

What was needed was to establish a dialogue and arrive at a consensus. The present methodology allowed no time for such vital discussion.

81. World problems had become vastly more complex since the time of the Council's establishment yet its methods remained unchanged. It had no contact groups or negotiating bodies and no efficient means of communication. It was engaged instead in hearing a succession of statements which left no time for any real discussion. In the Policy and Programme Co-ordination Committee there were 44 speakers on one agenda item alone.

82. The Council should be able to meet throughout the year at a high political level and should have higher executive powers. In the absence of such changes the Programme of Action would remain a mere document.

83. Mr. CORDOVEZ (Secretary of the Council) said that the Brazilian representative had gone to the heart of the problem which the Secretariat was facing in trying to service the Council effectively. In the case of most of the documents for the fifty-seventh session, it had been impossible to comply with the six-weeks rule because the Secretariat services concerned were operating at full capacity and any change in priorities disrupted the whole flow of work on the processing of documents. The sixth special session of the General Assembly, for instance, had had to be given top priority, with the consequence that some other documents, including certain papers for the Council's session, had suffered delays. Efforts had had to be made at the same time to produce a number of documents for the World Population Conference, for the Conference on the Law of the Sea and for other United Nations bodies.

84. The main point he wished to make was that whatever documents were submitted to the Council were produced at

the request of the Council itself or of other intergovernmental bodies. It was therefore the responsibility of the Council and of those bodies to make any changes that might be required in its methods of work, including the pattern of meetings.

85. The Secretariat had made a tabulation of the documents it had been required to produce for the present session. Those processed through the Council secretariat alone amounted to 3,470 pages – at a cost of at least \$100 per page. 41 documents, ranging from 1 to 66 pages in length, had been submitted for the current session in connexion with one agenda item alone. One single shipment of documents from New York to Geneva for the session had weighed 11.5 tons, and all those documents had legislative authority, so that the Secretariat had a statutory duty to produce them. It was therefore in the Council's hands to make the change in methodology mentioned by the Brazilian representative.

86. The Secretariat would be happy to give all the facts about the technical difficulties it was encountering and to be given an opportunity of commenting on the whole matter at length, possibly in the Policy and Programme Co-ordination Committee.

87. Mr. FRAZÃO (Brazil) said that he would be glad to receive from the Secretariat a tabulation of the figures which the Secretary of the Council had given.

88. The PRESIDENT said that the Council would revert to the question raised by the representatives of France and Brazil at an appropriate time and under an appropriate agenda item.

The meeting rose at 12.40 p.m.

1912th meeting

Thursday, 11 July 1974, at 3.15 p.m.

President: Mr. A. KARHILO (Finland)

E/SR.1912

AGENDA ITEM 3

General discussion of international economic and social policy, including regional and sectoral developments (concluded) (E/5479, E/5486, E/5490, E/5502, E/5517, E/5521 and Add.1-3, E/5532 and Corr.1)

1. Mr. KACIMAIWAI (Fiji) said that his delegation felt that it was a timely occasion to re-examine the responsibility of nations in the economic and social progress of their peoples. There was an urgent need to harmonize the many aspects of the world economy and to solve the chronic social and economic problems of the developing countries. There was also a need to stimulate economic growth by the development of the means of, and insti-

tutions for, production in the least developed countries and to find solutions to the economic problems of the land-locked and the geographically handicapped small island developing countries. If the work of the Council was to produce positive results, it was essential that affirmations of intention should be followed by concerted collective action, in accordance with the philosophy of collective economic security. At that end, it was essential that delegations should take part in the discussion with a balanced sense of their responsibility, not merely for their own individual nations, but for all nations. His delegation hoped that the nations which had the economic strength in the present-day world would not endeavour merely to determine the course of world economic development in the interest of extending still further their own influence.

2. Success would be possible only through effective international co-operation and a recognition of the interdependence of the economies of all nations. It must be based on an unwavering political will to devise and implement an economic action programme that would achieve at least the minimum acceptable economic goals of the developing nations. Collective economic security could not be established except on the basis of concessions and mutual understanding at the international level, commitment to a common cause and a deep sense of responsibility towards mankind.

3. One of the characteristics of the present-day world was still the existence of masses of human beings living in poverty and unable to provide themselves with the basic necessities. The solution to that problem was linked with the tempo of economic development in the third world, which itself depended on economic inputs from the affluent nations. It was common knowledge that a large proportion of the world's population suffered from nutritional deficiencies which adversely affected their health, physical growth and working capacity. According to the Preparatory Committee for the World Food Conference, 400 million people, the great majority of whom were in the developing countries, had an insufficient protein-food supply. Deficiencies and shortages, whether in food supply, education, urban and rural housing, water supplies or medical care, were determined by the individual or national capacity to acquire those essential items. The low economic capacity of the developing countries was at the base of world mass poverty. There was an urgent need to undertake measures to eradicate it.

4. To that end, parochialism must be abandoned and global internationalism must take the place of sectional nationalism. The present lack of solidarity was all the more deplorable in view of the philosophy on internationalism which had resulted in the establishment of the League of Nations and subsequently of the United Nations over the last 50 years.

5. There must be a concerted approach to world economic development; countries whose economies were viable and which had the means should inject vitality into the economies of the developing countries by assisting them with soft loans without imposing unreasonable political and economic terms.

6. Unfortunately, in spite of the unprecedented technological advance of recent years, the unsatisfactory distribution of the benefits of that progress had become even more marked.

7. Developments in the world food situation since 1972 were obviously due partly to bad weather conditions but there had been in addition the effect of a number of inter-related economic events, the compounded effects of which had been felt in the field of prices, trade and payments. Thus the unprecedented boom in economic activity in the developed countries leading to a greater demand for commodities, economic instability accentuated by world-wide inflation, together with speculative activities, had brought about by their synchronized action a real crisis.

8. The short-fall in world food production, however, was due also to shortages of fertilizers and energy — both essential inputs in the agricultural and industrial development of the developing countries. In addition, there were deep-seated economic problems which caused the industrialized countries to produce surpluses which they could neither consume locally nor export, while the developing countries, which had been unable to produce sufficient for their own consumption and for export, faced food import bills which grew larger every year. The situation was even more grave in view of the fact that the annual increase in food demand was 2.5 per cent in the developed countries as against 3.5 per cent in the developing countries.

