



## ECONOMIC AND SOCIAL COUNCIL

FIFTY-THIRD SESSION

OFFICIAL RECORDS

Thursday, 6 July 1972  
at 10.25 a.m.

PALAIS DES NATIONS, GENEVA

*President:* Mr. SZARKA (Hungary)

## AGENDA ITEM 2

**General discussion of international economic and social policy (*continued*) (E/5124, E/5132, E/5144, E/5145, E/5160, E/5161)**

1. Mr. DAVIES (Secretary-General, World Meteorological Organization) said that of WMO's four main areas of activity, the World Weather Watch was, as it were, the basic programme on which all other meteorological activities depended. The success of the programme was generally conceded; all countries of the world now received data provided by meteorological satellites, most of them directly. The detection and observation of cyclones by satellites was also of great benefit to many developing countries. The typhoon project organized jointly by ECAFE and WMO, making use of advanced technology, including satellites, was already producing good results. The project was an excellent example of co-ordination between a regional economic commission and a specialized agency.

2. In the sector of research, WMO had started a few years before, on a joint basis with ICSU, the Global Atmospheric Research Programme, which though not so directly related to economic and social development would make it possible to make progress in the science of meteorology on which the improvement of meteorological services and progress in weather forecasting depended. As part of that programme, WMO was preparing for 1974 a major experiment in meteorological observation in the Atlantic Ocean, in which at least twenty ocean-research vessels from various countries would take part.

3. The third programme, "Man and his environment", concerned the application of meteorological knowledge to human activities. Under that heading, WMO was providing services for aviation and meteorological services to shipping of all nations in all oceans of the world (a new system had been established for advising ships on the best course to follow to avoid bad weather). The programme also had many applications to agriculture, the development of water resources and the weather aspects of industry, particularly the construction industry.

4. In the field of the environment, it should be noted that many of WMO's existing or planned activities, such as the World Weather Watch, were in accordance with the recommendations of the Stockholm Conference. Thus, WMO had already established a global network of stations for measuring pollution levels. From the meteorological point of view those measurements were of interest for two

reasons: first, there was a need to try to find out whether long-period changes in atmospheric pollution affected the earth's climate, and secondly, atmosphere was the channel for transporting pollution, and the latest studies showed that the atmosphere was an important channel whereby some of the major pollutants reached the oceans.

5. In the fourth major area of activity, technical co-operation, WMO's programme was constantly expanding. Since under the new UNDP programming procedures country programmes were now formulated by the countries themselves, the fact that the WMO programme was increasing showed that countries were becoming more and more aware of the relevance of meteorology to economic development. It was noteworthy that one third of WMO's technical co-operation activities related to training and another third to the establishment and development of national meteorological and hydrological services, while substantial attention was also given to activities relating to water resources, agriculture and aviation. In addition, the Voluntary Assistance Programme recently established by WMO to help the developing countries in the implementation of the World Weather Watch was yielding very satisfactory results. Since WMO's participation in UNDP and in the Voluntary Assistance Programme was now larger in both cases than the organization's regular budget, the importance of WMO's technical co-operation activities would readily be appreciated.

6. Following the decision of the General Assembly, WMO decided to recognize the representatives of the People's Republic of China as the only legitimate representatives of China. He had had talks in Peking and Geneva on China's future participation in the organization and a study group from China would be visiting WMO headquarters in Geneva in a few days. He wished to express to the representative of China his great appreciation of that country's interest in the activities of WMO.

7. Mr. NESTERENKO (Union of Soviet Socialist Republics) noted with satisfaction that the interdependence of the economic and social situation and the world political climate was being increasingly recognized in the Council. The current international political situation was dominated by certain factors: fighting was continuing in Indo-China, where the peoples were struggling to defend their freedom against imperialist aggression; the situation in the Near East, where Israeli extremists continued to occupy territory taken from the Arabs, remained tense; in Africa, where fascist régimes were still trying to keep the people in their power, there were centres of unrest. Yet at the same time, a certain slackening of tension was observable, a trend towards seeking solutions to international problems through contacts between Governments. The USSR had made a notable contribution to that *détente*, as was shown

by the entry into force of the treaty between the USSR, Poland and the Federal Republic of Germany, the four-Power agreement on Berlin, the development of Franco-Soviet relations, and the talks which had taken place recently in Moscow, at the highest level, between the USSR and the United States of America. Thus, the Council was meeting this year in exceptionally favourable circumstances.

