E/SR.1900-1921

ECONOMIC AND SOCIAL COUNCIL

OFFICIAL RECORDS

FIFTY-SEVENTH SESSION

PALAIS DES NATIONS, GENEVA

3 July-2 August 1974

Summary records of plenary meetings



UNITED NATIONS

New York, 1974

INTRODUCTORY NOTE

The *Official Records of the Economic and Social Council* consist of the summary records of the plenary meetings, incorporating corrections requested by delegations and any necessary editorial modifications, and supplements.

*
* *

Symbols of United Nations documents are composed of capital letters combined with figures. Mention of such a symbol indicates a reference to a United Nations document.

CONTENTS*

	Page
Abbreviations	vii
Agenda for the fifty-seventh session	viii
Check list of documents	x

1900th meeting – Wednesday, 3 July 1974, at 3.15 p.m.

Agenda item 1:	
Opening of the session	1
Tribute to the memory of Mr. Juan Perón, President of the Argentine Republic	1
Statement by the President of the Economic and Social Council	1
Statement by the Secretary-General of the United Nations	2
Agenda item 2:	
Adoption of the agenda	5
Organization of work	5

1901st meeting – Thursday, 4 July 1974, at 10.40 a.m.

Agenda item 3:	
General discussion of international economic and social policy, including regional and sectoral developments	
Speakers:	
Mr. Peterson (UNDP)	6
Mr. Frazão (Brazil)	7
Mr. Scali (United States of America)	9
Mr. Pronk (Netherlands)	12

1902nd meeting – Thursday, 4 July 1974, at 3.15 p.m.

Agenda item 3:	
General discussion of international economic and social policy, including regional and sectoral developments *(continued)*	
Speakers:	
Mr. Berlis (Canada)	14
Mr. Saito (Japan)	15
Mr. Kotaite (ICAO)	16
Mr. Hoffman (IBRD)	18
Mr. Zegers (IMF)	18
Mr. Scali (United States of America)	18

1903rd meeting – Friday, 5 July 1974, at 10.10 a.m.

Agenda item 3:	
General discussion of international economic and social policy, including regional and sectoral developments *(continued)*	
Speakers:	
Mr. Maheu (UNESCO)	19
Mr. Sardar Singh (India)	22
Mr. Barceló (Mexico)	24
Mr. Stanovnik (ECE)	26
Mr. Iglesias (ECLA)	27

1904th meeting – Friday, 5 July 1974, at 3.20 p.m.

Agenda item 3:	
General discussion of international economic and social policy, including regional and sectoral developments *(continued)*	
Speakers:	
Mr. Dumas (France)	28
Mr. Nesterenko (Union of Soviet Socialist Republics)	31
Mrs. Sigurdsen (Sweden)	33
Mr. Eklund (IAEA)	34
Mr. Cavaglieri (Italy)	35

1905th meeting – Monday, 8 July 1974, at 10.15 a.m.

Agenda item 3:	
General discussion of international economic and social policy, including regional and sectoral developments *(continued)*	
Speakers:	
Mr. Islam (Pakistan)	37
Mr. W. Rahman (Observer for Bangladesh)	38
Mr. Zegers (IMF)	39
Mr. Petrić (Yugoslavia)	40
Mr. Gardiner (ECA)	43
Mr. Maramis (ECAFE)	44

1906th meeting – Monday, 8 July 1974, at 3.15 p.m.

Agenda item 3:	
General discussion of international economic and social policy, including regional and sectoral developments *(continued)*	
Speakers:	
Mr. Ennals (United Kingdom)	45
Mr. Ene (Romania)	47
Mr. Rouget (Federal Republic of Germany)	49
Mr. Winqwist (ICC)	51
Mr. Al-Attar (ECWA)	52

1907th meeting – Tuesday, 9 July 1974, at 10.20 a.m.

Agenda item 3:	
General discussion of international economic and social policy, including regional and sectoral developments *(continued)*	
Speakers:	
Mr. Mwangaguhunga (Uganda)	53
Mr. Kegel (German Democratic Republic)	55
Mr. Longerstaey (Belgium)	56
Mr. Pu Ming (China)	57
Mr. Hélou (IAFP)	58
Mr. de Angeli (WFTU)	60

* The list of delegations to the fifty-seventh session of the Council will be published in a separate fascicle containing the full list of delegations to the sessions of the Council held during the year 1974.