9. The present world food problem was largely attributable to the current trade practices and policies of some affluent nations. Although the agricultural production of the developing countries over the 20 years prior to 1972 had increased at a rate which exceeded the target of 4 per cent per annum, set for the Second United Nations Development Decade, and although in 1972 the food production of those countries had been 20 per cent higher than in 1966, a year when bad weather had caused poor harvests, the share of the developing countries in world trade in agricultural products in the 10 years preceding 1972 had declined from 40 per cent to 30 per cent. Thus, although the volume of agricultural exports from the developing countries had risen considerably, their value had increased very little. It would therefore be fair to establish an adjustable link between the prices of imports from the developed countries and exports from the developing countries.

10. His delegation was also concerned about the inadequacy of development aid, the volume of which had fallen far short of the targets set by several intergovernmental agencies. Although in money terms the value of such aid had doubled between 1961 and 1972, its real purchasing power had increased only marginally. Furthermore, the share of official development assistance had declined, the ratio of loans to grants had increased and the net transfers had been diminished by increasing debt service. There was thus a real need for the great trading or industrialized nations and the countries which had recently assumed responsibility owing to their production and export of oil to improve their terms of trade and to exercise discretion in production, transfer of technology and monetary matters. It was also necessary, in the interests of the countries seriously affected by the recent oil price increases, that the oil-producing countries should recycle the large surpluses they had acquired from their oil sales. In that regard all Governments should take appropriate action to enable the relevant United Nations resolutions to be put into effect.

11. Over and above the problems experienced by the developing countries for the reasons he had indicated, there had been sharp increases in freight rates, which had tripled between the first quarter of 1972 and the first quarter of 1974. There would undoubtedly be repercussions on the prices of food products and agricultural commodities which would continue to be felt even when the food supply situation improved. In fact, the impact of such price increases would be much greater on developing countries, the economies of which depended largely on agricultural

primary commodities. In view of that situation, the developed countries which controlled freight rates and were markets for the bulk of primary commodities from the developing countries should liberalize the terms of international trade in favour of countries with less viable economies.

12. With regard to the transnational corporations, recent studies had shown that they could exercise influence and control over the economies of many nations and that their methods of financing and operating had a still greater impact in the case of developing countries. Their policies with regard to the transfer of technology, employment, monetary transfers or profit margins had not always been integrated into the development policies of their host countries. Their activities often caused a serious drain on the already meagre foreign exchange earnings of the less developed countries. The countries concerned should institute sufficient legislative controls to ensure that the activities of the corporations complemented their own development efforts. His delegation welcomed the proposal in the report (E/5500/Add.1) of the Group of Eminent Persons convened to study the role of multinational corporations on development and on international relations for the establishment of appropriate machinery to guide the activities of those corporations.

13. It was disappointing that, three years after the beginning of the Second Development Decade, only some of the developed countries had demonstrated a sense of commitment to the goals of the International Development Strategy. The preoccupation of some developed countries with the adjustment of their mutual relations should not cause them to forget the acute problems of the developing countries. It was true that some practical measures had been designed but their implementation had been far from satisfactory. In particular, the international community had yet to reach agreement on a set of general principles for a fair and just pricing policy; that was a task to which the highest priority should be given. The only major achievement in that regard had been the conclusion of the International Cocoa Agreement, 1972, which had taken 16 years to prepare. The situation of the developing countries had often been worsened by competition from synthetic products manufactured by the developed countries. The Fijian Government would like to see a general liberalization of trade in agricultural products in primary, semi-processed and processed forms and it welcomed the decision of the General Assembly in resolution 3083 (XXVIII) to commission a study on the relationship between the prices of manufactured goods exported by the developed countries and those of primary products exported by the developing countries.

14. The extent to which the present economic problems affected the developing countries depended upon the relative viability of their economies. On that point, he commended the measures instituted by the international community to help the least developed among the developing countries, land-locked countries and the drought-stricken countries in Africa. It was to be hoped that all nations, and in particular developed countries and the oil-producing and exporting countries, would continue their assistance in that field.

15. His delegation drew the Council's attention to the plight of the small developing countries, especially the small island developing countries and those which had recently attained independence; such countries had no measure of control over the prices of their commodity exports. He was referring in particular to the developing island nations and emerging nations of the South Pacific and Indian Ocean, which had inherited from their colonial past economies depending largely on a single or only a few primary commodities. Furthermore, those nations were remote from the markets for their products.

16. Fiji, like other developing countries, was doing its utmost to cope with its economic and social problems, but it became daily aware of its need for greater bilateral and international assistance and co-operation. It had been estimated that, as a result of the recent oil price increases, the bill for petroleum and petroleum products for domestic use would rise from 7 million Fijian dollars to between 15 and 20 million Fijian dollars in 1974. Such a sum represented a substantial proportion of Fiji's GNP and would constrain its economic progress in the near future and during the years ahead. In addition to the long-term effects of oil price increases, there was the strain of the increase in freight rates already mentioned. The Fijian Government had tried to counter the consequent inflation through price controls, but it had learnt that the solution to the country's problems lay beyond the scope of the national economic policy. It therefore urgently called for the support and co-operation of the international community in the matter.

17. Owing to the distances which separated the small developing island countries and territories from their traditional markets, special freight-rate arrangements should be made in order to ensure that they receive an equitable share of the product of their labour.

18. In addition to the disadvantages already mentioned, the small island countries and territories in the Pacific and Indian Ocean were exposed to natural disasters in hurricanes and floods; furthermore, they could not diversify their sources of foreign exchange earnings and their GNP was relatively low. In the circumstances, they should be given the advantage of bilateral and multilateral financial assistance on special terms, in the same way as land-locked countries. Measures of that type were indispensable for their economic growth and for the implementation of their policy of economic diversification. Owing to the small number and volume of their natural resources, such countries and territories could not influence world markets. It was for that reason that the developed countries, the oil-exporting countries and the international community should ensure them a competitive position in world markets for their exports of primary commodities. Through the co-operation of the international community and its development and financial institutions, the co-operation of developed countries and of developing countries with viable economies, the small, remote island nations could be enabled to fulfil their obligations under the Charter of the United Nations.

19. His delegation was appreciative of the action taken by the General Assembly at its sixth special session in adopting the Declaration and the Programme of Action on the

Establishment of a New International Economic Order, and it hoped that the nations which had the capacity to do so would take the necessary steps to implement the decisions adopted at that session. His delegation urged that, within the framework of the Special Programme which was to be put into effect, assistance should be given, without regard to political and regional affiliation, to the small nations, particularly island developing nations handicapped by their geographical situation. The observations made by the representative of the United Kingdom to the Committee of Twenty-four¹ on 24 March 1967 with reference to the small island nations in the Caribbean was equally applicable to the island nations and territories in the Pacific and the Indian Ocean; with the assistance and guarantee of the United Nations, small countries with small populations should be able to find a place in the world.

