particular, whose GNP had not, as a whole, attained the target of a 6 per cent annual rate of growth established for the Second United Nations Development Decade. The combined effect of the recession, a reduction in import capacity and stagnation of agricultural production had weighed heavily on the poorest countries.

18. It was clear that for countries like Afghanistan, where 95 per cent of economic activity was based on agriculture, no serious development could be envisaged without an increase in agricultural output and an improvement of methods of production in that sector.

19. The Council was meeting, not to give further consideration to problems which had been discussed at length in recent years, but to try to find solutions, for example for the increase in the cost of equipment, services and transport. All too often the most important projects undertaken by the developing countries to overcome their difficulties were not put into operation without considerable delay, mainly because of the high expenditure they entailed. That was particularly the case of land-locked countries, whose disadvantageous geographical situation posed an extremely serious problem; his Government was pressing for recognition of the right of free access to the sea, in particular, as an essential condition for economic development of all the land-locked countries and it hoped, moreover, that the necessary steps would be taken to ensure that that right was established and universally

recognized and applied, for otherwise the new international economic order would become meaningless.

20. The measures provided for in the Manila Declaration and Programme of Action covered so vast an area that it was essential to ensure the unconditional participation of all the international and regional organizations and to synchronize their activities so that the new international economic order could be effectively established.

21. Mr. MARTÍNEZ MARTÍNEZ (Cuba) said that two of the questions on the agenda for the sixty-first session of the Council were particularly important, namely, the Programme of Action on the Establishment of a New International Economic Order and revision of the International Development Strategy.

22. Those two questions were being considered at a time when the developing countries, supported by the socialist countries, had firmly expressed their resolve that a new international economic order should be established, when the profound differences separating the developing countries from the main developed capitalist countries had once again been apparent at the end of the fourth session of UNCTAD, when the multilateral trade negotiations were at a standstill, thus showing the ineffectiveness of GATT and the lack of political will on the part of the capitalist countries concerned, and when the Paris Conference on International Economic Co-operation was still failing to produce tangible results for the developing countries.

23. The fifth Conference of Heads of State or Government of Non-Aligned Countries, to be held at Colombo in August 1976, was therefore all the more important in that those countries had defined and strengthened their position in the matter of the international economy. The capitalist system had recently had to face its most serious crisis since the 1930s. It had long been thought that economic growth could be stimulated, and to a certain extent controlled, by financial, monetary and fiscal mechanisms essentially characterized by deliberate, and theoretically limited, inflation. In such a scheme, the conjunction of galloping inflation and a stationary or negative growth rate was inconceivable and it was the conjunction which had given the system such a jolt. According to the *World Economic Survey, 1975* (E/5790 and Add.1), the eight countries which in 1970 had accounted for 86 per cent of the GNP of the developed capitalist world as a whole had, on an average, had negative growth rates in 1974 and 1975. In the United States of America, demand had fallen during five consecutive three-monthly periods to such a point that in 1975 it had been \$90,000 million less than in 1973.

24. The developing countries were, however, the main victims of the crisis of the capitalist system, as the Secretary-General of UNCTAD had pointed out, with the support of telling figures, at the opening of the fourth session of UNCTAD at Nairobi: those countries, which accounted for 70 per cent of the world's population, had only 30 per cent of the world's income.

25. The crisis of capitalism and its consequences were directly linked to the question of revision of the International Development Strategy, which was itself linked to

the question of the new international economic order. When the Strategy had been adopted by the General Assembly, at the end of the first United Nations Development Decade, his delegation had entered serious reservations of substance concerning the very principles on which the Strategy was based. At the time Cuba had neither understood nor accepted – any more than it did now – how the exploiters and the exploited could join together to eliminate a system of economic relations in which the domination and opulence of the one were based on the backwardness and poverty of the other. Cuba had then been, and still was, convinced that underdevelopment was a phenomenon imposed from outside by colonial and neo-colonial Powers. As a result of the fundamentally erroneous approach, both the capitalist countries – which were responsible for the current situation – and the socialist countries – which were not – had been asked to devote 1 per cent of their GNP to the financing of development. The great weakness of the Strategy was that it did not call in question the broad principles of the former economic order but merely tried to correct the way it operated in order to render it less harmful to the developing countries and to fix quantitative goals. The fact that those goals had not been achieved showed clearly that the initial approach had been wrong and that the structure on which it was based was ineffective.