Page

1908th meeting – Tuesday, 9 July 1974, at 3.10 p.m.

Agenda item 3:
General discussion of international economic and social policy, including regional and sectoral developments *(continued)*

Speakers:
Mr. Srivastava (IMCO) 62
Mr. Hoveyda (Iran) 63
Mr. Davies (WMO) 64
Mr. Dugersuren (Mongolia) 66
Mr. Corea (UNCTAD) 67
Mr. Corkery (Australia) 69
Mr. Pathmarajah (Observer for Sri Lanka) 70

1909th meeting – Wednesday, 10 July 1974, at 10.10 a.m.

Agenda item 3:
General discussion of international economic and social policy, including regional and sectoral developments *(continued)*

Speakers:
Mr. Blanchard (ILO) 72
Mr. Vejvoda (Czechoslovakia) 74
Mr. Phan Van Phi (Observer for EEC) 76
Mr. Maina (Kenya) 77
Mr. Arim (Turkey) 79
Mr. Mills (Jamaica) 79

1910th meeting – Wednesday, 10 July 1974, at 3.15 p.m.

Agenda item 3:
General discussion of international economic and social policy, including regional and sectoral developments *(continued)*

Speakers:
Mr. Heyer (ICFTU) 81
Mr. G. O. Martínez (Argentina) 82
Mr. Thayeb (Indonesia) 84
Mr. Caicedo Ayerbe (Colombia) 85
Dr. Mahler (WHO) 86
Mr. Temboury (Spain) 87

1911th meeting – Thursday, 11 July 1974, at 10.15 a.m.

Agenda item 3:
General discussion of international economic and social policy, including regional and sectoral developments *(continued)*

Speakers:
Mr. Zuraykat (Jordan) 89
Mr. Silva Davidson (Chile) 90
Mr. Pérez Guerrero (Venezuela) 91
Mr. Osanya-Nyyneque (Observer for OAU) 93
Mr. Long (GATT) 95
Mr. El-Erian (Egypt) 96
Mr. Rougé (France) 97
Mr. Frazão (Brazil) 97
Mr. Cordovez (Secretary of the Council) 98

1912th meeting – Thursday, 11 July 1974, at 3.15 p.m.

Agenda item 3:
General discussion of international economic and social policy, including regional and sectoral developments *(continued)*

Speakers:
Mr. Kacimaiwai (Fiji) 98
Mr. Czarkowski (Poland) 101
Mr. Thomas (Liberia) 103

Page

Mr. Boudjakdji (Algeria) 103
Mr. de Seynes (Under-Secretary-General for Economic and Social Affairs) 106

1913th meeting – Monday, 15 July 1974, at 10.25 a.m.

Agenda items 10, 11, 12 and 22:
Consideration of the economic and social situation in the Sudano-Sahelian region stricken by drought and measures to be taken for the benefit of that region
Economic assistance to Zambia
Assistance to the drought-stricken areas of Ethiopia
Assistance to southern Sudanese returnees and displaced persons 109

1914th meeting – Monday, 15 July 1974, at 3.10 p.m.

Agenda items 10, 11, 12 and 22:
Consideration of the economic and social situation in the Sudano-Sahelian region stricken by drought and measures to be taken for the benefit of that region *(continued)*

Economic assistance to Zambia *(continued)*

Assistance to the drought-stricken areas of Ethiopia *(continued)*

Assistance to southern Sudanese returnees and displaced persons *(continued)* 117

1915th meeting – Tuesday, 16 July 1974, at 10.20 a.m.

Agenda items 10, 11, 12 and 22:
Consideration of the economic and social situation in the Sudano-Sahelian region stricken by drought and measures to be taken for the benefit of that region *(concluded)*

Economic assistance to Zambia *(concluded)*

Assistance to the drought-stricken areas of Ethiopia *(concluded)*

Assistance to southern Sudanese returnees and displaced persons *(concluded)* 129

Organisation of work 137

1916th meeting – Friday, 19 July 1974, at 10.25 a.m.

Agenda item 9:
World Food Conference 137

1917th meeting – Monday, 22 July 1974, at 3.10 p.m.

Agenda item 4:
Programme of Action on the Establishment of a New International Economic Order 145

1918th meeting – Wednesday, 31 July 1974, at 10.35 a.m.