8. The admission of the two German States to the United Nations would be a great step forward, putting an end to an abnormal situation in which one of the world's most highly developed countries was prevented from participating in the Organization's activities, particularly in the economic and social fields.

9. The fact that relations between countries having different economic and social systems were improving made practicable the holding of consultations with a view to convening an all-European security conference. The holding of such a conference would establish the victory of the principles of peaceful coexistence, territorial integrity, the sanctity of frontiers, non-interference in the affairs of other States, the sovereign equality of States and the renunciation of force. Co-operation would then be able to develop in the most varied fields, not only among European countries but between Europe and the rest of the world, and in particular the developing countries.

10. The USSR could not but be gratified by those trends since its foreign policy had always been directed towards peace and security for all the peoples of the world. The USSR had proposed that an end should be put to the arms race through the prohibition of nuclear weapons and the establishment of denuclearized zones: those matters should be considered by a world-wide conference of all States possessing nuclear weapons.

11. In the economic and social fields, there were many difficulties. The crisis that the market-economy countries were undergoing had not diminished at all during the past year and the forecast for 1972 was extremely pessimistic. The Economic and Social Council had a duty to examine those problems, and in particular the monetary crisis. The Soviet Union considered that its causes must be looked for on the one hand in the general structure of the capitalist system and on the other in the policies of that system's chief representative, the United States of America. That fact had not been sufficiently clearly brought out by the authors of the *World Economic Survey, 1971* (E/5144). Failing a solution to the monetary crisis (which was impossible unless its underlying causes were eliminated), an effort must be made to mitigate its effects on the world economy, and in particular the economy of the developing countries. All the steps taken so far – the devaluation of the dollar, the revaluation of other currencies, etc. – had visibly failed, as the difficulties now being undergone by the pound sterling demonstrated. The United Kingdom representative had shown himself more optimistic in that connexion than one of his country's leading financial journals, the *Financial Times*, which anticipated a new international financial crisis, the effects of which would be felt by the workers not only in the United Kingdom but

throughout the world and in particular in the developing countries.

12. The developing countries had been severely affected by the international monetary crisis. Their expansion was held back by various factors such as the presence of excessive amounts of foreign capital, the shortage of trained personnel, the existence of feudal systems, inadequate industrialization and inequity in the international division of labour. In addition, those countries produced a specialized output, forced upon them in the past from the outside, which caused them serious difficulties, particularly with regard to exports. The steady decline in their foreign exchange reserves and the increase in their external debts was also a result of the deterioration in the terms of trade. The excessive economic dependence of the developing countries on the developed countries meant that the economic growth of the former was conditioned by the situation in the latter, whereas the reserve was not the case. Thus, a decline in economic activity in the industrialized countries – the United States, Western Europe, Japan – meant a decline in the GNP of the developing countries. In addition, it had been estimated that the devaluation of the dollar had cost the developing countries more than a thousand million dollars.

13. Any solution to the international monetary crisis would have to take special account of the interests of the developing countries. The Soviet Union understood what those countries' interests were, as it had demonstrated by supporting at the third session of UNCTAD a resolution – now resolution 58 (III)<sup>1</sup> – recommending that the developing countries should be compensated for the losses they had suffered as a result of the currency realignment. The Soviet Union was also in favour of holding an international monetary conference, in which all interested countries and organizations should be able to participate. However, even if the monetary crisis was settled, remedies would still have to be sought for the various ills from which the developing countries had been suffering for years. From the communist standpoint, only one course was possible: those countries should make thoroughgoing democratic reforms in their political and economic structures. That was confirmed by the Soviet Union's own experience: through the steps taken by the authorities and the efforts of the people, problems very similar to those now faced by the developing countries had been solved in a single generation. The Soviet Union's economy was sound; there was real economic and social equality; industrialization was advanced, agriculture well developed and the level of education high. The goals that had been set had been achieved and sometimes even surpassed. An ambitious social programme made provision for increasing wages, pensions and social welfare allowances and improving the public health and education systems.