26. It should be noted that the Strategy had been prepared and adopted at a time when the capitalist system had been relatively stable, at a time, in fact, when it had been reasonable to think that the system would develop in a balanced way. That explained certain technical errors, such as the rate of 6 per cent fixed as the growth target to be applied to both production and income, thus assuming that price fluctuations would not produce any significant distortion in production and in the income deriving from it. The possibility of profound price changes had therefore been excluded. That, however, was what had happened and the record of performance under the International Development Strategy (E/5827) was nothing but a long list of unattained targets, with a few questionable achievements.

27. It was inconceivable, therefore, that the Strategy and the new international economic order should be compatible. His delegation held that it was essential that the final outcome of revision of the Strategy should correspond in every respect to the Declaration and Programme of Action on the Establishment of a New International Economic Order and the Charter of Economic Rights and Duties of States, which reflected a new and more advanced phase of the developing countries' struggle.

28. Turning to the question of regional co-operation – which was essential, especially between developing countries – he said that the Latin American region had recently broken new ground by setting up a Latin American Economic System which comprised all the countries of the region and represented a well-designed forum in which to devise a common policy, re-define the traditional framework of trade integration schemes and promote, through action committees, the establishment of multinational enterprises owned by the participating countries, such as the Namucar maritime transport company. The establishment of the Group of Latin American and Caribbean Sugar

Exporting Countries represented another attempt to co-ordinate sugar marketing policies and defend sugar prices on the world market.

29. The Council was to undertake a fresh study on transnational corporations. It would have to consider the report of the Commission on Transnational Corporations on its second session (E/5782), which noted the strong opposition of several developed capitalist countries to the adoption of a code of conduct for transnational corporations. Cuba had had experience of the practices of transnational corporations, knew that they were corrupt and was not blind to any of their abuses or excesses, including the exploitation of the underdeveloped countries and the overthrowing of Governments.

30. The Charter of Economic Rights and Duties of States, a constructive Mexican initiative, which the General Assembly had adopted at its twenty-ninth session (resolution 3281 (XXIX)), was also on the agenda of the Council (agenda item 11), which was to prepare a report on the progress achieved in its implementation for submission to the General Assembly at its thirty-second session. His delegation would willingly take part in that work, because it was convinced of the importance of the Charter.

31. On the subject of assistance to Zambia and Mozambique, he merely declared that Cuba wholeheartedly supported the provision of assistance to those two African countries, which were victims of their policy of economic independence in the face of the racist and illegal régime of Southern Rhodesia.

32. After more than 20 years' absence, Cuba was once more taking a place in the Economic and Social Council. It was, of course, a very different Cuban delegation which, in a dynamic and constructive spirit, was now taking part in the Council's work. For the past 16 years the Cuban people had been going through a profound revolution which had found the logical path of its development in socialism. After nationalizing its principal resources and liquidating the imperialist exploitation of the United States of America, Cuba had embarked on a process of development which had been impeded by the economic blockade and the hostility it had encountered, by the dearth of natural resources and by the fact that its earnings were to a large extent dependent on fluctuations in the price of sugar, which accounted for more than 80 per cent of Cuban exports.

33. Nevertheless, thanks to the effective and exemplary collaboration of the Soviet Union and other socialist countries, the Cuban economy had, between 1971 and 1975, achieved an average annual growth of more than 10 per cent. Cuba could now proclaim with pride that it was a country from which unemployment, racial discrimination, hunger, poverty, social ills and illiteracy had disappeared.