Organization of work 150
Human rights questions: allegations regarding infringements of trade union rights 150

Agenda item 9:
World Food Conference *(concluded)* 150

Agenda item 15:
Operational activities for development:

(a) Comprehensive policy review of operational activities throughout the United Nations system

(b) United Nations Development Programme

(c) United Nations Capital Development Fund

Page

(d) Technical co-operation activities undertaken by the Secretary-General

(e) United Nations Fund for Population Activities

(f) United Nations Children's Fund

(g) World Food Programme

(h) Co-operation among developing countries in the United Nations technical co-operation programmes and increased efficiency of the capacity of the United Nations development system

(i) United Nations Volunteers programme

Report of the Policy and Programme Co-ordination Committeee 154

Agenda item 16:
International environment co-operation:

(a) Report of the Governing of the United Nations Environment Programme

(b) Measures for protecting and enhancing the human environment

(c) Natural resources and environment

Report of the Policy and Programme Co-ordination Committee 155

Agenda item 20:
Housing, building and planning

Report of the Policy and Programme Co-ordination Committee 155

Agenda item 21:
Programme and co-ordination:

(b) Reports of the specialized agencies and the International Atomic Energy Agency

Report of the Policy and Programme Co-ordination Committee 156

(c) Reports of the Administrative Committee on Co-ordination

(d) Report on the joint meetings of the Committee for Programme and Co-ordination and the Administrative Committee on Co-ordination

Report of the Policy and Programme Co-ordination Committee 156

(f) Relations with the World Intellectual Property Organization

Report of the Policy and Programme Co-ordination Committee 156

Agenda item 23:
Assistance in cases of natural disaster and other disaster situations

Report of the Policy and Programme Co-ordination Committee 157

Agenda item 25:
Reports of the Joint Inspection Unit: pending reports

Report of the Policy and Programme Co-ordination Committee 157

Report of the United Nations High Commissioner for Refugees 157

1919th meeting – Thursday, 1 August 1974, at 3.30 p.m.

Agenda item 21:
Programme and co-ordination *(continued)*:

(a) Machinery for programme and co-ordination

Report of the Policy and Programme Co-ordination Committee 157

Agenda item 24:
Implementation of the Declaration on the Granting of Independence to Colonial Countries and Peoples by the specialized agencies and the international institutions associated with the United Nations

Report of the Policy and Programme Co-ordination Committee 158

Agenda item 26:
Calendar of conferences

Report of the Policy and Programme Co-ordination Committee 158

Agenda item 13:
Permanent sovereignty over natural resources

Report of the Economic Committee 158

Agenda item 18:
Regional co-operation:

(a) Reports of the regional economic commissions

(b) Report on the meetings of the Executive Secretaries of the regional economic commissions

Report of the Economic Committee 159

Agenda item 19:
Science and technology: report of the Committee on Science and Technology for Development on its second session

Report of the Economic Committee 159

Agenda item 5:
Study of the problems of raw materials and development: consideration of draft resolutions referred to the Council by the General Assembly

Report of the Economic Committee 160

Draft provisional agenda of the resumed fifty-seventh session of the Council 160

1920th meeting – Friday, 2 August 1974, at 10.30 a.m.

Agenda item 21:
Programme and co-ordination *(continued)*:

(e) Review of the agreements between the United Nations and the specialized agencies and the International Atomic Energy Agency

(g) Priorities in the economic, social and human rights fields

Report of the Policy and Programme Co-ordination Committee 161

Agenda item 26:
Calendar of conferences *(concluded)*

Report of the Policy and Programme Co-ordination Committee 161

Agenda item 17:
Industrial development co-operation

Report of the Economic Committee 162

Agenda item 8:
The impact of multinational corporations on the development process and on international relations

Report of the Economic Committee 162

Agenda items 4, 6, 7 and 14:
Programme of Action on the Establishment of a New International Economic Order *(continued)*

Special session of the General Assembly devoted to development and international economic co-operation

Collective economic security

Second United Nations Development Decade:

(a) Development planning and projections

(b) Special measures in favour of the least developed countries

Page

(c) Special measures related to the particular needs of the land-locked developing countries

(d) Preparations for the mid-term review and appraisal of the International Development Strategy for the Second United Nations Development Decade, including further consideration of the machinery for review and appraisal of the Strategy

Report of the Economic Committee 162

1921st meeting – Friday, 2 August 1974, at 5.30 p.m.