20. His delegation was confident that at the current session the Economic and Social Council would take practical steps in favour of the small, isolated, developing island nations.

21. Mr. CZARKOWSKI (Poland) said that monetary problems, inflationary pressures and fuel, food and raw material supply difficulties had aggravated the unfavourable trends in the world economy and the balance-of-payments difficulties of many countries and regions.

22. That process had a negative impact on the economy of many countries, and particularly that of developing countries, and gave rise to fears of a general crisis in the western economic system.

23. Poland had escaped the consequences of the monetary and fuel crises, thanks to its planning system and its close co-operation with other socialist countries, in particular the USSR. Nevertheless, in view of the rapid growth of its trade with non-socialist countries, it was not without concern that it viewed the recent developments on the world market and their possible long-term repercussions on the Polish economy.

24. The present situation severely affected the balance of external trade and payments and the terms of trade of most developing countries. It also impeded their economic progress and their efforts to narrow the gap between their economies and those of the developed countries.

25. As the Polish delegation had stressed at the sixth special session of the General Assembly (2224th plenary meeting), the present difficulties could only be overcome by a global approach in which all countries should participate. The task would not be easy; its execution would call for the goodwill of all concerned, as also for the universal acceptance of the principle of co-existence and for conditions of peace.

26. The improvement in the political climate, which was particularly manifest in the progress made by the USSR and the United States of America towards agreement on the

limitation of strategic armaments and in the latest summit meeting between those two countries, gave some grounds for optimism. Similar progress had been made by the Conference on Security and Co-operation in Europe and in the talks between the countries members of the Warsaw Pact and the North Atlantic Treaty Organization on the reduction of armed forces in Central Europe.

27. Mention might also be made of the improved situation in the Middle East, where Poland was contributing directly to the achievement of peace by providing a military unit to the United Nations Emergency Force and the United Nations Disengagement Observer Force.

28. The Council's first concern was international co-operation on a world scale. Such co-operation depended on co-operation within particular regions. The European region played a special part not only because of its extensive relations with other regions but also because it grouped countries with different economic and social systems whose co-operation had important implications for other regions.

29. Europe, which had once been the centre of armed conflicts and the source of world wars, had lately become a region of peace. Efforts to develop and strengthen co-operation in conditions for securing peace based on respect for the sovereign rights of individual countries and on mutual advantage had been undertaken in that continent. His delegation had in mind particularly the work of the Conference on Security and Co-operation in Europe, which was now finalizing the texts and conclusions regarding the principles on which relations between the participating countries should be based. His delegation attached great importance to the Conference and hoped that its third stage would be held at the highest level, thus making it possible to arrive at binding decisions on political, economic, social and cultural co-operation among the countries of the European region. The adoption and application of the principles of co-operation approved by that Conference could serve as an example for other regions and should help to develop and strengthen co-operation on a world scale.

30. Poland had often stressed in United Nations forums that the present inequitable international division of labour, which called for profound changes, was at the root of the difficulties in the world economy. The final goal of international co-operation, which could do much to overcome the existing economic difficulties, should be action to secure a proper place for all countries in the world economy.

31. In his delegation's view, economic progress should be based on two parallel activities: the efforts of countries to accelerate their own development and to eliminate development barriers, and efforts to regulate relations between countries on principles conducive to the economic and social development of each country. His country had been strengthened in that conviction by its own experience and was even more convinced of it at the present time, the year in which it was celebrating the thirtieth anniversary of the People's Republic of Poland.

32. Thirty years earlier, Poland had been a relatively backward country with a low standard of living, under-

¹ Special Committee on the Situation with regard to the Implementation of the Declaration on the Granting of Independence to Colonial Countries and Peoples.

employment, a predominant agricultural sector and under-developed industry. It was now a modern industrialized country, ranking eleventh in world industrial production. It was creating enough employment to absorb the surplus rural population and the vast numbers of young people who were added each year to the labour force. Illiteracy had been eliminated. All those accomplishments were the more significant in view of the enormous losses in material and human resources which Poland had suffered during the Second World War.

33. Poland owed its success to the national effort and to the mobilization of the entire nation, which had devoted itself unsparingly to the reconstruction and development of the economy. The efforts of the people had been accompanied by institutional reforms such as land reform and nationalization, by the elimination of inequalities in income distribution and by the guarantee of equal opportunities for all.

34. Poland's economic development had undoubtedly been made possible by the co-operation of the socialist countries, particularly within CMEA, which had made it possible to create new and dynamic branches of industry, to speed up technological progress, and to secure markets for its products and sources of supply for its imports.

35. Co-operation within CMEA was based essentially on the promotion of structural changes in the member countries and on the acceleration of their rate of economic growth. The difference in the economic levels of CMEA member countries, which had ranged from 50 to 60 per cent in the early 1950s, had fallen by 20 to 30 per cent by the end of the 1960s. Co-operation had thus made it possible for the less developed member countries to achieve particularly high growth rates.

36. That experience had convinced his country of the great opportunities offered by the expansion of all forms of co-operation among the developing countries themselves. The results achieved by the regional economic commissions and the conclusions of the Working Group on Technical Co-operation among Developing Countries convened by the UNDP Governing Council were worth mentioning in that regard.²

37. Poland had frequently stated that the existing international division of labour was anachronistic in that it failed to take account of past and present changes in the world economy. The economic potential of the socialist countries was growing and strengthening. The developing countries, too, were becoming an increasingly important political and economic factor on a world-wide scale. Those facts had to be taken into account in organizing a new and more equitable division of labour which would contribute to the development of the world economy and its components while enabling all countries to occupy a proper place in the world economy. His delegation was convinced that existing trends were irreversible and would be consolidated. It was therefore essential to bring about a new division of labour at the present stage. The conditions and

methods for its attainment should be clearly defined. The General Assembly had made a significant contribution in that respect at its sixth special session.

38. International co-operation should be based on principles of respect for sovereignty, equality and mutual advantage; there should be no kind of discrimination towards any socio-economic system. No arrangement which led to unilateral advantage for the stronger partner could be called co-operation. As had been confirmed in the findings of the Group of Eminent Persons convened to study the subject, the multilateral corporations were playing a particularly negative role in the developing countries. A control mechanism should undoubtedly be established to check the activities of those corporations; for that reason Poland would give favourable consideration to the proposals made in the documents submitted on that subject.

