

potential representing a third of the world's scientists. Over a thousand research and design institutes in member countries were working in co-operation on more than 2,000 important problems.

67. The economies of all member countries showed rapid and sustained rates of growth. Between 1971 and 1974 national income in member countries had risen by percentages ranging from over 20 to over 50 and their gross industrial output had risen by percentages ranging from 30 to over 64. Over 80 per cent of the total rise in industrial output was due to increased productivity of labour, which was a reflection of the steady absorption of scientific and technical advances into the national economies of the countries concerned. Over the four years, *per capita* income had increased by 28 per cent in Bulgaria, 21 per cent in Hungary, 24 per cent in the German Democratic Republic, 10 per cent in Mongolia, 46 per cent in Poland, 31 per cent in Romania, 19 per cent in the Soviet Union and 22.5 per cent in Czechoslovakia.

68. Over the four years from 1970 to 1974 there had been an increase of approximately 81 per cent in the total

volume of the external trade of CMEA countries. They were also seeking to extend their economic relations not only with other socialist countries but also with the developed capitalist countries and the developing countries. Co-operation with Finland was developing successfully on the basis of an agreement signed in 1973 and a special fund had been established to provide credit for economic, scientific and technical assistance to developing countries. CMEA maintained relations with more than 60 international economic, scientific and technical organizations whose membership was drawn from countries with different socio-economic systems.

69. The achievements of CMEA over the 26 years of its existence and the progress made over the past four years in the implementation of the Comprehensive Programme showed that the member countries were successfully solving the problems confronting them.

*The meeting rose at 12.30 p.m.*

## 1957th meeting

Friday, 4 July 1975, at 3.15 p.m.

*President:* Mr. I. A. AKHUND (Pakistan)

E/SR.1957

### AGENDA ITEM 3

General discussion of international economic and social policy, including regional and sectoral developments (*continued*) E/5654, E/5665, E/5681 and Add.1-4, E/5682, E/5692, E/5699, E/5713)

1. Mr. DAVIES (Secretary-General, World Meteorological Organization) said that he would not repeat the information given in the analytical summary of the annual report of WMO for 1972 (E/5707) but would bring it up to date in the light of the recently concluded quadrennial Congress and stress the salient points relevant to the present debate.

2. In that document the major programmes of the organization were presented under five main headings, but the Congress had decided that a sixth and new major programme should be added, namely, the Hydrology and Water Resources Development Programme. Hitherto those activities had been included as part of another programme, but the increasing importance of water resources in relation to economic development had led the Congress to give a higher status to the subject and to follow the unusual course of amending the Convention of the organization to enable it to accept that responsibility.

3. As for the other programmes, the World Weather Watch Programme, which had been developed in response to a General Assembly resolution of 1961 (resolution 1721 (XVI)) for the benefit of all countries, was making great

progress. A new meteorological satellite system was in an advanced stage of planning and should be in operation in 1977 or 1978. It would include satellites, not only of the United States of America and the USSR as previously, but also of Japan and western European countries operating through the European Space Agency.

4. The Atlantic Tropical Experiment, which had taken place in 1974 as part of the Global Atmospheric Research Programme, had been an unqualified success and had produced vast quantities of data, which would both be of immediate benefit and serve as the basis for future research. It was believed that the 40 or so ocean-going scientific research ships from about 12 countries which had taken part had constituted the largest international fleet ever assembled for peaceful purposes. Many specially equipped aircraft and special satellites had taken part, and 4,000 scientists and technicians from many countries had been directly involved. The operational centre for the experiment had been Dakar, and thanks were due to the President of Senegal for his contribution to the success of the operation, which augured well for the global experiment to be held in 1978 and 1979.

5. The Seventh Congress had inaugurated the WMO Weather Modification Programme, in which, in view of the catastrophic droughts afflicting the world, first priority would be given to a precipitation enhancement project. It aimed at obtaining scientifically convincing evidence on the feasibility of significantly increasing rainfall under specified conditions and it was expected that its planning and

implementation would take several years. Thanks were due to UNEP, for its co-operation in connexion with that project. WMO activities in the whole field of climate change were being greatly increased, always with the support of UNEP.

