

of trade, negotiations were under way to conclude preferential trade arrangements; in the field of industry, a number of joint venture enterprises were functioning at Karachi, Teheran and Istanbul and a study was to be undertaken to clarify the area of co-operation; in the field of technical co-operation, hundreds of students and trainees were moving about between the member countries and studying in the universities and institutes of the three States, which were also co-operating in the field of atomic energy; cultural exchanges had been developed; and in regard to transport and communications, the organization had played a very active role: a highway and a railway would soon connect Karachi to Teheran and Ankara and postal tariffs between the three countries were going to be unified.

77. RCD was deeply interested in the action undertaken by the United Nations and other international bodies in the field of economic development. The establishment of a new international economic order was not only a challenge, it was also an opportunity for all. RCD would, therefore, follow with great interest the deliberations of the Economic and Social Council and those of the General Assembly at its seventh special session and at its thirtieth regular session. There was no doubt that the initiatives taken by the United Nations system would assist its own endeavours on behalf of the economic and social well-being of its constituent peoples.

The meeting rose at 1.15 p.m.

1967th meeting

Monday, 14 July 1975, at 10.40 a.m.

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

E/SR.1967

ANGENDA ITEM 4

Regional co-operation (*continued*) (E/5608/Rev.1, E/5608/Add.1, E/5619, E/5651, E/5656, E/5657 and Corr.1 and 2, E/5658, E/5700, E/5721; E/L.1665)

1. Mr. AL-ATTAR (Executive Secretary, Economic Commission for Western Asia) introducing the Commission's report on its second session (E/5658), said that the world was going through a period of fundamental change, entailing the restructuring of the international economic order. It was not clear what form the new economic order would take, but it was of crucial importance that it should be a universally acceptable one.
2. Many issues of immediate relevance to the welfare of mankind had not yet been resolved: the widening gaps between the living standards of developed and developing countries, the high rates of population growth, food shortages, environmental degradation, balance-of-payments deficits and maldistribution of resources. The situation was made even more complex by the current challenge of the international power structure: developing countries were seeking an effective role and a representative participation in all efforts to construct and implement a new economic order. That required adjustments by both developed and developing countries and the sooner they took place the smoother the transition to a new economic order. It was the developing countries that suffered most from the present uncertainty in the world economy; they, and particularly the least developed among them, were particularly vulnerable to international problems of trade, monetary stability, balance of payments, inflation, food and recession, despite the fact that the economic position of certain developing countries, especially the oil-exporting countries, had improved.
3. The first biennial review and appraisal of progress in implementing the International Development Strategy for

the Second United Nations Development Decade and the sixth special session of the General Assembly had shown clearly the economic problems and concerns of developing countries. The Declaration and Programme of Action on the Establishment of a New International Economic Order, adopted at the sixth special session, defined principles which would provide a just and equitable international division of labour. The Programme of Action included measures on a number of problem areas but did not provide practical measures for implementation, apart from the Special Programme to provide emergency relief and development assistance to the developing countries most seriously affected by the economic crisis and the establishment of a Special Fund for that purpose. The implementation of the Programme of Action would depend more on co-operation by the developed countries than on the formulation of practical measures, but the reservations expressed by some of those countries could reduce the Programme's chances of success. The seventh special session of the General Assembly offered an opportunity to test the spirit of co-operation and responsibility prevailing in the international community.

4. The outlook for the ECWA region had been drastically altered by the October 1973 war and by developments in the oil industry. The shift in the balance of power from the international oil companies to the producing countries in respect of price-setting, as also increased national control over the exploitation of oil resources and ancillary operations, had caused a sharp rise in the producing countries' actual and expected oil revenues and had greatly enhanced the region's growth prospects and its role in international economic relations. Although aggregate output in the region had exceeded the average growth target of 6 per cent per annum in real terms as set by the International Development Strategy, the benefits of increased productive capacity had not been evenly distributed. There were large discrepancies between and within countries. With the intensification of inflationary pressures and rapid popu-

lation growth, the need for a new pattern of income distribution was urgent. The prospect of a considerable accumulation of funds in the region brought to the forefront of development issues the need to find new investment openings, both external and domestic, and the problem of the proportion and geographical distribution of their investment abroad. The region's newly acquired wealth could thus help to bring about closer co-operation between its members and developing countries elsewhere. The oil-exporting countries of the region were providing bilateral and multilateral aid and loans, including a substantial contribution to OPEC official aid, which at the end of September 1974 had totalled \$8,600 million, excluding a contribution to the IMF oil facility of \$3,100 million and a loan to IBRD of \$1,000 million.

5. The oil-exporting countries of the region had given direct assistance to other developing countries facing natural disasters. The capital of the Kuwait Fund, the Abu Dhabi Fund and the Arab Fund had been substantially increased in order to expand their lending capacity to all developing countries. New institutions had been established in Saudi Arabia and Iraq for that purpose. They had also made large contributions to the Islamic Development Bank, recently established with an authorized capital of \$2,400 million, and the Arab Bank for Industrial and Agricultural Development in Africa, with a capital of \$231 million. Contributions to the United Nations specialized agencies had been increased and Saudi Arabia and the United Arab Emirates had contributed \$30 million and \$10 million respectively to the United Nations Special Account for emergency assistance. Within the region, contributions by way of grants and loans had been made to the non-oil-exporting countries to expedite the development of their economies. Most of the oil-producing countries had provided a far higher percentage of their GNP in the form of assistance than had the industrialized countries.