Agenda item 21:
Programme and co-ordination *(concluded)*:

(g) Priorities in the economic, social and human rights fields *(concluded)*

Report of the Policy and Programme Co-ordination Committee 163

Agenda items 4, 6, 7 and 14:
Programme of Action on the Establishment of a New International Economic Order *(concluded)*

Page

Special session of the General Assembly devoted to development and international economic co-operation *(concluded)*

Collective economic security *(concluded)*

Second United Nations Development Decade *(concluded)*:

(a) Development planning and projections *(concluded)*

(b) Special measures in favour of the least developed countries *(concluded)*

(c) Special measures related to the particular needs of the land-locked developing countries *(concluded)*

(d) Preparations for the mid-term review and appraisal of the In ernational Development Strategy for the Second United Nations Development Decade, including further consideration of the machinery for review and appraisal of the Strategy *(concluded)*

Report of the Economic Committee 163
Financial implications of actions taken by the Council at its fifty-sixth and fifty-seventh sessions 167
Adjournment of the session 167

ABBREVIATIONS

ACASTD	Advisory Committee on the Application of Science and Technology to Development
ACC	Administrative Committee on Co-ordination
AfDB	African Development Bank
AID	Agency for International Development (United States of America)
ASEAN	Association of South-East Asian Nations
BTN	Brussels Tariff Nomenclature
CDP	Committee for Development Planning
CMEA	Council for Mutual Economic Assistance
CPC	Committee on Programme and Co-ordination
ECA	Economic Commission for Africa
ECAFE	Economic Commission for Asia and the Far East
ECE	Economic Commission for Europe
ECLA	Economic Commission for Latin America
ECWA	Economic Commission for Western Asia
EEC	European Economic Community
FAO	Food and Agriculture Organization of the United Nations
GATT	General Agreement on Tariffs and Trade
GDP	Gross domestic product
GNP	Gross national product
IAEA	International Atomic Energy Agency
IAFP	International Association of French-Speaking Parliamentarians
IBRD	International Bank for Reconstruction and Development (World Bank)
ICAO	International Civil Aviation Organization
ICC	International Chamber of Commerce
ICFTU	International Confederation of Free Trade Unions
ICSU	International Council of Scientific Unions
IDA	International Development Association
IDB	Inter-American Development Bank
ILO	International Labour Organisation
IMCO	Inter-Governmental Maritime Consultative Organization
IMF	International Monetary Fund
OAU	Organization of African Unity
OECD	Organisation for Economic Co-operation and Development
OPEC	Organization of Petroleum-Exporting Countries
SDRs	Special drawing rights
UNCITRAL	United Nations Commission on International Trade Law
UNCTAD	United Nations Conference on Trade and Development
UNDP	United Nations Development Programme
UNEP	United Nations Environment Programme
UNESCO	United Nations Educational, Scientific and Cultural Organization
UNHCR	Office of the United Nations High Commissioner for Refugees
UNICEF	United Nations Children's Fund
UNIDO	United Nations Industrial Development Organization
UNISIST	World Scientific and Technical Information Service
UNITAR	United Nations Institute for Training and Research
WFP	World Food Programme
WFTU	World Federation of Trade Unions
WIPO	World Intellectual Property Organization
WHO	World Health Organization
WMO	World Meteorological Organization

AGENDA FOR THE FIFTY-SEVENTH SESSION

Adopted by the Council at its 1900th meeting, held on 3 July 1974

1. Opening of the session.

2. Adoption of the agenda.

3. General discussion of international economic and social policy, including regional and sectoral developments.

4. Programme of Action on the Establishment of a New International Economic Order.

5. Study of the problems of raw materials and development: consideration of draft resolutions referred to the Council by the General Assembly.

6. Special session of the General Assembly devoted to development and international economic co-operation.

7. Collective economic security.

8. The impact of multinational corporations on the development process and on international relations.

9. World Food Conference.

10. Consideration of the economic and social situation in the Sudano-Sahelian region stricken by drought and measures to be taken for the benefit of that region.