6. In response to the decisions of the World Food Conference, WMO was also working to increase food production by helping countries to apply meteorology to agricultural planning and operations. It would also provide the meteorological input to the Global Information and Early Warning System on Food and Agriculture (E/5587, resolution XVI). Specific assistance was being rendered to the countries of the Sahel region of Africa, amounting to some \$13 million, to be provided over the next five years from a variety of sources, including UNDP, several donor countries and possibly some non-governmental organizations. The project should lead to improved agrometeorological and hydrological services in each of the seven countries and to the establishment of a permanent regional centre providing training and various operational support facilities for those countries.

7. Turning to the Technical Co-operation Programme, he stressed that, in addition to extending the benefits of modern technology and knowledge in the field of meteorology and operational hydrology to the developing countries, it was essential that WMO should assist them to establish the facilities and installations which would enable them to play a full part in the various global programmes. It should be noted that in the Atlantic Tropical Experiment Senegal and many other developing countries in Africa and South America had played important roles. Under WMO's Voluntary Assistance Programme -- and under its participation in UNDP, to which thanks were due for its co-operation no fewer than 93 countries had received aid, in 1974, to a total volume of well over \$9 million. A large proportion of the Technical Co-operation Programme was devoted to education and training and that trend was increasing.

8. With regard to the main question before the Council, the establishment of a new international economic order, the whole of WMO activities were directed to applying meteorological knowledge to assist economic and social progress in all countries. The subject of co-ordination, which was also preoccupying members of the Council, was one to which WMO paid close attention, as could be seen from the many activities described in the annual report in which it had co-operated with other specialized agencies and IAEA. WMO would respond to any demands for new activities or for changes of emphasis in existing programmes which the plans for the new international economic order might require.

9. Mr. SAITO (Japan) said that recession, inflation, balance-of-payments difficulties and energy and food shortages, unprecedented in their gravity, continued to plague the world community, in which countries had become increasingly interdependent and problems more closely interrelated. The situation was particularly serious for the less fortunate countries.

10. It was, therefore, essential that all nations should take into account the interests of others when formulating their

policies and should beware of the dangers to economic equilibrium of forming economic blocs. Only with an over-all expansion of the world economy would the developing countries be assured of a greater and fairer share of world wealth, for real co-operation could only be expected when everyone was a winner and nobody a loser.

11. His Government fully appreciated the basic desire of the developing countries for faster economic and social development; sterile debate and all thoughts of confrontation must be superseded by negotiations on specific problems. The measures taken must be such as would really lead to the desired results in the long term; otherwise they would benefit no-one. Japan would co-operate in the solution of the problems in a manner consistent with the principles upon which its economic system was founded, and that approach would determine its basic attitude toward the proposals to be discussed at the forthcoming seventh special session of the General Assembly. Every effort should be made during the Council's current session to achieve progress in the preparations for the special session if it was to achieve results.

12. In dealing with commodity problems, measures should be considered that would eliminate sharp fluctuations in price without changing the basic character of the market machinery which had made possible the expansion of the world economy to the present level. Adequate investment was also needed to continue the expansion of commodity production in order to meet long-term requirements for growth of the global economy. Serious consideration should be given in that connexion to the position of the developing countries, some of which depended on export earnings from particular commodities, while many others were importers of such commodities.

13. His Government welcomed the continuing of the multilateral trade negotiations at GATT and considered that, precisely because of current economic difficulties and the danger that various protectionist devices might be invoked, the present time was appropriate for efforts to promote freer trade as a stimulus to the growth of the world economy as a whole. Japan's trade with the developing countries, which represented approximately 40 per cent of its total foreign trade, was expanding rapidly. His country would do its best to secure additional benefits for the international trade of developing countries, in accordance with the Tokyo Declaration of 1973.<sup>1</sup>

14. Reviewing the first half of the Second United Nations Development Decade, he thought the International Development Strategy remained a valid instrument. Performance in the agricultural field had admittedly been unsatisfactory, as had been the failure by developed countries to provide more assistance to the developing countries. His country hoped that corrective measures could be devised for the remainder of the Decade.

15. In view of the world food situation, the prime necessity was to increase food production, both in developed and developing countries. His Government

<sup>1</sup> Issued at the end of the GATT ministerial meeting; for the text, see GATT document MIN(73)1.

intended to extend as much co-operation to the latter in that field as possible. It recognized the necessity, however, of continuing to provide food aid for some time to come. It intended to provide financial assistance for the Global Information and Early Warning System on Food and Agriculture and hoped other countries would do likewise; it also intended to co-operate with the International Undertaking in World Food Security (E/5587, resolution XVII).