6. Agriculture was of vital importance to the region's economy, despite a gradual decline over the past ten years. It contributed an average of 20 per cent or more of the total income of the non-oil-exporting countries, was the largest single employer and source of livelihood in most of the countries, and accounted for a significant share of regional exports. The world food crisis had affected the region by inflating the cost of food imports and thus contributing to internal inflationary pressures. Agricultural production, which had increased at an average of 2.3 per cent *par annum* during the 1961-1973 period, had fallen considerably short of the annual increase in food demand of 4 to 5 per cent had failed to match the population growth. The region was at present the highest *per capita* food importer in the developing world. The countries of the region had given top priority to better utilization of their agricultural resources. Major irrigation projects being constructed in Syria, Iraq, Jordan, Saudi Arabia and other countries would move additional large areas into farming. New projects were planned and being implemented for cattle and poultry breeding, to increase the region's animal food production. Industrial production—generally light industries such as food processing and textiles—still occupied a modest place in all the countries of the region; production capacity was not fully used and the proportion of manufactured goods in total exports was low.

7. The inflow of substantial funds to the region's oil-exporting countries and the increased domestic and potentially higher international demand for industrial goods had enhanced the prospects for industrialization in the region. In 1974, industrial production had improved and new projects had been started in fertilizers, petrochemicals, textiles and canning. Agreements had been reached with industrialized countries to establish new industrial projects in Syria, Iraq, Saudi Arabia, Kuwait, Jordan and other countries. Investment in industrial projects was expected to continue to rise.

8. Foreign trade played an important role in the economies of the region. Oil production and export provided the largest source of income for the oil-exporting countries, where exports were the principle source of foreign exchange and public revenue and consequently the major determinants of the level of imports and public expenditure. Exports of goods and services were also a significant factor in the non-oil-exporting countries. Insufficient diversification of the economic structures and a limited production basis made the countries of the region heavily dependent on imports of capital goods, manufactured products, foodstuffs and raw materials. All the countries were experiencing high inflationary pressures. After almost a decade of relative price stability consumer prices had begun to increase in 1968. In 1974 most Governments of the region had adopted measures, such as wage increases, direct price cuts, rationing of necessities and government subsidization of certain food items, to alleviate the adverse economic and social impact of inflation of low-income groups.

9. The relative homogeneity of the region's population facilitated intra-regional labour movement and helped regional co-operation. Despite high rates of population growth in all the countries of the region, population pressures were not yet a serious problem in the majority of them. Intra-regional migration was largely accounted for by the high income levels in the Gulf States. With current rates of growth all the countries of the region were expected to double their population within 25 years; if the present rate of immigration continued the Gulf States were likely to do so in about 10 years. Regional consultations had been held at Doha, Qatar, at the end of March 1975, as a result of the World Population Conference.

10. The countries of the region had made considerable progress in education, health, social welfare, and women and youth participation. There had been a rapid expansion of educational systems, with higher enrolment at all levels, more teachers, a broader range of education, easier access to education, and education planning.

11. Mortality rates had fallen and life expectancy rates risen and control of communicable diseases had been more effective. Budgetary allocations for the health sector had continued to increase and most countries were planning their health programmes systematically in relation to national development. Social services were being rapidly expanded to meet physical needs in general and the special needs of marginal groups in particular. Social services were being gradually incorporated in the national planning. There had been important changes in the status and role of

women in the development process as a result of political and legislative reforms, wider educational opportunities for girls, and the acceleration of industrialization and urbanization.

12. There were still many major problems urgently requiring solution, apart from such problems as inflation and the increasing dependence on food imports. The ECWA countries' dependence on the production of primary products as the main economic activity and source of foreign exchange had made them vulnerable to price changes, shifts in demand and the production of substitutes by the industrialized countries. The problems were aggravated by the low level of intra-regional trade.

13. Growth in the region had been uneven, not only among and within countries but also in its impact on major sectors and activities. Recent developments had increased the region's dependence on oil production and export; despite the undeniable benefits, the risk involved in heavy dependence on oil was for greater than a similar degree of dependence on other commodities, in view of the exhaustible character of oil and its strategic importance to the world economy. In several countries, however, output continued to be biased in favour of the production of services. While heavy reliance on services had not prevented the rapid development of some countries in the region, the argument for diversification in favour of the industrial sectors remained very strong.

14. Another major problem was the striking disparity in economic and social development among the countries of the region. They could be divided into three groups. The oil-producing countries had a high *per capita* income and substantial financial resources but were short of trained manpower and lagging behind in social development. The second group, the non-oil producers, had a low *per capita* income, lacked capital, but had more balanced economic and social structures. The third group consisted of countries in an unsatisfactory position in both economic and social development. Yemen was regarded as one of the 25 least developed among developing countries and in certain respects Democratic Yemen also qualified for benefit from the special measures designed to assist those countries. Taking *per capita* income as an indicator of the stand of living, the disparity among the countries of the region was alarming. In the early 1970s it has been less than \$100 in Yemen and about \$100 in Democratic Yemen, but over \$3,500 in Kuwait and Qatar, with the other countries somewhere between those two extremes. In 1974, while the figures for the least developed countries had hardly changed, some of the wealthier countries had attained *per capita* incomes in the region of \$8,500.