11. Economic assistance to Zambia.

12. Assistance to the drought-stricken areas of Ethiopia.

13. Permanent sovereignty over natural resources.

14. Second United Nations Development Decade:
    (a) Development planning and projections;
    (b) Special measures in favour of the least developed countries;
    (c) Special measures related to the particular needs of the land-locked developing countries;
    (d) Preparations for the mid-term review and appraisal of the International Development Strategy for the Second United Nations Development Decade, including further consideration of the machinery for review and appraisal of the Strategy.

15. Operational activities for development:
    (a) Comprehensive policy review of operational activities throughout the United Nations system;
    (b) United Nations Development Programme;
    (c) United Nations Capital Development Fund;
    (d) Technical co-operation activities undertaken by the Secretary-General;
    (e) United Nations Fund for Population Activities;
    (f) United Nations Children's Fund;
    (g) World Food Programme;

(h) Co-operation among developing countries in the United Nations technical co-operation programmes and increased efficiency of the capacity of the United Nations development system;

(i) United Nations Volunteers programme.

16. International environment co-operation:

(a) Report of the Governing Council of the United Nations Environment Programme;

(b) Measures for protecting and enhancing the human environment;

(c) Natural resources and environment.

17. Industrial development co-operation.

18. Regional co-operation:

(a) Reports of the regional economic commissions;

(b) Report on the meetings of the Executive Secretaries of the regional economic commissions.

19. Science and technology: report of the Committee on Science and Technology for Development on its second session.

20. Housing, building and planning.

21. Programme and co-ordination:

(a) Machinery for programme and co-ordination;

(b) Reports of the specialized agencies and the International Atomic Energy Agency;

(c) Reports of the Administrative Committee on Co-ordination;

(d) Report on the Joint Meetings of the Committee for Programme and Co-ordination and the Administrative Committee on Co-ordination;

(e) Review of the agreements between the United Nations and the specialized agencies and the International Atomic Energy Agency;

(f) Relations with the World Intellectual Property Organization;

(g) Priorities in the economic, social and human rights fields.

22. Assistance to southern Sudanese returnees and displaced persons.

23. Assistance in cases of natural disaster and other disaster situations.

24. Implementation of the Declaration on the Granting of Independence to Colonial Countries and Peoples by the specialized agencies and the international institutions associated with the United Nations.

25. Reports of the Joint Inspection Unit: pending reports.

26. Calendar of conferences.

CHECK LIST OF DOCUMENTS

Note. Listed below are the documents pertaining to the fifty-seventh session. The corresponding item of the agenda is indicated in respect of each document. The titles of draft resolutions, amendments, etc. include the names of States which subsequently joined the original sponsors.

Document No.	*Title*	*Agenda item*	*Observations and references*
A/9603	Report of the Economic and Social Council on the work of its fifty-sixth and fifty-seventh sessions		*Officials Records of the General Assembly, Twenty-ninth Session, Supplement No. 3.*
E/5425 and Corr. 1 and Add.1	Report of the Secretary-General	13	Mimeographed.
E/5430	Report on the capacity of the regional economic commissions for a unified approach to development, by E. Ferrer-Vieyra and J. Sawe (JIU/REP/73/1)	25	Offset.
E/5430/Add.1	*Idem:* comments of the Secretary-General and the Administrator of UNDP	25	Mimeographed.
E/5430/Add.2	*Idem:* observations of the Advisory Committee on Administrative and Budgetary Questions	25	Mimeographed.
E/5438	Implementation by the International Union of Official Travel Organizations of General Assembly resolution 2758 (XXVI) of 25 October 1971 entitled "Restoration of the lawful rights of the People's Republic of China in the United Nations": note by the Secretary-General		Mimeographed.
E/5447	Report of the Committee on Housing, Building and Planning on its eighth session	20	*Official Records of the Economic and Social Council, Fifty-sixth Session, Supplement No. 2.*
E/5466	Report of the Governing Council of UNDP on its seventeenth session	15 *(b)*	*Ibid., Fifty-seventh Session, Supplement No. 2.*
E/5467	Report of the Secretary-General	14 *(b)*	Offset.
E/5468	International Book Year, 1972, and the Second United Nations Development Decade: report of the secretariat of UNESCO	21 *(b)*	Offset.
E/5469	Annual report of the Economic Commission for Asia and the Far East	18 *(a)*	*Official Records of the Economic and Social Council, Fifty-seventh Session, Supplement No. 5.*
E/5470	Annual report of the Economic Commission for Europe	18 *(a)*	*Ibid. Supplement No. 6.*
E/5471	Annual report of the Economic Commission for Africa	18 *(a)*	*Ibid., Supplement No. 8.*
E/5473	Report of the Committee on Science and Technology for Development on its second session	19	*Ibid., Supplement No. 3.*
E/5476	Views of the executive heads of specialized agencies and the International Atomic Energy Agency, transmitted in response to paragraph 13 of Economic and Social Council resolution 1768 (LIV): note by the Secretary-General	21 *(e)*	Offset.
E/5476/Add.1	*Idem:* ILO	21 *(e)*	Offset.
E/5476/Add.2	*Idem:* FAO	21 *(e)*	Offset.
E/5476/Add.3 and Corr.1	*Idem:* UNESCO	21 *(e)*	Offset.
E/5476/Add.4	*Idem:* WHO	21 *(e)*	Offset.