16. Substantial increases in the flow of capital, both official and private, would be required if the developing countries were to achieve adequate growth rates in the remaining half of the current Development Decade. The flow of financial resources from Japan to the developing countries had fallen in 1974 to 0.65 per cent of GNP after having reached 1.44 per cent in 1973. His Government's official assistance had, however, increased by 11.4 per cent over the previous year and the decrease in the total flow was, therefore, due to the drastic reduction in the flow of private capital stemming from economic difficulties both in Japan and recipient countries. That situation was a good example of the fact that, in an interdependent world, it was important to secure a prosperous economy in every country in order to achieve viable development programmes for the developing countries.

17. Although the developed countries were undergoing difficulties, they must make greater efforts to increase their development assistance. The recent recommendations of the World Bank, including the establishment of a new intermediate lending facility, known as the Third Window, were therefore encouraging.

18. Because of the widening gap among developing countries, solutions based on over-all performance by those countries would not be appropriate for those – already the poorest – that were hardest hit by the present volatile state of the world economy. As part of the emergency operation to provide a minimum level of essential imports for some countries, Japan had given them emergency assistance of \$105 million and had made a contribution of \$6.5 million to the Secretary-General's special account for food and fertilizer aid. The next stage must be to raise the level of their economies. The United Nations system, which could not solve all the world's problems should give priority to assisting the most seriously affected countries. All countries that were able to assist – regardless of their economic systems or stages of development – should join in that effort.

19. Since the current economic and social problems were global and closely interrelated, his Government advocated a structural reform of the United Nations system that would make the Council the focal point for the formulation of policy and the co-ordination of economic and social activities. It was therefore carefully studying the report of the Group of Experts on the Structure of the United Nations System (E/AC.62/9). It was essential in that connexion to respect the judgements made by the specialized agencies and other multilateral bodies relating to their respective sectors, within the framework of the General Assembly's policy guidelines. Any institutional rearrangements would have demerits as well as merits, and were therefore better confined to areas where they were

really necessary. Duplication should first be eliminated, and efforts should then be concentrated on areas in urgent need of reform where there was some assurance of achieving results. The aim must be to produce a lasting system, and the process should be a continuing one of trial and error rather than a once-and-for-all shake-up.

20. It was important to decentralize the activities of the United Nations system, giving the regional commissions greater roles in implementing policies and executing projects. Initiative by the regional commissions should be encouraged, while bearing in mind the need to avoid duplication of projects, and giving due attention to financial implications and the real needs in the regions concerned. As an example, since the Council's endorsement, the previous year, of the UNDP Governing Council's decision to strengthen the co-operation between UNDP and the regional commissions ESCAP had become an executing agency at the preparatory stage of the project for an Asian Centre for Agricultural Machinery. Close co-operation between the various United Nations bodies would increase the efficiency of the activities of the United Nations system as a whole.

21. Mr. CHANG Hsien-wu (China) said that in the past year the international situation had undergone tremendous changes which were favourable to the peoples of all countries. The peoples of Cambodia and South Viet-Nam had won great symbolic victories. The peoples of Mozambique and Angola had also won victories over colonial rule. To-day, the third world was playing an ever greater role in international affairs, and no one could withstand the historical trend of countries wanting independence, nations wanting liberation, and the people wanting revolution. Meanwhile, the super-Powers were stepping up their contention. The people of the world must bear in mind that imperialism was the root cause of war and that the danger of a new world war was growing, against which their vigilance should be heightened.

22. One of the features of international events over the past year or more was that the third world countries had extended their struggle against colonialism, imperialism and hegemonism into the economic sphere. They had taken resolute steps to implement the Declaration and Programme of Action on the Establishment of a New International Economic Order, adopted by the General Assembly at its sixth special session, and had carried on a struggle to break down the old order and establish a new one. More and more countries were taking measures to safeguard State sovereignty. To protect their natural resources, to nationalize economic sectors usurped by imperialism, to control transnational corporations, and to establish new associations of raw-material producing countries and new regional organizations.