15. The widening disparity in economic and social development was a major challenge to the ECWA countries. Fortunately the region possessed the financial resources for a concerted effort to narrow the gap. Almost all the countries of the region lagged behind in social development and, while in many of them economic growth targets had been achieved or surpassed, many goals such as full employment, greater income equality and balanced development had been only partially achieved. Impressive advances had been made in health, education and social

welfare, but that had had little if any impact on the rural masses and the urban poor. Economic development itself had accentuated the differences between technologically advanced and backward sectors. Factors associated with development, such as high population growth, rapid urbanization and migration, had also accentuated disparities and inequalities.

16. There was a clear need in the region for a population policy as an integral part of development planning. Population would continue to grow rapidly and the implications for education, employment and food supply had not been seriously examined. The issues related to achieving a satisfactory dynamic balance between a growing population, its productive capacity and available resources should be a matter of primary government concern in the coming years.

17. There was room for considerable improvement in education, particularly in restructuring secondary and higher education to meet manpower needs and development priorities and in reducing wastage in the educational system. Emphasis should be placed on the relatively inexpensive process of raising literacy rates. The reorientation of education structures was necessary in order to eliminate unemployment among the educated while at the same time training enough students in fields where there was a shortage. Greater emphasis was needed on vocational, technical and non-formal training for agriculture and industry to redress existing imbalances.

18. There were many deficiencies in the health sector. Almost every country suffered from inequitable distribution of health facilities and concentration on curative rather than on preventive medicine. Nutritional deficiencies were still widespread. Although there had been some improvement in medical manpower resources, the ratio of physicians to population remained low throughout the region.

19. Obviously more vigorous action was needed in social development. Practical objectives in that field should form an integral part of national development plans and would have to be translated into specific projects to be implemented during the period of the plan. More co-ordination was needed between public and private institutions and among government agencies providing social services, in order to avoid overlapping and to cover all existing gaps in the social sector.

20. The process of increasing the concentration of development activities in certain regions and towns had created problems which would have negative repercussions on the development potentials of the countries of the region. All the countries were experiencing rising urbanization rates ranging from 11 per cent in Yemen to 80 per cent in some of the Gulf States. In many cases the enthusiasm of policy-makers for accelerating the development process led them to overlook the costly and often irreversible damage to the environment. Clear awareness of the environmental consequences should characterize the formulation of development policies. The provision of adequate housing in large towns was increasingly overtaken by population growth and the supply of public services

such as water, transport and telecommunications was already under pressure. Programmes for the planned development of human settlements encountered administrative and other difficulties. Rural settlement planning had been undertaken and implemented in only a few areas in the region. Provision of services, land reform measures and distribution of settlements must also be considered and integrated into rural settlement plans. In general, efforts to close the widening gap between urban and rural areas should not be limited to agricultural development. The oil reserves of the region were more than 55 per cent of the estimated world total. The large financial surpluses of its oil-producing countries provided foreign exchange and not only enhanced the development efforts of those countries but enabled them to make a positive contribution to the development of the region, developing countries elsewhere and the world at large.

21. Countries of the region also possessed valuable natural resources other than oil which contributed to their development: a good example was phosphate in Jordan and Syria. Other natural resources such as potash, copper and iron-ore had been identified but had not yet reached the stage of exploitation. There was urgent need for a more comprehensive survey and identification of natural resources in the region, particularly mineral resources and underground water. Another area of development potential lay in the expansion of agricultural production, including crops, animal resources and fisheries. The utilization of modern techniques, improved seeds and the appropriate fertilizers would increase agricultural production.

22. More of the financial resources of the region should be channelled into new industrial projects. Since the market in each country of the region was small, and since the main objective of the industrialization process would be import substitution for some time to come, better co-operation and co-ordination between countries was needed to avoid costly duplication of industrial projects.

23. Manpower was a major factor in the development potential of the region. Human resources were not only essential to the economic development process but their improvement was one of the final objectives of the process. The region was fortunate in having the possibility of developing human resources unconstrained by excessive population pressures. Education, health and other social services would have to be expanded and improved; with two thirds of the region's population under the age of 25, plans were needed for the integration of youth into development activities. There should also be greater opportunities for women to participate in the labour force.

24. Special emphasis should be given to high-level manpower in the region. Better working conditions and greater incentives were necessary to stop the "brain-drain"; high-level manpower was needed by Governments in their efforts to reform the administrative machinery and to fill serious gaps. Development plans in the majority of the countries of the region had recognized the need for administrative reforms.

25. Science and technology were important in the process of development. In many countries scientific research

institutes had been established and were playing an active role in the planning and execution of research related to development. In the ECWA region the main constraint was non financial limitations but the shortage of trained indigenous high-level manpower in the various fields of science and technology. The pace and quality of development in the region depended on the effective utilization of its human, international and financial resources. Co-operation among the member countries would have an impact on development, particularly in the spheres of industrialization, intraregional flows of labour and capital, utilization of water resources and tourism.

26. The main objectives for the ECWA region were to develop a cohesive, multidisciplinary and action-orientated programme as an integrated approach to the region's development problems; to select programmes and projects which were mutually reinforcing and had maximum impact on the development of the region; and to ensure that specific activities produced results and related directly to the relevant programme components and to the programme as a whole. The 1975 ECWA work programme concentrated on priority areas such as water resources, food deficit, the petrochemical and fertilizer industry, manpower, tourism, public finance and administration, natural resources, population, transport, communications and electricity. The 1976-1979 medium-term plan, and in particular the 1976-1977 biennial programme of work, followed essentially the same areas of priority. A growing concern for an integrated development approach and the need to achieve greater regional co-operation had prompted ECWA to give emphasis in its work programme to such other important areas as development planning and policies, intra-regional and interregional trade, human settlements, science and technology, and various social dimensions of development efforts.