Mr. R. Rivas (Colombia), Vice-president, took the Chair.

34. Mr. SYLLA (United Nations Industrial Development Organization) spoke on behalf of the Executive Director of UNIDO, who had been detained at Vienna by the third session of the Intergovernmental Committee of the Whole which was meeting to draw up a new constitution for

UNIDO as a specialized agency. An important fact had emerged from the many international meetings of the previous year, namely, the proposal by the developing countries to establish a type of co-operation which would enable them to build their economies from their own resources and to make international trade the privileged instrument of an equitable distribution of world revenue. It had also been recognized at those meetings that industrialization played a capital role in bridging the gap between rich and poor countries. Moreover, at its seventh special session the General Assembly had endorsed the legitimate aspiration of the developing countries to secure a larger share of world industrial production, namely 25 per cent in the year 2,000, as was envisaged in the Lima Declaration and Plan of Action adopted at UNIDO's Second General Conference in 1975.

35. The economic and social situation of the world was, however, rather gloomy. The situation of the developing countries, which were increasingly crippled by debt, had on the whole deteriorated. The solution to that problem should no longer be deferred. UNIDO considered that action should be taken to improve the financial and monetary situation of the developing countries and to help to finance their exceptional deficits. Consideration might be given to the establishment of a global international fund to which all States would contribute at the rate of say 0.5 to 1 per cent of their GNP; the contributions would be used first to repay the crippling debts accumulated by the developing countries and then to underpin the development of the poorest countries. That assumed that the international community would be willing to build up constructive co-operation and to establish new international relations based on solidarity.

36. If the target of 25 per cent of world industrial production was to be achieved, the developing countries would have to undertake a vast integrated work of industrialization. To that end, they could conclude trade agreements under the terms of which they would offer each other outlets for a certain number of relatively simple manufactured products which would meet the international standards of a few years back. Such agreements would stimulate the development of new industries and facilitate the acquisition of the corresponding technology, which might be outmoded according to the standards of the industrialized world but not necessarily so in the developing countries, given their social and economic conditions. The resources thus released could be used for the acquisition of more advanced technologies as a result of which those countries would develop more sophisticated products able to compete on the world market.

37. In the context of international co-operation for implementation of the Lima Declaration and Plan of Action, the General Assembly had requested UNIDO to establish, at the global, regional, interregional and sectoral levels, a system of consultations between developed and developing countries and among developing countries themselves (resolution 3362 (S-IV), sect. IV). The Industrial Development Board had recommended UNIDO to start consultations at the sectoral level immediately; those consultations would probably be held, on metallurgy and fertilizers, before the end of 1976 or at the beginning of

1977. In addition, the Follow-up Committee on Industrialization in Africa was to meet without delay to identify those sectors which the region regarded as priority sectors for future regional, international and world consultations and negotiations and to specify procedures for carrying out such consultations. It had been thought reasonable, at Lima, to consider that in the year 2,000 Africa's share of the anticipated 25 per cent of world production that would fall to developing countries might be 2 per cent, as opposed to the present 0.5 per cent, as the Africans themselves had requested.

38. Turning to the question of co-ordination between organizations of the United Nations system, he said that such co-ordination was essential if the modest resources available to the organization were to be used to the best advantage to ensure a more equitable distribution of the world's economic and social resources. UNIDO was becoming increasingly aware of the need to co-ordinate its own work with that of other organizations of the United Nations system dealing with economic and social development and, to that end, to keep informed of the activities of organizations dealing with industrial development and ensure that there was no duplication. It would use its modest means and make every effort to ensure the establishment of a new international economic order based on justice and equity.