Document No.	*Title*	*Agenda item*	*Observations and references*
E/5476/Add.5	*Idem:* IBRD	21 *(e)*	Offset.
E/5476/Add.6	*Idem:* IMF	21 *(e)*	Offset.
E/5476/Add.7	*Idem:* ICAO	21 *(e)*	Offset.
E/5476/Add.8	*Idem:* UPU	21 *(e)*	Offset.
E/5476/Add.9	*Idem:* ITU	21 *(e)*	Offset.
E/5476/Add.10	*Idem:* WMO	21 *(e)*	Offset.
E/5476/Add.11	*Idem:* IMCO	21 *(e)*	Offset.
E/5476/Add.12	*Idem:* GATT	21 *(e)*	Offset.
E/5476/Add.13	*Idem:* IAEA	21 *(e)*	Offset.
E/5477	Note by the Secretary-General transmitting the annual report of FAO	21 *(b)*	Mimeographed. See FAO, "Report of the Food and Agriculture Organization of the United Nations to the Economic and Social Council at its fifty-seventh session: summary for the year 1973" (document IAA: ECOSOC/57).
E/5478	Report of the Committee for Development Planning on its tenth session	14 *(a)*	*Official Records of the Economic and Social Council, Fifty-seventh Session, Supplement No. 4.*
E/5479	*Economic Survey of Europe in 1973:* summary	3	Offset. For the full text, see United Nations publication, Sales No. E.74.II.E.1.
E/5483	Final report of the United Nations High Commissioner for Refugees	22	Mimeographed.
E/5484	Report of the United Nations High Commissioner for Refugees		Mimeographed. For the final report, see *Official Records of the General Assembly, Twenty-ninth Session, Supplement No. 12* (A/9612).
E/5484/Add.1	*Idem:* progress report on the South Asian sub-continent repatriation operation		Mimeographed.
E/5485	Note by the Secretary-General transmitting the report of the Governing Council of UNEP on its second session (UNEP/GC/26)	16 *(a)* *16*	Offset. For the report, see *Official Records of the General Assembly, Twenty-ninth Session, Supplement No. 25* (A/9625).
E/5486	*World Economic Survey, 1973 – Part one: Population and Development*	3	United Nations publication, Sales No. E.74.II.C.1.
E/5488	Annual report of ACC for 1973/74	21 *(c)*	Offset.
E/5489 and Add.1	Information systems: special report of ACC	21 *(c)*	Offset.
E/5490	*Survey of Economic Conditions in Africa, 1973:* summary	3	Offset. For the full text, see United Nations publications, Sales Nos. E.74.II.K.1 and E.74.II.K.2.
E/5491	Note by the Secretariat transmitting the study by Mr. Martin Hill prepared for UNITAR and entitled "Towards greater order, coherence and co-ordination in the United Nations system"	6 and 21 *(e)*	Offset.
E/5493	Report of IAEA: note by the Director-General of IAEA transmitting the text of his statement to the Council at its fifty-seventh session	21 *(b)*	Offset.