27. In its continuing efforts to foster economic co-operation and integration, ECWA had acted as a catalyst in initiating processes leading to working agreements between itself and several regional institutions as well as organizations and agencies of the United Nations system. Agreements in principle had been reached on the outlines of a programme of co-operation between ECWA and the League of Arab States, the Arab development funds and the Arab Labour Organization. Discussions were under way to formalize co-operation with the Council of Arab Economic Unity and the Industrial Development Centre for Arab States.

28. The member countries of ECWA considered that the regional commissions should play a more prominent part at the operational level with regard to both policy-making and the execution of projects. Because the regional commissions knew the objectives and needs of their regions, they were able to avoid the generalization of rules which were not suited to certain countries or regions. For that reason they considered that both the Economic and Social Council and the General Assembly should adopt measures to strengthen the part played by the regional commissions in operational activities.

29. Mr. KANNAWAT (Thailand) said that, as host country to ESCAP and an active participant in its work, his

country attached particular importance to regional co-operation, which made for greater efficiency and was a major factor in the acceleration of social and economic development. He welcomed the considerable progress in various fields reflected in the ESCAP annual report (E/5656). Much, however, remained to be done in the priority areas identified by the Colombo Declaration of 1974,¹ especially in agriculture. The negative growth rate of agricultural production for the region as a whole, mentioned in paragraph 92 of ESCAP's report, must be considered alarming in view of the rapid population growth of the region, which had been adversely affected by rising fuel, fertilizer and pesticide prices and erratic climatic conditions. His delegation supported the UNFPA and considered that its programmes should be improved and strengthened, and that the Fund should make greater financial resources available to ESCAP for the effective implementation of regional population projects. It also thought that ESCAP should intensify its efforts to assist countries to expand their food production.

30. His delegation has supported all the seven resolutions which ESCAP had adopted at its thirty-first session for submission to the Council. Resolution 156 (XXXI) calling for the establishment of an Asian centre for agricultural machinery was most timely, since most developing countries of the region depended on agriculture for their livelihood and foreign exchange earnings. His Government also welcomed the proposals in resolution 158 (XXXI) as concerned the establishment of an Asian centre for training and research in social welfare and development and had contributed \$10,000 to the project. The New Delhi Declaration in resolution 154 (XXXI), on the subject of the regional contribution to the establishment of a new international economic order, was an expression of the determination of ESCAP member countries to bring their approach to development into line with recent events, to develop greater co-operation and understanding and to contribute "to the early establishment of a new international economic order and to a new development strategy by focusing special attention on the common people and the improvement of the quality of their life and living conditions through growth with social justice".

31. His delegation had supported Council resolution 1896 (LVII) on regional co-operation, which requested the Secretary-General, in consultation with the UNDP Administrator, to make the necessary arrangements allowing for the delegation of the appropriate functions of an executing agency to the regional commissions in respect of regional, sub-regional and interregional projects financed by UNDP; he hoped that it would be implemented as a matter of urgency.

32. His delegation was glad to note from the report of the Secretary-General on United Nations export promotion and development efforts (E/5619) that efforts were being made to promote the exports of developing countries by technical assistance provided through various bodies in the United Nations system, including the regional commissions.

It was convinced that closer co-ordination among those bodies would further increase the efficiency of the export promotion programme.

33. Mr. BOYESEN (Norway) said that at the April 1975 (thirtieth) session of ECE there had been general agreement that it would be an inopportune moment to depart from well-established patterns, particularly with the Conference on Security and Co-operation in Europe still in session. It was hoped that the third stage of that Conference, which was to begin shortly, would give great encouragement and a valuable stimulus to ECE. Although ECE had not lived up to all the hopes it had inspired at the time of its establishment, it had nevertheless managed, even during the most difficult period of the cold war, to remain an important meeting ground for high officials and experts from East and West. A high level of analysis of economic and social problems had been reached and had been maintained ever since.

34. He felt that the time had come to take a considerable step forward and to give a higher degree of practical direction to ECE's work. The machinery and staff were there and the need for greater co-operation between East and West in Europe was only too obvious.

35. It had also been clear at the April session of ECE that regional economic problems were becoming more and more inseparable from those of other parts of the world. In trying to settle regional questions, it had become necessary to give even greater attention to the implications for the rest of the world. Members of ECE were, on the whole, the more prosperous countries of the world, and by becoming more outward-looking, while at the same time resolving their own regional problems, they could make an effective contribution to the redistribution and development of the global productive capacities that a more just economic world would call for.

36. Mr. MARTOHADINEGORD (Indonesia) said that his delegation always took great interest in the review of the reports of the regional commissions. That item had become more serious in the light of the present economic and political situation and the forthcoming seventh special session of the General Assembly. The regional commissions served as a point co-ordination for the efforts of the United Nations system for development co-operation, for they were most familiar and in closest contact with the problems facing the countries in their respective regions.

37. His delegation felt that ESCAP had responded adequately to the call for policy measures for meeting the immediate needs of the developing countries in that region as set out in the Colombo Declaration and reaffirmed by the Commission at its session earlier that year, when it had succeeded in strengthening and revitalizing its role and its conference structure, including the integrated programme of action within the over-all framework of the United Nations system.