14. The Soviet Union was also working to develop its bilateral and multilateral relations, *inter alia* through the

<sup>1</sup> See *Proceedings of the United Nations Conference on Trade and Development, Third Session*, vol. I, *Report and Annexes* (to be issued as a United Nations publication), annex I.

United Nations. It was participating in a programme of multilateral co-operation worked out by CMEA which provided for intensive co-operation between the socialist countries in the economic, technological, financial and monetary fields and with regard to planning and the division of labour. However, far from hampering co-operation with the rest of the world, the collaboration of the socialist countries among themselves encouraged it, and CMEA attached great importance to the promotion of trade relations with the developing countries. The Soviet Union had therefore expanded its trade relations with those countries, and in five years the volume of its trade with them had increased by more than 55 per cent. In addition, it had provided assistance in the implementation of more than 500 projects in the developing countries. The Soviet Union was also seeking to develop its trade relations with the Western countries and was continuing its efforts on behalf of a better international division of labour.

15. Turning to the question of improving the effectiveness of the Economic and Social Council, he said that in order to deal with the many problems before it, the Council should draw upon the experience accumulated by the United Nations over the past twenty-five years. The United Nations, and particularly the Council, must not let slip the historic opportunity offered them by the improvement in the political atmosphere.

16. Referring to the recent statement by the Secretary-General (1819th meeting), who had reminded the Council of General Assembly resolution 2880 (XXVI) on international security and called upon it to give serious consideration to that concept, he said that the very idea of collective security in the economic field certainly deserved attention, if it was understood as meaning the further development of equality in co-operation of all countries in the commercial, economic and scientific and technical fields, suppressing any attempts at foreign economic interference and the implementation of collective measures against such attempts. In concrete terms it should mean:

Not allowing any direct or indirect pressure to be exerted on States and peoples with the aim of preventing the realization by them of social and economic changes;

Unconditionally recognizing the right of every people to the sovereign possession of its natural resources irrespective of the latter being at the stage of development or not,

Recognizing the right of every State and people to take any measures in social and economic fields, including the change of the status of national and foreign property on the territories under their sovereignty;

Recognizing the right of every State and people to control the activity of foreign companies on their territories, the flow of foreign capital to and from the country, including the question of distribution of benefits;

Observing the principle of mutuality both in relations among various regional and sub-regional trade and economic organizations and within the framework of those organizations.

17. The time was ripe for acceptance and firm implementation of such principles. That had been testified, for example, by the recent steps taken by the Governments of Iraq and Syria on nationalization of the property of the "Iraq Petroleum" oil company. Their acceptance would render blackmail and threats impossible - to which, for example, Chile had been subjected in connexion with its Government's decision to nationalize copper mining enterprises in view of the fact that, during 60 years of exploitation of copper deposits of that country, foreign companies had extorted 10 billion dollars of pure income, although the entire national wealth, accumulated by the country for 400 years of its existence, amounted to 9.5 billion dollars.

18. The acceptance of the above-mentioned principles as norms of international relations would strengthen the legal basis of the principles of peaceful coexistence, non-interference in internal affairs, mutuality of benefits and obligations. It was important, however, not only to work out those principles but also to put them into effect at all times and, where the need arose, to defend them collectively. That would convert economic and scientific and technical co-operation into an effective factor in the strengthening of security and trust between nations.

19. If the present session made its positive contribution to the achievement of that aim, it would really enhance the authority of the Council. That in itself was important enough in the light of criticism directed against the Council. Not that the Soviet delegation shared the extreme pessimism expressed by representatives of some countries. It did not believe that the Council had ceased to play any significant role within the United Nations system. At the same time his delegation remained convinced that the effectiveness of the Council could be significantly increased and that it was necessary to make every effort in that direction. On that basis, the Soviet delegation was ready to participate in the discussion of any concrete proposals contributing in fact to the realization of that task.