Document No.	*Title*	*Agenda item*	*Observations and references*
E/5494	Note by the Secretary-General transmitting the annual report of UPU	21 *(b)*	Offset. See UPU, "Analytical report on the work of the Universal Postal Union in 1973" (Berne, 1974).
E/5495	Annual report of the Economic Commission for Latin America	18 *(a)*	*Official Records of the Economic and Social Council, Fifty-seventh Session, Supplement No. 7.*
E/5495/Add.1	Economic Commission for Latin America: report of the Committee of the Whole on its eighth extraordinary session	18 *(a)*	*Ibid., Supplement No. 7A*
E/5497 and Corr.1	Note by the Secretary-General transmitting the annual report of IMCO	21 *(b)*	Offset. See IMCO, "Analytical summary of the annual report 1973/1974".
E/5498 and Corr.1	Report of the Secretary-General and the Administrator of UNDP	15 *(i)*	Offset.
E/5499	Note by the Secretary-General	14 *(b)*	Offset.
E/5500	Report of the Secretary-General	8	Offset.
E/5500/Add.1 (parts I and II)	Report of the Group of Eminent Persons to Study the Impact of Multinational Corporations on Development and on International Relations	8	Offset. For the final text, see United Nations publication, Sales No. E.74.II.A.5.
E/5501	Study on the establishment of a fund in favour of the land-locked developing countries: note by the Secretary-General	14 *(c)*	Offset.
E/5502	Economic situation in Asia: general summary (E/CN.11/L.388)	3	Offset. For the full text, see *Economic Survey of Asia and the Far East, 1973* (United Nations publication, Sales No. E.74.II.F.1.
E/5503	Agrarian reform: progress report of the Secretary-General on the implementation of Council resolution 1707 (LIII)		Offset.
E/5512	Note by the Secretary-General transmitting the annual report of ITU	21 *(b)*	Offset. See ITU, "Analytical summary of the report on the activities of the International Telecommunication Union in 1973 to the fifty-seventh session of the United Nations Economic and Social Council" (Geneva, 1974).
E/5517	Economic trends in Latin America in 1973: note by the Secretary-General	3	Offset.
E/5518	Report of UNESCO	21 *(b)*	Offset.
E/5519	Tourism: note by the Secretary-General	2	Mimeographed.
E/5520	Annotated provisional agenda of the fifty-seventh session of the Economic and Social Council	2	Offset. For the agenda as adopted, see p. viii above.
E/5521 and Add.1 and 2	*World Economic Survey, 1973 – Part two: Current economic developments,* chapters I-III	3	Offset. For the final text of the Survey, see United Nations publication, Sales No. E.74.II.C.1.
E/5521/Add.3	*Idem:* chapter IV	3	Mimeographed.
E/5522	The role of the United Nations system in operational activities for development: report of the Secretary-General	15 *(a)*	Offset.
E/5523 and Corr.1	Question of a unified approach to development analysis and planning: progress report of the Secretary-General		Mimeographed,
E/5524	Report of the Secretary-General	21 *(e)*	Offset.
E/5524/Add.1 and 2	Descriptive and analytical report on the past and present relationship between the United Nations and the specialized agencies and IAEA: report of the Secretary-General	21 *(e)*	Offset.