38. In view of the new trend of ESCAP's activities, the Executive Secretary (1966th meeting) had rightly drawn attention to the urgent need for adequate financial and technical support from the United Nations. In particular, he

¹ ECAFE resolution 140 (XXX) of 5 April 1974; for the text see *Official Records of the Economic and Social Council, Fifty-seventh Session, Supplement No. 5*, part III.

had referred to the recent meeting of the executive secretaries of the regional commissions, at which it had been agreed that the executing agency functions in respect of regional, sub-regional and interregional projects should be delegated to the regional commissions as soon as possible (see E/5700). His delegation had noted with satisfaction that funds for meeting overhead costs were soon to be allocated to the commissions.

39. ESCAP's future programme of activities in the field of population was of vital importance. In view of the size of the population, the number and scope of active population programmes and the total national expenditures for investment in population activities, it was essential that the region should receive an increased share of financial support from UNFPA.

40. Of equal importance was the effective support of the United Nations in assisting the developing countries in the ESCAP region in the rapid implementation of the integrated and comprehensive programmes in the fields of food, agriculture, raw materials, commodities and industry which ESCAP had already adopted.

41. His Government was convinced that sub-regional co-operation was an important element in economic and social development at national, regional and global levels. It considered that endeavours such as those undertaken by ASEAN should be strengthened by the entire United Nations system. Those views were in conformity with the Declaration and Programme of Action on the Establishment of a New International Economic Order: the primary responsibility for development lay with the developing countries themselves and the growing interdependence and collective action of all nations was a manifestation of an inescapable and promising reality.

42. Mr. CHANG Hsien-wu (China) said that since the sixth special session of the General Assembly the third world had further developed its struggle against colonialism, imperialism and hegemony in economic matters. One feature of the struggle was the continuous strengthening of regional co-operation among the developing countries on the basis of self-reliance, in order to support each other and co-operate with each other in common endeavours to safeguard State sovereignty and their developing national economies. The developing countries had to consolidate their political independence and strive for economic emancipation because they were suffering from the aftermath of prolonged colonialist and imperialist oppression and enslavement and from latter-day pillage and exploitation by imperialism, neo-colonialism and the super-Powers.

43. Fortunately, they had great potential for developing their national economies and would certainly be able gradually to rid themselves of poverty and backwardness and to achieve prosperity, provided that they made unremitting efforts to achieve self-reliance. The strengthening of mutual co-operation by the developing countries did not prevent them from having economic and trade relations, on a basis of equality, with the developed world. As they progressed, the developing countries would have to overcome the obstacles raised by the super-Powers in their

struggle for world hegemony. Despite talk of *détente*, the two super-Powers were still heading towards a new world war. He was convinced, however, that the developing countries were experienced enough to see through and resist their machinations.

44. His delegation was glad to note that some of the regional commissions had referred in their annual reports to the Declaration and Programme of Action on the Establishment of a New International Economic Order. The New Delhi Declaration adopted at the thirty-first session of ESCAP emphasized that the serious problems facing the developing countries were due to colonial domination and neo-colonialism. It also called upon the developing countries in Asia and the Pacific to strengthen their co-operation and promote self-reliance. Resolution 256 (XII) adopted at the third meeting of the Conference of Ministers (twelfth session) of ECA called for the removal of all forms of constraint to the exercise by African countries of permanent sovereignty over their natural resources and for the promotion of economic co-operation among those countries. At its sixteenth session ECLA had adopted the Chaguaramas Appraisal (resolution 347 (XVI)), and other resolutions putting forward proposals for the establishment of a regional unit for the surveillance of transnational corporations operating in the region, for supporting and strengthening existing commodity producers' associations and for increasing technical co-operation and mutual assistance among the developing countries. All those were manifestations of the strong desire of the developing countries to persevere in their struggle against imperialism and hegemony, to consolidate political independence and to achieve economic self-sufficiency.

45. His delegation was glad to note that the Palestine Liberation Organization, which had been continuing its just struggle against Zionism, had been unanimously accepted as a permanent observer to ECWA at the latter's second session.

46. The seventh special session of the General Assembly would build upon what had been decided at the sixth special session and would continue to work towards the establishment of a new international economic order. His delegation hoped that the regional commissions would take action in the light of the actual situation in their respective regions and make strong efforts to establish the new order. The meeting of the executive secretaries of the commissions should review and examine the progress being made in that direction and should play a part in the promotion of the new order.

47. Mr. GONZÁLEZ-DAVISON (Guatemala) said that his delegation regretted that in the various statements made to the Council, there had been no sign of a general desire to solve the urgent problem of international monetary reform. It also regretted the lack of interest shown by the developed countries in matters concerning international trade, particularly with regard to guaranteed prices for the raw materials that were the basis of the economies of developing countries. His own country was encountering serious difficulties as a result of the fall in the world prices of coffee, cotton, meat and sugar.

48. It was essential that great changes should take place in the next few years, and at a faster pace than in the past. The negative attitude adopted by the wealthy countries created the need for a new assessment of the social and economic phenomena so that a more flexible system could be devised that would assure positive results in the sphere of international co-operation.

49. In the course of establishing a new international economic order, it was essential to introduce new ideas into the International Development Strategy. Since the sixth special session of the General Assembly, there had been various clear indications of the need to establish a new international economic order; as yet, there appeared to be no way of overcoming the irregularities of the international economic system. Regional co-operation was becoming an urgent necessity because of the need to co-ordinate efforts. His delegation considered that the international economic position should be assessed as a continuing process in which the assistance of both developed and developing countries was needed to overcome the present crisis, which had had the most serious effects on developing countries like his own. Both developed and developing countries should participate actively in the establishment of the new international economic order so as to avoid the conflicts which had occurred in the past and which had prevented a more equitable and reasonable relationship between States.