39. The liberalization of trade was an essential element in the development of international co-operation. From that point of view, the trade activities of western economic groupings such as EEC should be examined; the discriminatory measures adopted by such groupings tended to hamper the trade flows between East and West and between developed and developing countries. Bilateral and multilateral long-term trade agreements were of great importance and would help to overcome world trade difficulties by making it possible to stabilize exchanges and prices. Poland had concluded a series of such agreements with developed countries. It offered a stable and widening market for products from developed and developing countries. The development of trade would require a reform of the international monetary system, particularly since inflation was aggravating the position of the credit recipient countries.

40. The application of General Assembly resolution 3093 (XXVIII) calling for a 10 per cent reduction of the military budgets of the permanent members of the Security Council could help to bring about the new international division of labour outlined in the resolutions adopted by the General Assembly at its sixth special session.

41. Poland had signed commercial agreements with 42 developing countries and was ready to sign further agreements with them on economic, scientific and technical co-operation, co-ordinated with its economic development plans. It attached particular importance to industrial co-operation, which, by making it possible to diversify the production and exports of the developing countries, would contribute to a more rational division of labour in the world economy. It was prepared to broaden its co-operation with the developing countries with regard to raw material production and industrial projects which could provide the products it had to import. In the area of technology and expertise, it was prepared to place the services of its specialists, design offices and research institutes at the disposal of the developing countries and to exchange scientific, technical, industrial and commercial information with them. In 1973, 836 Polish specialists, mainly engineers, technicians and doctors, in addition to 130 Polish United Nations experts, had been working in the developing countries. There had at the same time been

² UNDP document DP/69.

2,500 students from developing countries in Poland, compared with 282 ten years earlier.

42. The economic development of the developing countries could not be accelerated in the absence of socio-institutional reform. External financial and economic centres often opposed internal reforms in those countries. International co-operation should therefore aim at ensuring full freedom to countries conducting such reforms and removing any risk of discrimination or pressure. The establishment of a new international economic order was incompatible with any colonial or neo-colonial situation. He emphasized the importance of the implementation of the Declaration on the Granting of Independence to Colonial Countries and Peoples and reaffirmed his country's support for the peoples struggling for independence and for the newly independent peoples threatened by neo-colonialism.

43. In conclusion, he said that the present improvement in the world political climate gave grounds for optimism with regard to the development of international co-operation and the establishment of a new economic order.

44. Mr. THOMAS (Liberia) said that concerted efforts were now more essential than ever before to meet the challenge of a precarious world situation beset by inflation, hunger, poverty and disease. Social injustice and the flagrant denial of human rights regrettably persisted in certain regions of the world; many people were victims of prejudice and hatred on grounds of race, colour or creed. On the face of that situation, urgent steps should be taken to oppose those national policies which fostered inequality, hatred or persecution and to ensure that respect for human rights was regarded as a sacred obligation.

45. Development assistance, which was unfortunately tending to diminish, had had its advantages and disadvantages but had on the whole made a considerable impact and produced satisfactory results. The developing countries were now less subservient to the wills and whims of the developed nations. As a result of the efforts of the United Nations system, a situation in which certain nations had depended on the benevolence of others was giving way to a new *modus operandi*: multilateral negotiations were taking place among nations on the basis of equality; countries were making great efforts to develop their natural resources; trade expansion was being vigorously pursued and nations were pooling their resources to expand their trade relations and stimulate their economies. It could thus be said with guarded optimism that the nations were making a concerted effort to surmount their obstacles and to make the world a better place to live in.

46. The sixth special session of the General Assembly had been the first of its kind to be devoted exclusively to economic problems. The session had brought home to its participants the need for co-operation, the fact of their interdependence and the obligation of peaceful co-existence. The changes now taking place made it evident that the interests of the developed countries could no longer be isolated from those of the developing countries. The prosperity of the entire international community depended on the prosperity of its constituent parts. In his

address to the sixth special session of the General Assembly (2209th plenary meeting), the President of Liberia had stated that, if poor nations were to survive and if a spiralling world inflation was to be arrested, it would be absolutely necessary for appropriate measures to be undertaken to ensure a more rational utilization of the world's excess financial resources in order that the developing countries might achieve a planned and orderly economic development which, in time, should result in a lesser degree of economic dependence. Under the dynamic leadership of President Tolbert, Liberia was making every effort to raise the standard of living of its people, while remaining always ready to assist the less privileged countries.

47. Referring to certain observations made during the general debate, he said that for those suffering and dying of starvation or disease in Africa and other parts of the world it was immaterial whether capitalism, socialism or communism was the best system; what they required was to have their urgent needs satisfied by all possible means.

48. He had been impressed by the statement made by the Brazilian representative (1901st meeting) on the economic trends and perspectives in the mid-1970s. He also wished to congratulate (*ibid.*) the United States representative, who, in a forthright and logical manner, had proposed a formula of practical aid which, if accepted, could help immeasurably in solving the most urgent economic and social problems of the world to-day. That representative had announced a substantial contribution from his country for the drought-stricken African peoples; it was to be hoped that that example would be followed by others. If all the great Powers were to unite their efforts in giving speedy help to the developing nations, mankind would enjoy a happy future. In conclusion, he reaffirmed his delegation's faith in the United Nations Charter and promised that it would make every effort to assist in attaining the objectives of the Economic and Social Council.

49. Mr. BOUDJAKDJI (Algeria) recalled that, at the end of the sixth special session of the General Assembly (2230th plenary meeting), Mr. Bouteflika, the Algerian Minister for Foreign Affairs, had said that the process initiated with the adoption of the Declaration and Programme of Action was evidence of a collective political will to tackle the real problem of development. In that context, the Council, especially at its present session, had a major role to play in the intensification of the United Nations efforts to promote world-wide co-operation.

50. At present, while the industrialized countries were intensifying their economic co-operation, the third world countries as a whole had to struggle alone to cope with the problems of development. In the profound changes now taking place in international economic relations, they were reduced to a state of chronic inferiority, which was whittling away their hopes of ever emerging from under-development. Hence the importance of the work done by the Fourth Meeting of Heads of State or Government of Non-Aligned Countries. Mr. Boumediene, President of Algeria, concerned about the set-back suffered by the International Development Strategy, had subsequently requested the convening of a special session of the General Assembly on the ground of the present world-wide concern

about development and international relations. There was a close correlation between the general insecurity engendered everywhere, especially in the third world, by colonialism, *apartheid*, foreign occupation, aggression, political tensions and pressures, the arms race, economic exploitation and economic blackmail, on the one hand, and on the other, the collective economic insecurity which was both the consequence of those phenomena and a latent source of bitter conflicts. Collective economic security could only result from respect for development priorities and a more stable balance in the economic relations between the developed and developing nations, once the latter had attained an adequate degree of development and economic independence.