39. Mr. de ANGELI (World Federation of Trade Unions), speaking at the invitation of the President, said that he was taking the opportunity of the first session of the Council to be held in Africa to salute African workers and the Organization of African Trade Union Unity. He drew attention to a resolution adopted in Geneva on 16 June 1976 by representatives of over 250 million workers affiliated to WFTU, International Confederation of Free Trade Unions, the World Confederation of Labour, the International Confederation of Arab Trade Unions and the Organization of African Trade Union Unity urging the United Nations to organize a second trade union and world conference against *apartheid* as soon as possible, in co-operation with international and regional trade union organizations. They had also committed trade unions throughout the world to go to the aid of the only African workers' organization fighting on South African territory, the South African Congress of Trade Unions, and appealed for generous and unconditional assistance to be given urgently to Mozambique, which was applying sanctions against South Africa.

40. As far back as 1970 WFTU had predicted that there would be a crisis in the capitalist economic system and had said that it was no longer possible to analyse the economic situation of the market-economy countries purely in the light of economic conditions. It had based its views on the claims of workers and their unions in the developed and developing countries of the capitalist world, the serious social conflicts resulting from inflation and unemployment, the deterioration in living and working conditions, the concentration of wealth and the proceeds of growth, and the repressive measures against trade-union freedom. Today the *World Economic Survey, 1975* (E/5790 and Add.1) and the Secretary-General raised the question of the crisis and the need to change the system so that the market-economy

countries could help – or at least not impede – the international community's search for a new international economic order.

41. The World Federation felt, however, that the problem had not been properly formulated. It had never accepted the distinction between social progress and economic development either internationally or nationally. The trade unions did not believe in economic miracles; they believed in policies for improving the lot of the 1,800 million men and women who in 1980 would be working in factories, fields, offices, universities and research centres throughout the world. The studies that they had carried out over a number of years showed that there was no econometric model which could demonstrate any incompatibility between accelerated economic development and the implementation of a social policy for the redistribution of wealth and full employment, and that States could not abandon the guaranteed right to work solely on economic grounds. WFTU observed with regret that inflation was still attributed to wages, to a hypothetical "world demand" responsible for the general inflationary pressures in the developed capitalist countries.

42. The present session could be of historic importance if, on the eve of the third United Nations Development Decade, the Council realized the need to revise its criteria for assessing progress in implementing the International Development Strategy, in the light of the new objective of establishing a new international economic order. In that spirit it would be desirable to change the form of the *World Economic Survey* so as to emphasize the social aims of economic development. WFTU also hoped that the Council would take up and expand the idea put forward by the Secretary-General of the United Nations (2006th meeting) that the countries which gave priority to meeting the basic needs of the poorest groups should be given special assistance by the international community. The Declaration and Programme of Action adopted by the ILO Tripartite World Conference on Employment, Income Distribution and Social Progress and the International Division of Labour, which had just closed at Geneva were an encouraging step towards reformulating the objectives of the International Development Strategy. On that occasion the trade unions as a whole had expressed the wish that the international community should work out a new concept of growth and development, that the right to work should be assured in every country by a policy designed to satisfy basic human needs and by fundamental reform of national structures.

43. WFTU had considered the social and economic situation at the end of the first half of the Second United Nations Development Decade and noted that there were still over 700 million people living in poverty, 460 million suffering from malnutrition and 800 million illiterate. The mass of people in town and country who were looking for work, who had never had work or who were working on short time were glaring evidence of the economic and social failure of a particular economic system: according to the ILO, there were 300 million unemployed or under-employed in the developing market-economy countries and 45 million, with dependents, in the developed market-economy countries. For that reason, WFTU had prepared a

strategy for social progress comprising plans for action in various fields, such as employment, education and training, health and hygiene, housing, taxation and redistribution of property, agrarian reform, industrialization, migration of workers, international economic relations and transnational corporations, which would be submitted to the Special Economic Committee of the Council.

44. That strategy for social progress was designed to ensure that everyone had the right to the highest standard of living, through the satisfaction of social needs. It presupposed the guarantee of the right to work, advocated integrated economic and social planning and provided for a guaranteed minimum annual income for the worker and his family and a progressive increase in purchasing power. Implementation of the strategy called for agrarian reform whereby the land would be given to those who worked it, redistribution of ownership of the means of production and a democratic taxation system.