50. His delegation thought that, with a new system of appraisal and methodology, the objectives of the International Development Strategy should be broadened so that it would express the manifest needs of the developing countries and achieve the purpose for which it had been prepared. A new concept of work and action was required in the United Nations and the failures of the past should serve to show the way to positive achievements in the future.

51. Mrs. AUGUSTE (Trinidad and Tobago) said that in the year under review ECLA had concentrated its activities on the regional mid-term review and appraisal of the International Development Strategy, culminating in the approval of the Chaguaramas Appraisal. The review at the regional level had provided an opportunity for countries in the region to examine the international economic situation from a Latin American perspective. Of equal importance was the opportunity it had provided for a certain degree of introspection on the part of individual countries and the region as a whole. Her delegation considered that the instruments adopted at ECLA's sixteenth session represented a judicious balance between proposals for action at the international level and measures to be taken through co-operation and joint action within the region itself.

52. Her country had participated actively in the discussion and formulation of the conclusions and recommendations at the preparatory meeting of government experts and at the subsequent session of ECLA. Her delegation attached particular importance to ECLA resolution 348 (XVI), in which the ECLA secretariat was asked to give top priority in its immediate work to one of the most urgent and critical problems facing the countries of the region, namely their immediate balance-of-payments problems. The Executive Secretary of ECLA had suggested the establish-

ment of a financial "safety net" for Latin American countries and her delegation looked forward to receiving in the near future the conclusions and recommendations of the group of experts that was to be convened to study that and other possible solutions to the balance-of-payments problems of the Latin American region.

53. At the sixteenth session, her delegation had initiated a proposal for the establishment of a Latin American centre for the surveillance of transnational corporations operating in the region, which would use ECLA's facilities. She hoped that the initiative would come to fruition at the present session of the Council and that, within the regional commissions, joint units of the United Nations Information and Research Centre on Transnational Corporations would be set up. Her delegation considered it essential that the operations and activities of transnational corporations in the developing world should be monitored in the regions where they operated.

54. Another matter that deserved priority attention was the question of the level of technology in developing countries, the transfer of technology from developed countries and the terms of transfer, and the development of an indigenous technology appropriate to individual countries.

55. She expressed her delegation's support for the establishment of a Caribbean Development and Co-operation Committee within ECLA, which would be an important means of strengthening the Commission's work with regard to the special needs and problems of the Caribbean, as also of maintaining the historical and cultural identity of the Caribbean countries. She hoped that the new Committee would meet at an early date.

56. Like the United Nations as a whole, ECLA had unanimously decided to re-examine its own structure. The Executive Secretary had been instructed to undertake a study of ECLA procedures and to report his findings within the year. Her delegation had noted with interest that, in the report of the Group of Experts on the Structure of the United Nations System (E/AC.62/9), one of the problems identified, in the section dealing with regional structures, was that of membership patterns in some regional commissions. Members of ECLA had given considerable thought to that problem during the sixteenth session.

57. Mr. ZVEZDIN (Union of Soviet Socialist Republics) observed that, in spite of a recent tendency to convene *ad hoc* international meetings to discuss various problems on a world scale, the importance of the regional commissions had continued to increase, partly because they served as bridges between national and global economic policies. They were essential parts of the United Nations system of economic bodies and their contribution to economic, commercial, scientific and technological development deserved to be further encouraged as a major factor in the strengthening of international peace and collective security, progress in which would, in turn, create increasingly favourable conditions for the commissions' work.

58. His delegation congratulated the executive secretaries on the successes achieved over the past year. As the

Executive Secretary of ECE had bought out (1966th meeting), the period under review had been characterized by a further reduction in tension, an increase in understanding and a widening of mutually advantageous co-operation between member countries of ECE. The successful conclusion in the near future of the Conference on Security and Co-operation in Europe would contribute not only to the further strengthening of world peace but to a widening of economic, scientific and technical co-operation. As a step towards the attainment of those objectives, the Executive Secretary had been asked at the thirtieth session of the Commission to prepare, in consultation with the Governments of member countries, proposals for adapting the Commission's activities to the requirements of the new situation and for increasing its effectiveness.

59. The annual report (E/5651) showed that the Commission had carried out a great deal of useful work in the four priority areas, and that such matters as energy policy, engineering and transport had also received particular attention. But the main achievement was its contribution to the development of economic co-operation between the region's countries with different socio-economic systems. His delegation agreed with the executive Secretary that, after the successful conclusion of the Conference on Security and Co-operation in Europe, it was the very backbone of the Commission's work that it should continue to contribute to the development of East-West co-operation. Full advantage should be taken of the opportunities that were opening up for new forms of economic, scientific and technical co-operation, involving long-term agreements on joint industrial projects, such as the major European projects in the field of energy resources, utilization of raw materials and transport, mooted on various occasions by the USSR. The economic potential and natural resources of Europe created favourable conditions for co-operation on a regional and sub-regional basis.

60. The scope of the Commission's activities would have overstrained the secretariat's resources had it not been for the assistance received from member countries, which was a reflection of their recognition of the importance and value of the Commission's work. That example might, he thought, be usefully followed by other regional commissions.

61. Turning to the question of shortcomings in the Commission's work, he drew attention to resolution 1 (XXX) in which the Commission had adopted a number of recommendations for improving its methods of work and achieving greater concentration and integration of its programmes.