51. In the light of the experience gained in the cultural, industrial and agrarian revolutions it had effected to create a society based on justice and well-being, Algeria believed that the only positive action likely to promote development was the equitable distribution of the world's resources according to the priority needs of mankind; in fact, what was done naturally at the national, communal or even company level was needed at the level of all mankind. It was common knowledge, however, that the world's wealth had so far remained in the hands of a minority of the most highly developed countries. The age-old process of appropriation of the world's resources by the rich countries had led to the present situation, in which the developing countries as a whole were subjected directly or indirectly to imperialist exploitation. Whether it was a matter of industrial, commercial or financial operations connected with the exploitation and development of the resources of developing countries, or of scientific and technical laboratory research, patents or any services needed by those countries, every economic, industrial or scientific function was controlled by companies, enterprises or monopolies which were an integral part of the developed countries and whose operations ultimately became part of the economic territory of the developed regions. Using the monopolies and companies which belonged to them, the raw material extraction and transformation processes which they controlled, the consumption and capital markets which were nearly all in their hands, and the price-fixing mechanisms for primary commodities and manufactured goods which were under their control, the developed countries were transferring the bulk of the third world's wealth into their own coffers. The international monetary system was also managed entirely by a minority of wealthy countries.

52. During the past decade, the developed countries had increased their income by an average of \$150 *per capita* per annum, compared with only \$8 in the case of the third world countries, and barely \$1 in the case of the poorest ones. The developing countries' share of world exports had fallen from 21 per cent in 1960 to 17 per cent in 1970. Their indebtedness had increased more rapidly than their exports, reaching \$79,000 million by the end of the decade; their debt-servicing burden would be nearly \$9,000 million in the current year. The facts showed that, where the resources and means of production were monopolized by foreign capital, the country remained under-developed. That was why, having defeated colonialism, recovered their sovereignty and started to exploit their natural resources, the developing countries producing primary commodities

were trying to seize the levers which controlled the prices of their commodities. The establishment of organizations such as OPEC and the Intergovernmental Council of Copper Exporting Countries would help them in that endeavour.

53. Precisely because of their success, the OPEC countries were now the target of a veritable psychological war; not only were they being accused of overburdening the economies of the importing countries by increasing oil prices, but attempts were being made to hold them responsible for the disruptive factors which had affected the world economy for the last few years: inflation, monetary instability, constant deterioration of the terms of trade between industrialized and third world countries, etc. Some even went so far as to commiserate with the oil-importing developing countries, which were nevertheless still being plundered by the capitalist world's enterprises. Those attempts to reverse the roles of the real exploiters and exploited did not stand up to an objective analysis of facts and figures.

54. At all events, the present situation brought the whole world face to face with new problems in all fields and called for the reorganization of world markets – especially the oil markets – and consequently of international relations. Those new problems should be solved within the framework of genuine international co-operation based on an equitable balance between the interests of all concerned. It was in that spirit that President Boumediene had proposed (2208th plenary meeting) that the General Assembly should examine the question of oil and other primary commodities in their true context, more specifically, that of the relations between industrialized countries and developing countries.

55. For the oil-producing developing countries, oil revenues represented the only capital on which the short-term survival of their peoples depended. Consequently, those countries were prepared to support any solution calculated to eliminate the risk of manipulation or malpractices created by the existence of large quantities of capital temporarily immobilized by its owners, and they shared the wish of the entire international community for a stable monetary system favourable to trade that would benefit all concerned. The present monetary system was based on injustice; it maintained a situation in which the developing countries were denied all responsibility but were obliged to accept the effect on their economies of decisions taken by the rich countries alone, which, moreover, themselves admitted that the present monetary system should be changed. The solution lay in adopting measures of a purely monetary character within the framework of a new international monetary system. A solution which would consist in under-pricing oil would be neither logical nor just, unless a similar measure was applied to everything supplied by the industrialized countries to developing countries.

56. Much had been said about the increase in costs caused by the price of oil in the developed economies, in other words inflation. It was a well-known fact, however, that inflation, which had for years been an endemic phenomenon in the economies of the rich countries, had been rampant long before the rise in oil prices. Moreover, the developing

countries were the first to feel the effects of that phenomenon, for which they were in no way responsible and which forced them to pay ever higher prices for the equipment, services and goods they imported, while the loans they obtained from the industrialized countries and their income from the sale of primary commodities were steadily devalued; it was precisely because they had suffered from that situation for so long that the developing countries had been led to reconsider the prices of their primary commodities. To ask them now to reduce those prices would be asking them to renounce some of their aspirations, or even the satisfaction of their most elementary needs. In such circumstances, that could only be done after comparing the priorities of the developed countries with those of the developing countries.

57. The developing countries needed water, basic food-stuffs, schools and hospitals; they needed to develop and modernize their agriculture, establish industries and create employment as a basis for their economic development, in other words, to create the necessary conditions for their survival. In the developed countries there were many expenses over which the most elementary needs of two-thirds of mankind should logically take precedence.

58. After comparing the priorities of the developed countries with those of the poor countries, the method of distributing the world's resources to meet those requirements should be studied. In the case of fertilizers, for example, the oil-producing countries of OPEC had been accused of starting a famine in the poor countries. It had been argued that, because of the rise in the price of oil and its impact on the price of fertilizers, the oil-importing developing countries were unable either to purchase the energy and raw material for continued production of the fertilizers they needed, or to continue to import fertilizers, which had become too expensive because of the oil price. The price of fertilizers most commonly used in developing countries, mainly nitrogenous fertilizers, had doubled between June 1972 and September 1973 solely because of the action of the developed countries, which controlled over 85 per cent of the production of such fertilizers, representing more than half of the developing countries' fertilizer needs. In fact, the first signs, in the United States of America, of a shortage of natural gas in 1970 had led to a sharp reduction in nitrogenous fertilizer output and many United States suppliers had taken advantage of the shortage of that product on the international market to increase their prices, but no alarm had been expressed on that occasion.

59. To correct the balance-of-payment situation of the poor countries, it was necessary to tackle all the factors which, in terms of both inward and outward currency flows, had helped to put it into deficit. There were cries of alarm when there was a rise in the price of oil but complete silence when the price of wheat quadrupled in 18 months and other cereals and foodstuffs in general became considerably more expensive. In the imports of the developing countries, however, such products represented an item of expenditure which was almost double that of oil. For the majority of developing countries that were importers of cereals, mainly wheat, the increase in the price of those products would, in the current year, entail an additional

outflow of more than \$3,000 million as compared with 1973. Other items no less important for development, such as equipment, manufactured goods and services, entailed expenditure by the developing countries which in some cases had increased fourfold during the last five years.