20. Mr. KARHILO (Finland) said that, unlike some delegations, his delegation believed that a general debate on international economic and social policy was useful as it provided an opportunity for the Council to give its subsidiary bodies and the Secretariat guidance on policy matters, and to assist Governments to adopt a more coherent approach to major questions of international economic and social policy. However, such a debate could only be really fruitful if delegations were provided with good-quality documentation and - an extremely important point - if they received that documentation early enough to be able to submit to the Council the considered views of their national administrations. He would revert to that question when the corresponding agenda item was considered.

21. He wished to commend the Secretariat on the publication of its *World Economic Survey, 1971*, which was both concise and informative. His delegation was in broad agreement with the analysis of recent trends in demand, output and trade, but did not entirely share the optimism of the authors of the *Survey*. Although, generally speaking,

the outlook for the world economy had improved in recent months, inflationary and monetary disturbances were potential brakes on expansion. In those circumstances, an effort must be made to intensify international co-operation at the economic policy-making level if the objectives of the International Development Strategy were to be achieved.

22. The most pressing problem was to find a durable solution to the international monetary crisis. No effort must be spared to harmonize the economic policies of countries with large balance-of-payments surpluses and those with considerable deficits. During the inevitable transitional period, countries should adjust their economies so as to make them more competitive. Such adjustments, for which Governments should make themselves partly responsible, were needed, not only to promote economic integration between developed countries, but also to create conditions for mutually advantageous economic co-operation with the developing world.

23. At its third session, the United Nations Conference on Trade and Development had considered a number of the problems just mentioned. The Secretary-General of UNCTAD had given the Council (1820th meeting) a very fair account of the reasons why the results achieved at Santiago had not entirely come up to expectations. But the recommendations adopted would certainly be followed up. That had already been done in the case of the recommendation aimed at ensuring wider participation of the developing countries in the settlement of monetary problems. Similarly, when studying the criteria for the allocation of resources, the Governing Council of UNDP had taken due account of the special problems of the least developed of the developing countries.

24. With reference to the special measures envisaged for those countries, his delegation was pleased to note a growing recognition of the fact that the wide range of development levels called for a correspondingly wide range of policies. Development levels varied, moreover, not only from one developing country to another, but also from one developing region to another, and such variations were even to be found in the so-called developed countries themselves.

25. At its eighth session, the Committee for Development Planning had studied the particular problems of mass poverty and unemployment in developing countries. His delegation thought it a good idea for the Council to discuss those problems at its present session, which was devoted mainly to economic questions, with a view to obtaining a global picture of development needs. To that same end, the Council should also adopt a unified approach to the study of the growth process, over-all economic and social planning and the environment, since man's activities must be studied in relation to his environment and natural resources.

26. Finally, he would like to give his own view of the Council's role. In accordance with the tasks assigned to it under the Charter, the Council was responsible for co-ordinating all development activities undertaken in the context of the Strategy for the Second Development Decade and the consensus on the central role to be played by UNDP. The factors which prevented it from fully

discharging its duties in that direction should be identified and thoroughly studied without further delay.

27. Mr. RUTTEN (Observer for the Netherlands), speaking on behalf of the Council of the European Communities, referred to two important events in the past year.

28. The agreement of 22 January 1972, which had increased the number of EEC members to ten and marked, not only the geographical extension of the Community, but also the further development of its economic and monetary links, had at the same time conferred on it greater international responsibilities, particularly towards developing countries. Those countries' problems had, moreover, occupied an important place in the preparatory negotiations. In their forthcoming meetings, the Governments of the Ten would endeavour to give the necessary guidelines in respect of the policy to be pursued by the enlarged Community with its partners of the third world.

29. With regard to the commodity trade, the Community and its member States were ready to participate actively in negotiations, with a view to the conclusion of international commodity agreements of interest to developing countries particularly on cocoa and sugar.

30. The international monetary crisis, the second important event of the year, had developed and persisted at a time when the Community was taking the first steps towards a monetary union by reducing the margin of fluctuation of exchange rates between the currencies of member States. The Community had decided to maintain the decisions it had taken at that time and had recently instituted the necessary measures, being convinced that such a monetary union would do much to stabilize international monetary and economic relations.