62. During the discussion, at the Commission's thirtieth session, of resolutions on its work adopted by the Economic and Social Council and the General Assembly, general support had been given to the Executive Secretary's suggestions for an intensification of ECE's ties with the other regional commissions through document exchanges, common research on problems of mutual interest and wider participation of experts from developing countries in ECE

activities.² He was pleased to note from the Executive Secretary's statement that some progress in that direction had already taken place. As a further step, the Executive Secretary might be requested to expedite access to the wealth of scientific, technical and economic material in the Commission's documents by transmitting a number of copies of selected documents to the secretariats of all the other regional commissions.

63. The reports of the other regional commissions and the statements by their Executive Secretaries showed a realistic approach to the problem of understanding the true causes of the social and economic difficulties of their regions. His delegation had been pleased to note the considerable measure of agreement that had become apparent in the general discussion under agenda item 3 on the present crisis in the capitalist economy. Demands were being voiced for a restructuring of international economic relations on just and democratic principles, the implementation of the progressive decisions of the sixth special session on the General Assembly and the application of the Charter of Economic Rights and Duties of States.

64. The regional commissions had made considerable progress over the past year in such important areas as agriculture, industry, trade, natural resources, and science and technology. He was pleased to note from the ECLA report (E/5608/Rev.1) that efforts were being made to adjust to the new political and economic situation and that there was a general willingness to learn from the experience of countries with different social and economic systems. Evidence of the effectiveness of a co-ordinated approach to economic and social problems was furnished by the co-operation of the countries of that region on measures to limit the activities of transnational corporations.

65. His delegation also welcomed the measures being taken in the ECA and ESCAP regions to integrate women and young people into the development process. It noted as a positive development the establishment, within the framework of the commissions, of a number of new regional institutions and information and training centres.

66. He welcomed the statement by the Executive Secretary of ESCAP (1966th meeting) that priority was to be given to a number of important aspects of industrialization. In the past, much importance had been attached to the development of agriculture, but that had not been the case with industrialization, although it was generally recognized that the establishment of national industries was a necessary basis for stable and balanced economic development. The importance of that factor was particularly evident at a time when soaring prices of industrial goods were causing the importing countries of Asia great difficulties.

67. In spite of the diversity of the problems facing them, the regional commissions were united in the aim of contributing to the rapid development of the countries of their regions in order to eliminate mass poverty and to give all classes of the population the change of a better life. The experience of the First United Nations Development Decade and of the Second United Nations Development

² ECE, document E/ECE/875, para. 53.

Decade so far had shown that, in general, the countries of Africa, Asia and Latin America had not been able to achieve the goals they had set themselves. The explanation for their failure was to be sought in the inadequate attention they had paid to such factors as the need for progressive social and economic reforms, the building up of major branches of the economy as a source of internal capital accumulation, the strengthening of State and co-operative sectors of the economy, the extension of the planned economic base, the enactment of budgetary and fiscal legislation as a means of building up national revenue, and strict control of foreign capital.

68. Soviet representatives spoke of those matters with conviction in the light of the wide experience of their own country. They had no wish to impose that experience on others, but were justly proud of it, since it was only in socialist countries that stable and high rates of economic growth were ensured and protected from all crises and such social evils as unemployment and poverty had been abolished.

69. His delegation was convinced that the starting-point for remedying the relative economic backwardness of the developing countries should be that complex of socio-economic measures to the implementation of which the regional commissions should give the highest priority.

70. There had recently been some expansion of co-operation between the regional commissions and CMEA, and a number of those commissions, such as ECE and ESCAP, had granted CMEA the status of observer. Further strengthening of that co-operation would undoubtedly serve the interests of both sides.

71. The regional commissions had long proved their worth, and their activities certainly deserved further consolidation and expansion. One point, however, still aroused some concern. Participants in sessions of the commissions who delivered statements and heard those of others received the impression that all was proceeding smoothly; yet there might well be some anxiety concerning the extent to which the widespread activities conducted in the regional commissions themselves actually affected the member countries for whose sake the work was being done and the degree to which those countries, especially the developing countries, actually made use of the commissions' experience. It would seem that the situation with regard to the practical application of the regional commissions' work was still not entirely satisfactory.

72. Nevertheless, the Soviet Union was prepared to continue its support of all the useful initiatives of the regional commissions, to develop its co-operation with them and to share with them its experience of socio-economic construction.

73. Mr. TARCICI (Yemen) said that a common denominator of the statements of the executive secretaries and the reports of the regional commissions was the inevitable and increasingly apparent economic interdependence of the world. Another common denominator was the inequality of incomes in the different regions. The prosperity of a well-endowed country or region was bound to have an

effect in the long run on other countries and regions just as the impoverishment of a country or region was bound to affect the others. The subject of economic interdependence and the unequal distribution of wealth, with its dangerous repercussions on international stability and progress, had been well explained at the preceding meeting by the Executive Secretary of ECE. His delegation hoped that that statement would be given the place it deserved in the report of the proceedings of the Council.

74. His delegation had naturally been most interested in the statement of the Executive Secretary of ECWA and in that Commission's report. Although it had arrived late on the scene, ECWA was endeavouring to study and to solve the complicated problems of the region. Two of the six chapters of the Commission's report deserved special attention. Chapter III reproduced the resolutions adopted by the Commission on the most urgent problems of the region. Chapter IV showed how ECWA had selected the problems which were of greatest priority for the region. The Commission had not lost sight of the imbalance in the economic and social fields between the different countries of the region. That imbalance and a preoccupation with future development were the reason for the choice of priority problems in the report, namely, agriculture, natural resources, transport and tourism, development planning, industry, social development and human settlements, and population.