45. WFTU was convinced that participation by the workers and the masses in the economic, social, political and cultural life of a country should extend to decisions on integrated economic and social planning and management of enterprises, since the workers claimed the right to influence economic and social decisions which affected them. In that connexion WFTU was surprised to read in chapter II of the *World Economic Survey, 1975* (E/5790/Add.1) that the Governments of the developed market-economy countries "would have to work towards either administrative and structural changes that would increase competitive forces and reduce the monopolistic behaviour of both business corporations and trade unions or forms of incomes policy involving new ways of distributing the proceeds of production among wages, profits and taxes". As everyone knew, the international trade union movement considered that income policies offered no guarantee of protection of workers' incomes, whereas capitalist corporations could transfer their profits, conceal their resources and evade a true comparison between profits and wages. What was even more serious was the proposal to "increase the competitive forces" of the trade unions, which was tantamount to proposing to a large number of West European capitalist countries that they should infringe the ILO Conventions No. 87 (on Freedom of Association and Protection of the Right to Organise, 1948) and No. 98 (on the Right to Organise and Collective Bargaining, 1949), which expressly forbade public authorities to set up parallel trade union organizations or use other practices to divide the freely constituted workers' organizations. The international trade union movement could only condemn such a proposal and WFTU hoped that in the general debate it would be declared inappropriate by the Under-Secretary-General for Economic and Social Affairs.

46. The strategy for social development proposed by WFTU supported demands for a radical change in the international division of labour relating to trade, official assistance, industrialization, financial and monetary relations and other matters with a view to creating the conditions for international economic co-operation in which all countries would participate without distinction.

47. Lastly, WFTU reaffirmed its desire that a mandatory international instrument for the control of transnational

corporations should be adopted which would give States the right to nationalize or expropriate foreign assets or to transfer ownership by sovereign application of their national legislation. Such an instrument should not be confined to the subject of corruption on the part of transnational corporations: it should lay down a comprehensive code on employment, living and working conditions, vocational training, democratic liberties and trade-union rights. The International Development Strategy, for both the second and the third decade, should therefore emphasize the social aspects of development and the quantitative and qualitative social objectives it embodied should encourage the establishment of a world order from which social injustice and all forms of human exploitation would be banished.

48. Mr. OANCEA (Romania) said that the sixty-first session of the Council was being held at a time when it was clear that the existing structure of economic relations and the relevant institutions could no longer ensure the continued and harmonious development of national economies and would have to be replaced by a new system of relations based on equality and equity which would meet the interests and aspirations of all nations. The world was witnessing an intensification of the people's struggle for a better life for mankind. The efforts, imagination and will of the people were increasingly directed towards the adoption of international and regional programmes of action and practical measures to produce adequate solutions for the major problems of international economic relations.

49. His country considered that the year 1976 should see the start of a gradual but determined move towards implementing the measures adopted at the international level over the past few years. Any delay in putting into effect the measures agreed upon for the attainment of the objectives of the new international economic order would be bad for the entire international community. The countries represented on the Council, which was the main co-ordinating body for United Nations economic and social activities, must take decisions at the present session which would make it possible to start to put the measures adopted into effect.

50. As a socialist developing country, Romania had always pressed, at both the bilateral and the multilateral level, for genuinely equitable and democratic relations between States. At the seventh special session of the General Assembly, his delegation had explained at length its position on the need for a new international economic order, which it saw as part of a restructuring of international relations; that implied a restructuring of economic relations and the establishment of political relations based on equality and respect for sovereignty and on non-interference in the internal affairs of States. His country was convinced that the changes that were needed should be aimed primarily at eliminating once and for all the policies of inequality and inequity and of domination and exploitation of people and at putting an end to imperialist, colonialist, neo-colonialist and *apartheid* policies.

51. The gap between developed and developing countries was one of the most serious anomalies of the present-day world. The persistence of underdevelopment was an

obstacle to development and to a stable world economy and a threat to peace and international peace and security. That idea had been stressed once again by President Nicolae Ceausescu at the recent congress on political education and socialist culture held at Bucharest.