60. The transfer of funds from the developing countries by foreign companies was among the factors weighing most heavily on those countries' balance of payments. The oil companies alone, which were tapping the developing countries' oil, had declared profits of more than \$50,000 million during the last 20 years. For 1973 alone, the big oil companies had declared profits of \$8,000 million, an increase of 77 per cent over 1972, while profits were expected to reach \$17,500 million in 1974.

61. Debt-servicing also weighed heavily on the balance-of-payment situation of the developing countries, which in order to overcome their chronic payments difficulties had to borrow from the very countries which were exploiting them and to which they currently owed almost \$80,000 million.

62. The first step taken by the third world countries in embarking upon the development process should be to assume effective exercise of sovereignty over all the resources of their soil and sub-soil and to recover the income from their exploitation. That could only be done by nationalization, which was the only way to keep all the financial flows within the host country for the benefit of the national economy, to increase the direct financial revenue of the host country considerably and, by incorporating the means of exploitation completely into the economic fabric of the host country, to create numerous investment opportunities. Nationalization was also a means of development because it gave control over products and enabled the requisite decisions concerning them to be taken in the light only of the interests of the country and the needs of world trade, without the profits which resulted from those decisions being seized on the way by foreign companies. It was the duty of the Economic and Social Council and the competent agencies to take all necessary steps to give adequate protection to the exercise of the right to nationalize. The third world countries should take advantage of the possibilities offered by raw materials, before they were completely exhausted, to set up their own industries and thus secure permanently the value of the resources extracted.

63. To be a genuine and essential growth factor, industrialization in the developing countries would have to be of a comprehensive nature which would enable them to embrace both manufacturing and basic industries and to assist them to break out once and for all from the vicious circle of under-development. Furthermore, by initiating the industrialization process, the third world countries would be in a position to profit effectively from the transfer of technology. Once divested of its mythical quality, technology would no longer be a weapon of domination in the hands of the developed countries but would become a tool of co-operation between the developed and the developing countries.

64. Nevertheless, the capital produced by the mobilization of human and material resources and the revalorization of the natural resources of each country would not be sufficient to solve all the problems of under-development, and additional resources would have to be found from countries in a position to supply them. The time had perhaps come to put into effect appropriate measures to lighten the external debt of the developing countries by writing it off, by transforming the residues of credits into grants, or at least by restructuring the debt on improved terms with respect to due dates, deferred payments or interest rates.

65. Any move to bring two-thirds of mankind into the twentieth century would be in the interest of all mankind and, in particular, of the developed countries, to whose industry it would act as a stimulus. It was essential that, in the next few decades, the *per capita* GNP of the poorest countries should have growth rates which, in the cases of those with a *per capita* income of less than \$150 per annum, would attain a level of about 15 per cent rather than 5 per cent. If they felt genuinely and deeply, the industrialized countries should give prompt and extensive help to mobilize assistance which was commensurate with the need and which, between 1974 and 1980, should amount to an annual flow of capital in the order of millions of million dollars and not in thousands of million dollars as was currently the case. That target for a genuinely effective assistance to development – and not just assistance corresponding to 1 per cent of the GNP of the industrialized countries – could certainly take the place of other objectives such as the arms race or the conquest of space.

66. The third world countries were aware that they needed the industrialized countries for their development, but the developed countries should in turn recognize that it was necessary, for their own prosperity and long-term growth, that the developing countries should cease to live on the margin of the modern world and should become developed communities concerned about the objectives of the developed countries. In that way, the third world countries would succeed in feeling fully involved in the progress of mankind. The industrial revolution in which the developing countries were engaged would, if it were carried out by a joint effort, forge the first solid links between the rich world and the poor world and would establish that solidarity and mutual dependence which were prerequisites for universal progress.

67. If the developed countries did not co-operate in that industrial revolution, or if they reacted against the lawful measures adopted by the developing countries by introducing retaliatory measures, the third world countries would be obliged to engage in a struggle in which they would have virtually nothing to lose but of which the victims would be the current economic system and all mankind. If, however, the developed countries gave their assistance, the development of the peoples of the third world and the triumph over destitution, disease, illiteracy and insecurity would be, as President Boumediene had stressed in the General Assembly of the United Nations, not the revenge of the poor countries on the wealthy ones but the victory of all mankind.

68. Mr. de SEYNES (Under-Secretary-General for Economic and Social Affairs) said that he would like to comment on the various themes touched upon during the general discussion of the international economic and social situation. He would first deal with the concern expressed about section X of the Programme of Action adopted by the General Assembly at its sixth special session, namely, the emergency measures to mitigate the difficulties of the developing countries most seriously affected by economic crisis. He considered that the statements made by OPEC countries on the contributions that they had made or would be making, and those of the industrialized countries, were quite encouraging. It could be said that on the whole the Programme of Action had been launched and that, although the new economic order was not yet within reach, the response of the international community and of the institutions it had created had been quicker and more energetic than usual.

69. The new Secretary-General of UNCTAD had referred (1908th meeting) to the intensive efforts that the secretariat of UNCTAD was making to discover new ways of tackling the problems of raw materials and development. The members of the Council had been informed in the Policy and Programme Co-ordination Committee of the work which FAO was doing on the one hand within the framework of the preparations for the World Food Conference and in direct response to the recommendations of the sixth special session of the General Assembly, and, on the other hand, in connexion with chemical fertilizers, for which it was endeavouring to draw up the main lines of a world plan of action. It was in those two areas – food and chemical fertilizers – that the possibilities of world-wide sustained action, and consequently of translating into reality the objectives laid down at the sixth special session were the greatest. At its current session, the Council would be called on to take other decisions on the machinery to be established or to be strengthened in order to enable international organizations to implement the Programme of Action. In that connexion, he recalled the draft resolutions submitted at the special session by France and the United States of America on the economic monitoring and analysis of the present position and future developments in respect of the raw materials problem (E/L.1599, draft resolutions I, II and III).

70. The sixth special session of the General Assembly and the decisions taken at that session had raised the question of the links between the International Development Strategy and the Programme of Action. In a way, the Programme of Action was a revision of the global Strategy adopted in 1970, in the sense that some objectives and means of action were described more precisely and sometimes formulated in more emphatic terms in the Programme of Action. The latter suggested a programmed approach in certain areas where the Strategy had proposed targets and means of implementation. In other respects, the Programme of Action was not as wide in scope as the Strategy. It was natural that the special session, convened in a special historical situation and around a central theme, should have focused its attention on some aspects of the Strategy and that the Programme of Action be less explicit on other elements in which the international institutions had been interested for some time: the social aspects of development,

the paucity of existing indicators and of objectives, the problem of income distribution, the thresholds of poverty and employment. The Economic and Social Council should not neglect those concepts, which had become clearer during the past few years within the framework of the review of the International Development Strategy. Those new concepts of development, added to certain profound changes affecting the economies of most countries, implied a reconsideration of the balance of the Strategy so as to preserve its consistency in the context of a new situation. The representative of Algeria had in fact spoken of that difficulty in his statement.