31. The Community had always strongly believed in the need to associate the developing countries closely in any international action undertaken to achieve international monetary reform. In particular, it had, from the outset, supported the creation of a Committee of twenty members within IMF Board of governors in which the developing countries would be well represented, and which would be entrusted with the task of studying problems related to the reform of the international monetary system. Similarly, at the third session of UNCTAD, the position taken by the Community and its member States had helped to gain acceptance of the idea that the developing countries should participate in any discussions on the reform of the international monetary system and that IMF should look further into the proposals for establishing a link between special drawing rights and development financing. Those were the important results of the Conference which, in the present international context, had been more fruitful than was apparent at first sight. For example, the Conference had also recognized the idea that developing countries should be fully associated with the trade negotiations which were to take place in 1973 in the framework of GATT, and had approved a first series of measures on behalf of the least developed of the developing countries.

32. Mr. CHAUDIÈRE (United Towns Organization), speaking at the invitation of the President, said that there could be no real international strategy for economic, social and cultural development unless it was understood, welcomed and supported by the populations concerned and, in particular, by urban populations. Such participation, however, could only be really effective and dynamic if it was channelled through intermediate bodies such as national and international associations, towns and regions, universities and trade unions, etc.

33. Accordingly, the United Towns Organization, wishing to contribute to the formulation of development strategy, was publishing proposals for a new international co-operation strategy aimed at ensuring peace and economic, social and cultural development, which reflected the organization's ideas on the participation of towns in United Nations projects.

34. The organization was striving, in particular, to create a kind of "triangular" association, by extending the exchange relations established between two towns in industrialized countries to include a town in a developing country. Such twinning, called "co-operation twinning" gave rise to real action programmes – short, medium- and long-term – in the economic, social and cultural spheres.

35. To appreciate how far the organization's aims coincided with those of the United Nations, it was only necessary to consider the subjects of the events it had organized or was going to organize: an international symposium on the role of towns and regions in the field of bilingual education (a world information centre on bilingual education had been set up on that occasion); an international inter-municipal conference on the role of towns and regions in the anti-pollution campaign (on which occasion a world centre on technical information and town planning had been set up); a "United Cities Day and Festival of World Municipalities" on the theme: "Towns for human beings"; an assembly of young people from united cities on problems of the participation of youth in the Second Development Decade; a meeting of the twinned towns of France and of the Federal Republic of Germany aimed at transforming the 2,000 or so European twinned towns into triangular associations by co-operating with municipalities in Africa and in the third world in general; a meeting of towns belonging to the Organization of Arab Towns and the directors of the United Towns Organization on the population problem; an international conference of Mediterranean towns, to enable all towns with access to the Mediterranean to take joint action against the growing pollution and drawn up a charter for the protection of the Mediterranean Sea.

36. In order to give effect to General Assembly resolution 2861 (XXVI) entitled "Town twinning as a means of international co-operation", in which a prominent role was assigned to the United Towns Organization, his Organization would request the United Nations:

To grant it special status as an executing agency specialized in inter-municipal co-operation programmes, and to assume responsibility for part of the annual operational budget;

To authorize the financing by UNDP of a programme for one hundred co-operation twinings;

To ensure financial and technical support by the United Nations and specialized agencies for world centres of training in the different spheres of world inter-municipal co-operation set up under the auspices of the United Towns Organization, which could already constitute an excellent means of promoting the International Development Strategy.

37. Mrs. KUUSINEN (Women's International Democratic Federation), speaking at the invitation of the President, said that rational economic development should lead to higher standards of living for the population, which would be more willing to play a part in the process if it could see that the fruit of its work was beneficial to all. It was necessary to be aware of the dangers of a development policy which was based exclusively on the idea of economic profit and in which human beings were considered only as means of production. Any socio-economic development policy should be aimed at man's total development, his fundamental freedoms being respected.