23. The great efforts made by third world countries since the General Assembly's sixth special session had been instrumental in bringing about the adoption of the Charter of Economic Rights and Duties of States, while such events as the Conference of Developing Countries on Raw Materials at Dakar, the Summit Conference of oil-producing countries, the adoption of the ACP-EEC Convention of Lomé between EEC and over 40 developing countries and

the Second UNIDO General Conference at Lima had all signified the progress made in recognizing the need to found a more equitable international economic order and strengthen the ties between the third world and second world countries on the basis of true equality. It could be seen, therefore, that the principles and guidelines defined by the General Assembly at its sixth special session were correct and that they required the third world countries' unity and joint efforts.

24. It was essential, however, for the third world countries to guard against the attempts of the two super-Powers. One super-Power talked about "interdependence" and "dialogue" but actually resorted to confrontation so as to maintain the old international economic order. It even used various means of coercion in an attempt to divide the third world. The other super-Power, which styled itself an "ally of the developing countries" was even more insidious. While professing support for the third world, it preached a bogus message of international "economic integration" in a bid to extend its domination and bind even more countries with the neo-colonialist shackles in which it held its so-called "family". Behind the facade of "disarmament" and "*détente*", it was stepping up military preparations and maintaining its attempts at expansion, in competition with the other super-Power. Many countries had come to see more clearly the true features and tricks of the super-Powers. His country fully believed that the peoples of the third world, by strengthening their vigilance and solidarity, would overcome all such obstacles and succeed in their struggle.

25. China firmly supported the proposal made by the countries of the third world that preparations for the General Assembly's seventh special session should be based on the Declaration and Programme of Action adopted at the Assembly's sixth special session and on the Charter of Economic Rights and Duties of States adopted by the Assembly at its twenty-ninth session. The objective of the seventh special session should be the implementation of those documents. China supported the proposal of the Group of 77 submitted in informal talks on the areas and questions for discussion at the seventh special session. It was necessary to affirm that each State had the right to exercise permanent sovereignty over its natural resources and internal economic activities, including the right to control the activities of transnational corporations and, if necessary, to nationalize them, to form commodity producers' associations, to establish a link between the prices of their export commodities and those of their imports and to participate on an equal footing in solving world economic problems. It was also imperative that the international monetary system should be reformed. Those principles were inseparable and reflected the third world's desire to combat colonialism and domination, change the existing inequitable relations and establish a new international economic order. It was in that spirit, embodied in the Declaration and Programme of Action, that his delegation hoped the General Assembly would make progress at its seventh special session, on the basis laid by the sixth special session.

26. The International Development Strategy for the Second United Nations Development Decade had been

worked out five years earlier when China could not participate in the discussions. It was quite clear now that the Strategy failed to give full expression to the requirements of the international situation and the desires of the third world countries. China supported the proposal of the Group of 77 for the revision, amplification and improvement of the Strategy in conformity with the Declaration and Programme of Action (E/5693, annex IX), and endorsed the correct principles and reasonable proposals put forward by the Group of 77 for the mid-term review and appraisal.

27. Mr. CLARK (International Bank for Reconstruction and Development) said that in the current year the United Nations stood at a crossroads, as it laid the groundwork for a new international economic order. The results of the deliberations in the Council and the General Assembly's forthcoming special session would determine not only the direction in which the United Nations would move to help its poorer members overcome their immense difficulties but also its capacity to help improve the economic prospects for all nations. The advice on priorities to be given by the Council to the Assembly should become the strategic plan for a United Nations attack on world poverty.

28. Of the issues deserving attention, food was of primary concern, being essential to survival as well as to development. The momentum of the World Food Conference must not be lost. The food situation of many countries was likely to worsen in the short term, no matter what investment decisions were made; it would worsen in the longer term too, unless the right policy and investment decisions were made very soon. The World Bank had been increasing its financial support for projects to improve the developing countries' food production and had been active in setting up the Consultative Group on Food Production and Investment in Developing Countries. It was a sponsor and donor member of the Consultative Group on International Agricultural Research and also looked forward to working with the proposed International Fund for Agricultural Development which was now attracting substantial financial support, including some from developing countries.

29. Food supplies from the temperate zones alone would not suffice to feed the world's peoples. But even if those zones had enough surpluses, many countries were still too poor to finance the necessary imports and distribution. The attack on rural poverty was therefore central to the World Bank's aims and had already been started, as the report for the past financial year would show.

30. Despite the developing countries' emphasis on investment in education, illiteracy was not decreasing. Unless they acted promptly, supported by the international community, to increase and re-direct educational activities according to their development needs, their peoples would still, at the end of the century, be ill fitted to escape a life of poverty and ignorance. The World Bank was involved in helping those peoples to become active and efficient agents of their countries' development.