71. The promptness of the reaction of the international community after the adoption of objectives at the sixth special session could undoubtedly be explained by the shock it had received over the last two years and especially in the last three months of 1973. The representative of OAU had spoken of a "blessing in disguise" (1911th meeting). He himself thought that it was important that it should be a recognized, clearly-defined and articulated blessing. Reference had been made, in connexion with the economic crisis and the new situation it had created, to a redistribution of economic power. That was still a fairly vague notion which should be examined with caution and in which three factors played a role. Firstly, there was the existence of shortages, of a seller's market for primary commodities; secondly, the possibility for some countries to gear their production to their own future requirements rather than on the basis of world demand; and, thirdly, the assertion in more concrete terms of the solidarity between countries of the third world, which had been expressed at Algiers and at Georgetown at the Meetings of Heads of State or Government of Non-Aligned Countries and which was at present reflected in a number of concrete projects.

72. The first factor, shortages, was difficult to analyse. It would be remembered that, at the time of the Korean War, machinery had been established to distribute raw materials, but it had never been used because in the meantime equilibrium had been restored through market forces. The extra economic power which went with the shortages could possibly be short-lived; hence the feeling that it might be urgent to make some changes in international economic relations while that power lasted. But he would warn the Council against the temptation to fall into a certain cynicism which could prompt countries to believe that it was henceforth possible to dispense with the moral obligations which had hitherto formed the foundations of international co-operation.

73. Shortages raised a subject which had not been dealt with exhaustively and had not been the subject of any specific recommendations at the sixth special session of the General Assembly, viz. cyclical or over-all short-term equilibrium, which was mainly the responsibility of the industrialized countries. That subject had never been a major concern in the deliberations of the Economic and Social Council, which had confined itself to noting economic fluctuations from year to year, for it had concentrated its efforts on the medium-term problems set out in the development strategies of the 1960s and the 1970s. In that perspective, trends had not appeared to be upset by cyclical fluctuations, but things had now changed and

short-term disturbances could well endanger the International Development Strategy. Those disturbances appeared mainly in three areas: there was the continuation of inflation, the simultaneous existence of the opposite trend over a long period, and lastly a break in continuity owing to governmental decisions concerning the production of certain natural resources of their conservation in the consuming countries. It might well be asked, now that things had changed, whether those short-term economic considerations should not be studied more directly by the United Nations system.

74. Inflation was the centre of attention at present, but there was also the danger of recession, which did not seem always to be recognized. The cause of inflation differed from one country to another and it called for different remedies. At the moment, attention was centred on a visible element, namely the international transmission of inflation, but inflation also had local causes in both the rich and the developing countries. In the developing countries, the cause lay in the inadequate production of marketable and ordinary consumer goods and the shortage of food-stuffs. The shortages recorded in the third world were explained by the increase in population, the increase in earnings which led to a disproportionate rise in demand for food, and the introduction of nutritional standards due to improved notion of health and hygiene. Such factors underlined the importance of the World Food Conference to be held at Rome in November 1974, which was to study the rapid increase in local agricultural production in the developing countries, the only viable long-term solution to the food problem.

75. Speculation was not, any more than inflation, entirely an international affair, since stockpiling and hoarding existed even at the local level when there was a shortage. International inflation, however, should be analysed in greater depth by the Council; it was partly the result of increases in the prices of raw materials forming part of world trade, and of the increased prices of manufactures which had to be imported, particularly the capital goods necessary for economic development. To that should be added the effects of uncertainty concerning the monetary system and the creation of liquidities, complex phenomena which led to both currency and commodity speculation and on which the international community was ill informed.

76. The most difficult phenomenon to analyse was that of the abrupt changes in oil prices. Those changes could probably be absorbed without too much trouble by the rich countries, although even for those countries they raised transitional problems which required great mastery in the use of the instruments of economic policy. Oil could lead to inflation to the extent that it was a factor in the prices of a large number of products, but that effect had perhaps not clearly manifested itself yet owing to present-day contracting practices and to the fact that the impact of oil prices on the family budget was less immediate than that of food prices.

77. There were, however, deflationary as well as inflationary effects. The increase in prices was operating as a drain on the industrial economies in the same way as heavy taxation or saving in excess of the needs of the economy.

There was an excessive reliance on the monetary market machinery for recycling liquidities, but there was a difference between the recycling of liquidities and the recycling of income and demand. Attention had been drawn to the efforts made by IMF to create facilities for recycling demand and income, but such measures were not up to the scale of the situation. Nor should the Council overlook reaction to balance-of-payments difficulties and the attempts made to restore the balance too quickly. That created for the Governments of the industrial countries difficulties of economic navigation of the type referred to by the Secretary-General in his opening statement (1900th meeting). Indeed, it was very difficult to follow the succession of deflationary or inflationary effects within the economy. It was even more difficult to choose the steps to be taken to counteract them and to change course, particularly since most of the measures that could be contemplated generally had a delayed effect on the phenomena they were designed to correct. For instance, it was not impossible for the economies of the industrial countries to enter into a period of excessive recession inadvertently. It was to be hoped that piloting errors would not occur simultaneously and that their effects would be reduced.

78. In any event, the industrialized countries which were the architects of the short-term equilibrium should take concerted action, although that action would not be the same for all. Some countries should continue to give emphasis to the struggle against inflation, whereas OECD, for example, had recommended contrary measures to the Federal Republic of Germany.

79. The problem for the United Nations system was to know how to act with regard to short-term equilibrium. Should the task be entrusted to others or should the United Nations take direct action? That went back to the problem of working methods already raised and to the analytical and computer facilities available to the Economic and Social Council. It was most important, however, that the problem should be tackled, owing to the effects of a pronounced deceleration in the industrialized countries on the economies of the developing countries. That correlation between the economies of the industrial countries and those of the developing countries could no doubt be modified; for example, it was possible to rely on an increasing share by the socialist countries in the trade of the developing countries, as well as on new sources of capital from the OPEC countries.