75. His delegation was pleased to note that the Commission and the Executive Secretary had given a special place to water and agriculture. He hoped that ECWA would carry out pilot projects in those two fields. In particular, the desalinization of sea water and the recycling of waste water in large and small towns would provide useful pilot projects, which could be carried out with the collaboration of FAO, UNESCO and UNEP.

76. There were two aspects which he felt should be given greater emphasis in future reports. The first aspect was concerned with energy. The report considered oil chiefly as a source of energy, listing it among the energy-producing products -- which was of course in accordance with the reality of the present situation. Oil was above all a primary commodity and was perhaps the most precious primary commodity in the world because it was not renewable. It was the only primary commodity which could be transformed into more than 5,000 different products, ranging from medicines to all kinds of construction materials. It was surely not right to continue to burn that primary commodity by using it as fuel at a cheaper price than bottled water. He considered that it was ECWA's duty to consider urgently the replacement of oil, at least in part, by another source of energy in order to preserve it for the production of the thousands of by-products developed by the petro-chemical industry. His delegation was pleased to note that ECWA was planning to carry out a rational examination of energy in general; he hoped that the Commission, which covered one of the richest regions of the world, not only in oil but also in solar radiation, would submit a report on the possibilities of using solar energy to replace energy produced by oil. ECWA could collaborate on long-term plans for the use of solar energy with countries such as the Soviet Union, France and the United States of

America. Thus, whilst the countries with little sun developed power stations using dangerous nuclear energy, the sunny countries of ECWA could develop the healthy and inexhaustible energy of the sun. If the countries of the region continued to imitate the countries with little sun by installing nuclear power stations. They would become dependent by the end of the century on the developed countries, which would be the sole suppliers of the fuel needed to run nuclear power stations. The ECWA countries should concentrate on developing solar energy so as to dispense with oil before the year 2000, so that what was left of that precious commodity could be used by the petro-chemical industry.

77. His second point was that there was an enormous disparity in the region between different countries in

respect of the petro-chemical industry. Some were under-populated with very high *per capita* income whilst others were over-populated with very low *per capita* income. The distribution of the petro-chemical industry in the region should perhaps be planned so as to reserve the large oil-refining industry for the oil-producing countries and leave the industries utilizing by-products to the non-producing and over-populated countries.

78. In conclusion, he thanked the Executive Secretary of ECWA for his untiring efforts on behalf of the region and for placing ECWA on a footing of equality with the other regional commissions which had preceded it.

The meeting rose at 1 p.m.

1968th meeting

Monday, 14 July 1975, at 3.20 p.m.

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

E/SR.1968

AGENDA ITEM 4

Regional co-operation (*continued*) (E/5608/Rev.1, E/5608/Add.1, E/5619, E/5651, E/5656, E/5657 and Corr.1 and 2, E/5658, E/5700, E/5721; E/L.1665)

1. Mr. LALOVIĆ (Yugoslavia) said that regional co-operation was growing and the role of the regional commissions was therefore becoming increasingly important. Such co-operation was part of a wider trend towards greater integration and could do much to speed up development. It was particularly gratifying that the regional commissions were taking a more active part in regional projects in such areas as transport, communications, agriculture and water resources. For example, the action taken by ESCAP toward establishing a single intergovernmental governing council for regional training institutions and arranging to act as an executing agency for them was a useful innovation. ECA had launched four projects relating to an African highway network. The growing enthusiasm for joint ventures among members of ECWA could lead in time to wide-ranging co-operation in that region. ECLA, like the other regional commissions, had done particularly good work in connexion with the regional review and appraisal of the International Development Strategy for the Second United Nations Development Decade.

2. In the European region, the process of *détente* which was gradually taking place could only achieve lasting results if it was extended to other regions and if the principles of sovereign equality and non-interference in the internal affairs of other States became general rules governing the behaviour of all countries. The final phase of the Conference on Security and Co-operation in Europe should confirm that efforts would be made to achieve those aims. The work of ECE constituted an important contribution towards the process of *détente*. Reflecting as it did the state

of political relations in Europe, ECE was primarily a forum for co-operation between countries with different social and economic systems. Such differences were not an obstacle to mutually useful co-operation for which, indeed, there was no alternative.

3. Yugoslavia noted with satisfaction that the special problems of the less developed countries in Europe had been reflected in ECE's short-term and long-term programmes of work. In particular, the Committee on Development of Trade was to undertake a study on temporary labour migration and its influence on trade, investment and industrial co-operation.

4. In its preoccupation with the problems of the European region, ECE had to some extent neglected the global activities of the United Nations. As an organ made up of some of the most highly developed countries in the world, whose economic power had a decisive influence on the whole range of international economic relations, the Commission had a duty to follow general world-wide trends and to make an adequate contribution to activities at that level. Thus, especially where co-operation in Europe had repercussions on the position of developing countries and on co-operation with them, all ECE members had an obligation to consider their problems, in accordance with the general desire for a new international economic order. There were a number of ways in which ECE could contribute to world-wide co-operation. The first step might be to encourage a greater exchange of studies and sharing of experience between regional commissions. Developing countries might be represented at various specialized ECE meetings, seminars and study tours, and the experience of European countries in the field of industrial co-operation could be made available to them. The ECE secretariat might undertake studies designed to show developed and developing countries areas in which they had a common interest in