31. Health and nutrition constituted one of the key subjects for consideration. Disease, inadequate nutrition, poverty and a high birth-rate were mutually reinforcing



factors. Their cost, in terms of waste, lower efficiency and reduced productivity, was only just beginning to be realized; to correct that situation was less a matter of expenditure than of designing appropriate programmes and services which would emphasize not curative measures alone but also preventive and environmental measures, such as the provision of clean water supplies, available to all at low cost. In the projects it financed, the World Bank, was paying much more attention to those aspects and was drawing on the experience and advice of WHO.

32. The World Bank had repeatedly stressed, in public and in private, that a larger transfer of resources from the developed to the developing countries was not only possible but also indispensable if the latter were to have any hope of settling the fundamental problems facing them. The World Bank's recent studies showed that economic progress in most of the developing countries had been hindered by the price and trade trends during the past two years. Taking into account those adverse forces and the target growth rate of 6 per cent set by the General Assembly for the Second Development Decade, the World Bank estimated, on the basis of data for some 40 developing countries, that external capital flows of at least \$50,000 million per annum would be needed for the next five years, compared with the \$29,000 million likely to be available under current plans. As a matter of urgency, therefore, the economically advanced countries and those with large financial surpluses should forge a new consensus and commit themselves to new capital-transfer targets. One element might be agreement on a target for correcting the imbalance between countries' need for concessional aid and what they actually got; for example, a substantial proportion, if not all, of highly concessional bilateral aid might be allocated to the poorest countries, according to population. Examination of the situation in those countries with an annual *per capita* income of less than \$200 showed that, in order to raise their growth rates to between 4 and 6 per cent, as little as \$2,400 million per year – or even less – of additional concessional external resources would be all that was required. He therefore suggested that Governments in a position to provide such assistance should give immediate priority to attaining that limited target.

33. Eleven industrialized and oil-exporting countries had already offered contributions to the proposed interest-

subsidizing fund – the so-called Third Window – by means of which it was hoped to provide \$1,000 million per year in assistance at the concessional rate of 4.5 per cent, in addition to the World Bank's other operations. Because of the limited funds available, the eligibility criteria would favour developing countries whose annual *per capita* income was less than \$375.

34. The World Bank planned to lend approximately \$40,000 million between 1976 and 1980, an increase of 58 per cent over the previous five-year period and 153 per cent over the period before that.

35. The fifth replenishment of IDA, would shortly be begun; the fourth replenishment had given IDA authority to commit \$4,500 million up to 30 June 1977, by which time its available resources would be fully committed. Governments must therefore act in good time to ensure replenishment adequate to the poorest countries' unprecedented needs.

36. The World Bank, since its foundation, had played its part in the international community's measures to replace the old order of economic exploitation by schemes of mutual assistance in which the richer helped the poorer. Present demands for a new international economic order made clear the duty incumbent on all members of that community to face up to the needs of the majority of mankind, which were still increasing.

37. Mr. NAVON (Observer for Israel), speaking at the invitation of the President, said that, as a result of an attack in Jerusalem that morning by members of the Palestine Liberation Organization, innocent civilians had lost their lives. The previous day, Mr. Arafat had said in an interview that the Palestine Liberation Organization would further escalate its actions. The act of violence just perpetrated spoke for itself. It had been a sad day for the United Nations when the Council, in allowing members of the Palestine Liberation Organization to sit as observers, had not only failed to observe its avowed aims of promoting peace, progress and co-operation but also implicitly endorsed the crimes of the organization concerned.

*The meeting rose at 4.45 p.m.*

## 1958th meeting

Monday, 7 July 1975, at 10.40 a.m.

*President:* Mr. I. A. AKHUND (Pakistan)

E/SR.1958

### AGENDA ITEM 3

General discussion of international economic and social policy, including regional and sectoral developments (*continued*) (E/5654, E/5665, E/5681 and Add.1-4, E/5682, E/5692, E/5699, E/5713)

1. Mr. M'BOW (Director-General, United Nations Educational, Scientific and Cultural Organization) said that he was deeply conscious of the Council's role as co-ordinator of United Nations economic and social activities—a role of particular importance at a time when there was general recognition of the need for a change in relations between