80. It might also be thought that the notion of redistribution at the world level would eventually impose itself on the international community. There was, however, a need to be extremely wary with regard to the effects of deceleration discernable in the industrial economies, owing to their influence on the economies of the developing countries through trade and the transfer of capital. Although recessions of a few months' duration were of little danger, recession could be dangerous if its effects spread over a longer period. It was also true that for the last few years the industrial countries had been providing for some deceleration in the extraordinary growth they had

experienced during the 1970s. There was also a chance that deceleration would be necessitated by environmental policy and by the rise in development cost due to the increase in international prices.

81. That led to the long-term problem of growth limitation. It was essential that the United Nations should try to reach a consensus on growth limitation, since the concept embodied ideas which affected the "techno-structures" of the industrial countries. With regard to development, he hoped that the present United Nations studies being conducted by Professor Leontieff, thanks to the assistance of the Netherlands Government, might begin to give some idea of the costs of environmental protection. It would be necessary to have a more precise evaluation of the need for those costs and of the priority to be given to such expenditure as part of the system of international co-operation.

82. With regard to raw materials, the third changing sector, it was again the long-term prospect which should be of concern to the United Nations. The investment to be made was enormous; it could be made in a given political and scientific context, but might appear worthless once that context changed. He personally hoped that the technological Powers would consult together and reach a consensus on working hypotheses on which the international community could base its action.

83. Reverting to the question of chemical fertilizers and the FAO plan of action, he said that it was a matter both of a measure to meet an immediate need and a pilot undertaking. In his view, the necessary investment, which was very expensive, offered an excellent opportunity for international co-operation. Such co-operation was needed because of the shortage of fertilizers and of facilities for producing them in the oil-producing countries, as also because that shortage was combined with surplus production capacity in the developing countries as a result of the lack of both complementary resources and technology. In the circumstances, the work of FAO should be considered by the Economic and Social Council.

84. In conclusion, he wished to make a few remarks regarding multinational corporations. Experience gained during almost a year of discussion within the Group of Eminent Persons studying the activities of those corporations had shown that the issue was one which involved important principles, namely, those of national sovereignty and the endogenous progress of the developing countries, and that it was at the same time one of considerable technical complexities. It was easy to believe that everything was known about the matter, and the experience of the Group of Eminent Persons had been conclusive in that respect; of the 20 experts dealing with the matter, there was not one whose initial position had not been modified during the eight months of work. The study should therefore be pursued by discussion among all those concerned in the new phenomenon of international production. Moreover, the recommendation of the Group had not always been accurately interpreted. For instance, there had never been any question of setting up a decision-

making body, but simply a body to advise the Economic and Social Council. The Group's recommendations should be examined in the light of that essential factor. He hoped that discussions and negotiations on the matter would rapidly get under way.

85. The PRESIDENT declared the discussion on agenda item 3, which had focused also on the consideration of items 4, 6, 7, 8 and 14 (*d*), closed.

The meeting rose at 6.15 p.m.

1913th meeting

Monday, 15 July 1974, at 10.25 a.m.

President: Mr. A. KARHILO (Finland)

E/SR.1913

AGENDA ITEMS 10, 11, 12 AND 22

Consideration of the economic and social situation in the Sudano-Sahelian region stricken by drought and measures to be taken for the benefit of that region (E/5554; E/L.1605)

Economic assistance to Zambia (E/L.1603)

Assistance to the drought-stricken areas of Ethiopia (E/5560; E/L.1606)

Assistance to southern Sudanese returnees and displaced persons (E/5483; E/L.1604/Rev.1)

1. The PRESIDENT said that, as had been agreed at the 1900th meeting, the Council would consider agenda items 10, 11, 12 and 22, together with the respective draft resolutions, concurrently. He called upon the representatives of the United Nations bodies responsible to make the appropriate introductory statements.

2. Mr. NEHEMIAH (Officer-in-charge, Sahelian Relief Operation, Food and Agriculture Organization) said that, in response to Economic and Social Council resolution 1759 (LIV), the Director-General of FAO had agreed to provide leadership for the Sahelian relief operations and to assume responsibility for their being conducted as an integrated undertaking of the United Nations system. In addition to a report to the Second Committee of the General Assembly at its twenty-eighth session, ten progress reports had been issued.

3. In the light of the experience gained in 1973, some pre-planning had been undertaken to improve emergency relief operations during 1974. A multi-donor mission organized by FAO with the participation of the Permanent Inter-State Committee on Drought Control in the Sahel had visited all the affected Sahelian countries in autumn 1973. Following its recommendations, the Secretary-General of the United Nations and the Director-General of FAO had issued a joint appeal for aid in the shape of food and protective food, as well as cash contributions. In resolution 3153 (XXVIII), the General Assembly had appealed to Member States to increase their assistance within the framework of the emergency relief operations. Donors had responded generously: total supplies of food from outside for the year 1 November 1973 to 31 October 1974 would

amount to some 915,000 tons, including about 530,000 tons of new donations. Firm commitments of protective food amounted to date to about 40,000 tons as against a target of 64,000 tons. Such commitments were encouraging but donations of additional protective food would be welcome. With regard to cash contributions, firm commitments amounting to \$8.5 million had been made to the FAO Sahelian Zone Trust Fund; of that sum, \$5.5 million had been actually credited to the Fund, which had committed a similar amount to a variety of emergency measures.

4. With regard to the shipment of relief supplies, donors had co-operated by endeavouring to keep to the shipping schedule prepared by the FAO Office for the Sahelian Relief Operation, which took account of the capacity of ports and evacuation possibilities. Although there had been some delays in the first quarter of 1974, about 400,000 tons had been evacuated from West African ports into the interior over the period November 1973 to May 1974; stocks at those ports and estimated arrivals up to the end of July 1974 would amount to about the same figure.

5. The current priority was the transport of supplies from ports to the interior, which was normally carried out by rail and road. The sudden rise in road transport costs had caused increased pressure on railways and consequent difficulties in moving supplies to Niger, Mali and Chad. The FAO Office had therefore mobilized supplementary road transport and had met the difference in cost. By that means it was proving possible to move the record amount of over 4,000 tons per day.

6. It had been agreed at a recent meeting of the principal donors that increasing use should be made of road transport in order to relieve congestion in ports and at railheads. It had been further agreed that local representatives of Governments, donors, the FAO Office and WFP should keep the situation under continuous review and bring matters requiring immediate action to the attention of their respective headquarters. The Permanent Inter-State Committee would be kept informed.

7. It was necessary to build up stocks of food supplies in remote areas before the onset of the rains made road transport impossible. The FAO Office had encouraged the donation of trucks to all the six Sahelian countries, since