38. Economic development was still not equitably shared. As had been stated by the President of IBRD at the third session of UNCTAD,<sup>2</sup> 80 per cent of the substantial increase in income recorded during the First Development Decade had gone to countries which already had a high *per capita* income, representing only one-quarter of the world population, while the countries of the third world, which had 60 per cent of the world population, had received only 6 per cent of that increase. It had also been shown at the Conference that it would be possible to achieve the objective of the Second Development Decade by allocating 5 per cent of the \$180 billion spent annually on weapons for the development of the third world countries. WIDF considered that general and complete disarmament would release considerable amounts of money, and that establishment of a collective system of security, action to guarantee world peace, elimination of political and economic discrimination and respect for the independence of nations would have a positive influence on standards of living and social progress in the third world countries.

39. Referring to the improvement in the status of women, which was one of the outstanding achievements of recent times, and to the value of the contributions made by women to the economic life of their countries, she noted that, in many countries of the world, the active participation of women in economic life and their willingness to work still encountered obstacles, which varied depending on the level of development and social progress attained. However, in the socialist countries, where the political, economic, social and cultural rights of women were constitutionally guaranteed, their contribution to the economic life of the country was unequalled.

<sup>2</sup> For the summary of the statement made by the President of IBRD at the 85th plenary meeting of the Conference, see *Proceedings of the United Nations Conference on Trade and Development, Third Session*, vol. IA, *Plenary Meetings*, part one, "Statements by Heads of delegation".

40. Noting that the Commission on the Status of Women was at present engaged in drafting a Declaration on the Elimination of Discrimination against Women, she felt that it was above all for the Governments of the various countries to eliminate discrimination by encouraging the participation of women in national development, adopting legislation on women's employment and ensuring the protection of the working mother. The minimum objectives concerning the advancement of women during the Second Development Decade should be included in the national programmes of economic development of each country and the progress made in achieving them should be considered not only by the Commission on the Status of Women, but by all economic and social commissions and bodies. In addition, the regional economic commissions should strengthen their ties with the non-governmental organizations which represented public opinion, particularly in the countries where there were political or other forms of discrimination.

41. The participation of women in economic and social life was, moreover, the topic of seminars which had been or would be held under the auspices of the Federation.

42. In addition, the Federation hoped that new resources would be available to UNDP to finance projects to ensure the advancement of women and assist women's organizations. It was also essential for the regional economic commissions and national economic planning commissions to include a larger number of women from various social backgrounds. Lastly, the World Employment Programme implemented by the ILO should give considerable attention to problems of the employment of women in the various economic sectors.

43. For its part, the Federation would do everything possible to encourage women to make an effective contribution to the economic and social development of their countries, to enable them to develop their personalities and to promote the well-being of their children.

44. Mr. DE ANGELI (World Federation of Trade Unions), speaking at the invitation of the President, said that WFTU, which had a membership of more than 130 million workers in countries with different economic and social systems, noted with satisfaction that an integrated concept of economic and social development was gradually taking shape within the Council. The Federation itself had repeatedly, and in particular at the twenty-seventh session of ECE, drawn attention to the danger of separating economic needs from social requirements. If account was taken only of the economic advances made by States during the Second Development Decade, development objectives would be distorted to the benefit of groups with control over the economy.

45. WFTU attached great importance to the appraisal of economic and social data and considered that the World Economic Survey which was submitted each year to the Council should contain more detailed social statistics. In some cases, in fact, incomplete data prevented full understanding of all the consequences of an economic event. Thus, there was no purpose in stating that the rate of

growth of the developed capitalist countries had been 3.4 per cent in 1971 if it was not also specified that the distribution of income in Western Europe had not changed since 1955. Similarly, the increase of 11.3 per cent in the GDP of one Latin American country lost a great deal of its significance if it was added that 51.6 per cent of the national income in 1971 was concentrated in the hands of the upper class, which had had only 38.5 per cent of the GNP in 1960. Finally, in order to indicate the true extent of the increase in social well-being in the socialist countries of Eastern Europe and the Soviet Union, it was not enough merely to state, as in the Survey, that they had not been affected by the vicissitudes of the capitalist countries; it should also be indicated that public and private consumption had increased more rapidly than wages.