52. In the task of building the new economic order, special attention should be given to the problems of improving agriculture and industry in the developing countries. With regard to foodstuffs, for example, efforts to increase agricultural production should be concentrated mainly on diversification of production, with close international co-operation and effective support from the developed countries. It was for that reason that Romania was one of the countries which had proposed setting up IFAD, for which a constitution had recently been adopted at Rome. While Romania hoped to be a beneficiary of IFAD, it was also thinking of ways of providing resources for it and his Government was studying the possibility of making an initial contribution.

53. On the industrial side, the Lima Declaration and Programme of Action had defined the broad lines for promoting international development and co-operation in that sector. It was incumbent on both the developing and the developed countries to create the conditions necessary for achieving the target set at Lima, namely to increase the developing countries' share in world industrial production from 7 to 25 per cent.

54. In those fields and any others his country was making every effort to strengthen its friendship and co-operation with all the socialist countries, with the developing and the non-aligned countries, and in general with all States which supported independent development. It was in that spirit that it wholeheartedly supported the implementation of the programme of action adopted at Manila during the Ministerial Meeting of the Group of 77.

55. The present Council session followed close upon the fourth session of UNCTAD. The latter, while not fully meeting the expectations of the developing countries, had achieved some positive results. In particular, the adoption by general agreement of the Integrated Programme for Commodities was an important step towards stabilizing international commodity trade in the interest of all concerned. It was now the responsibility of each State to take the necessary steps to comply with the time-table fixed at Nairobi. The essential part of the Integrated Programme was the proposed common fund to finance buffer stocks and all States must prepare for negotiations on its establishment. In the same spirit of shared responsibility, the implementation of the strategy adopted at Nairobi for development and diversification of exports of manufactured goods from developing countries must be ensured. In that respect the GSP needed considerable improvement; it should become a permanent factor in the trade policy of the developed countries and should be applied to all developing countries without discrimination.

56. One of the Council's main tasks at the present session was to evaluate the results of the International Development Strategy for the Second United Nations Development Decade. Many countries, including his own, had already noted with concern the limited progress made between 1971 and 1975. For the developing countries the average growth rate of world production had remained below the target of 6 per cent and the disparities between developed and developing countries were increasing. The Strategy must certainly be reshaped and supplemented without delay to take account of the new facts and new requirements in international economic and political relations, and with the unanimous agreement of States. His delegation would take part in the revision of the Strategy for the remainder of the present Decade and in the preparation of the Strategy for the coming decade.

57. His country was convinced that the United Nations and the international organizations must play an increasing part in the solution of world problems. Accordingly, his Government was constantly seeking ways of improving the activities of the United Nations and its agencies and hoped that the task of restructuring the economic and social sectors of the system would be successfully completed. Without prejudging the decisions to be taken on that question, his delegation hoped that in any case the Council's economic and social activities would be broadened and made more effective. In particular, the Council should be better able to follow and co-ordinate the activities of the institutions of the United Nations system, so as to facilitate the establishment of the new international economic order, and actions aimed at promoting more rapid progress for the developing countries. His Government therefore supported the idea that the Council should hold periodical sessions at the ministerial level, such as the session held at Abidjan, for the general consideration of the international economic situation, and that that should become a regular practice. The Council should also be empowered – and should consider itself bound – to take speedy action on urgent economic problems by convening special sessions at the request of one State or a group of States. That practice would also be in conformity with recent precedents set by the General Assembly, which had just devoted two special sessions to the question of the establishment of a new international economic order.

58. In gradually improving the activities of United Nations bodies, it was of course important not to lose sight of the need for continued dialogue between States, on the basis of complete equality, whatever their size, degree of development, social and political system or geographical situation. The universality and the democratization of the system were two complementary objectives, each being a condition of the other.

The meeting rose at 1.15 p.m.