46. The Federation did not share the opinion expressed in the Survey that the resilience of the economies of the capitalist countries amid disquiet reflected their latent strengths. The trade unions knew that it was the working masses who had borne the costs of the imbalances of that system, particularly with regard to purchasing power and employment. Finally, in reviewing the social factors which affected economic development, the situation of some 10 million migrant workers in the developed Western countries should not be forgotten. In the opinion of the Federation, in the interest of the effectiveness of the Economic and Social Council and in order to improve its methods of appraising the progress made by the various countries, the world social situation should be reviewed in the light of economic trends.

47. He noted with concern that economic groupings in the capitalist systems tended to adopt policies setting employment standards which were lower than the ones obtained by the trade unions at the national level. Through their economic strength, those groupings exerted pressure on Governments for the adoption of laws which limited the exercise of trade union freedoms and, in particular, the right to collective bargaining and the right to strike. It had not been without reason that, from 1960 to 1971, 450 million workers had had to strike in order to defend the rights they had acquired in various fields.

48. The activities of multinational companies in the countries of the third world interfered with the right of those countries to utilize their natural and human resources and hampered their economic and social development plans. WFTU hoped that the Council would make a study of that problem on the basis of the conclusions of the third session of UNCTAD. In particular, the Council should emphasize the right of Governments to nationalize undertakings owned by foreign capital, particularly in the key sectors of the economy.

49. Despite the statements of various organizations of the United Nations system, half of mankind in Asia, Africa and Latin America continued to live in alarming poverty, a thousand million people were illiterate, 30 per cent of the labour force of those areas was under-employed and 34 million children of less than 14 years of age were compelled to work in conditions of exploitation. WFTU considered that the true cause of poverty was capitalist exploitation

and colonial and neo-colonial domination, which contributed to the maintenance of backward structures, the encouragement of a privileged minority and the drain of the natural and human resources of the developing countries. In rural areas, the solutions of modernizing existing structures or introducing new agricultural technology were insufficient, as was proved by the failure of the "green revolution" referred to by the Director-General of FAO (1820th meeting). Nor could the problem be solved by limiting population growth. WFTU considered that only far-reaching economic and social changes and a redistribution of land ownership would make it possible to modernize the economies of the developing countries and, thus, lay the foundation for sustained development.

50. States had an important part to play in the achievement of economic progress based on social justice. They had to free themselves from the constraints imposed by the interests of monopolies and foreign capital and endeavour to increase consumption, establish selective taxation, apply dynamic employment policies and increase social spending. It would also be necessary to endorse the objectives set in 1966 by the World Trade Union Conference for the Development of International Trade and Economic Relations in the Interests of Workers and Peoples, which related, in particular, to the establishment of conditions of equality in trade with the developing countries, the stabilization of the prices of the export products of those countries, the elimination of discriminatory blocs and the elimination of obstacles hampering the speedy development of trade between the socialist countries and other countries. The poor results of the third session of UNCTAD demon-

strated the importance of those measures. The present deterioration of the Bretton Woods monetary system was merely the result of the general crisis of international economic relations in a structure which enabled one capitalist country to dictate economic, financial and trade conditions to other countries.

51. The economic and social policy of the United Nations could only be effective if it gave priority, at all stages of the formulation of its economic programmes, to the political, civil, economic, social and cultural rights of man.

52. In particular, the Council should recognize that income security and increased purchasing power constituted a dynamic factor in economic and social progress, and reaffirm the right to a guaranteed income. The Federation considered that the United Nations should be receptive to workers' aspirations for social justice, democracy and peace.

53. In conclusion, he reaffirmed the conviction of WFTU that the progress of mankind depended mainly on peace and security, and that substantial spending on weapons should be diverted in order to contribute to the peace and well-being of all peoples.

54. In order to ensure the success of the Second Development Decade, it was essential for the United Nations to apply the principle of universality by welcoming the German Democratic Republic, the Democratic People's Republic of Korea and the Democratic Republic of Viet-Nam as member States.

The meeting rose at 12.55 p.m.