Document No.	*Title*	*Agenda item*	*Observations and references*
E/5524/Add.3 and 4 and Add.4/Corr.1	*Idem*	21 *(e)*	Offset.
E/5524/Add.5	*Idem*	21 *(e)*	Offset.
E/5525	Action by the Secretary-General to place non-governmental organizations on the Roster: note by the Secretary-General		Mimeographed.
E/5526	Note by the Secretary-General transmitting the report of WMO	21 *(b)*	Offset. See WMO, "Analytical summary of the annual report of the World Meteorological Organization for 1973 submitted to the fifty-seventh session of the Economic and Social Council".
E/5527	Reports of the specialized agencies and the United Nations organizations concerned, submitted in response to Economic and Social Council decision 3 (LVI) of 10 January 1974: note by the Secretary-General	15 *(a)*	Offset.
E/5527/Add.1	*Idem:* UNESCO	15 *(a)*	Offset.
E/5527/Add.2	*Idem:* FAO	15 *(a)*	Offset.
E/5527/Add.3	*Idem:* technical co-operation activities of the ILO	15 *(a)*	Offset.
E/5527/Add.4	*Idem:* the substance of United Nations operational activities – report of the Secretary-General	15 *(a)*	Offset.
E/5527/Add.5	*Idem:* World Food Programme	15 *(a)*	Offset.
E/5527/Add.6	*Idem:* WHO	15 *(a)*	Mimeographed.
E/5528	Report of the Executive Board of UNICEF	15 *(f)*	*Official Records of the Economic and Social Council, Fifty-seventh Session, Supplement No. 9.*
E/5529	Report of the Secretary-General	7	Offset.
E/5530	Report of the Secretary-General	14 *(d)*	Offset.
E/5530/Add.1	*Idem:* addendum	14 *(d)*	Mimeographed.
E/5531	Note by the Secretary-General transmitting the annual report on the activities of the Office of the United Nations Disaster Relief Co-ordinator	23	Offset. For the report, see A/9637.
E/5532 and Corr.1	Studies on development problems in countries of Western Asia: summary	3	Offset.
E/5533	Report of the Preparatory Committee for the World Food Conference on its second session	9	Mimeographed.
E/5534	Note by the Secretary-General transmitting the annual report of WHO	21 *(b)*	Offset. See WHO, "Report of the World Health Organization, 1973: analytical summary" (document PCO/74.1).
E/5535	Report on negotiations with WIPO	21 *(f)*	Offset.
E/5536	Preliminary report of the Secretary-General	6	Mimeographed.
E/5537	Note by the Secretary-General transmitting the twelfth annual report of the United Nations/FAO Intergovernmental Committee of the World Food Programme	15 *(g)*	Offset. For the report, see WFP/IGC: 25/17.
E/5538	Report by the Secretary-General	16 *(a)*	Mimeographed.
E/5539	Report of the Economic Commission for Western Asia	18 *(a)*	Mimeographed. For the final text, see *Official Records of the Economic and Social Council, Fifty-Seventh Session, Supplement No. 10.*

Document No.	*Title*	*Agenda item*	*Observations and references*
E/5540	Report on the meetings of the Executive Secretaries of the regional economic commissions	18 *(b)*	Mimeographed.
E/5541	Report of ACC on expenditures of the United Nations system in relation to programmes	21 *(c)*	Mimeographed.
E/5542 and Corr.1	Note transmitting the report of the Secretary-General	24	Offset. For the report, see A/9638 and Add.1.
E/5542/Add.1/ Corr.1 and E/5542/Add.2 and 3	*Idem*	24	Mimeographed. For the report, see A/9638/Add.1/Corr.1 and A/9638/Add.2 and 3.
E/5543	Report of the Governing Council of UNDP on its eighteenth session	15 *(b)*	Mimeographed. For the final text, see *Official Records of the Economic and Social Council, Fifty-seventh Session, Supplement No. 2A.*
E/5545	Note by the Secretary-General transmitting the report of the Industrial Development Board on its eighth session (ID/B/144)	17	Mimeographed. For the final text, see *Official Records of the General Assembly, Twenty-ninth Session, Supplement No. 16* (A/9616).
E/5546	Note by the Secretary-General transmitting the report and conclusions of the *Ad Hoc* Committee on a Long-Range Strategy for the United Nations Industrial Development Organization	17	Mimeographed. For the text of the report and conclusions, see ID/B/142.
E/5547	Note by the Secretary-General transmitting the report of the Intergovernmental Preparatory Committee for the Second General Conference of UNIDO on the work of its third and fourth sessions	17	Mimeographed. For the text of the report, see ID/B/145.
E/5548	Second General Conference of UNIDO: report of the Executive Director of UNIDO	17	Mimeographed.
E/5549	Summary of views expressed by Governments at the twenty-eighth session and the sixth special session of the General Assembly: report of the Secretary-General	13	Mimeographed.
E/5550	Report by the President of the Economic and Social Council and the Chairman of the Administrative Committee on Co-ordination on the Joint Meetings of CPC and ACC	21 *(d)*	Mimeographed.
E/5551	Action by the Secretary-General to place non-governmental organizations on the Roster: note by the Secretary-General		Mimeographed.
E/5552	Note by the Secretary-General transmitting the annual report of ICAO	21 *(b)*	Offset. See ICAO, "Analytical summary of activities in 1973".
E/5553	Note by the Secretary-General transmitting the annual report of the ILO	21 *(b)*	Mimeographed. See International Labour Office, "Twenty-eighth report of the International Labour Organisation to the United Nations" (Geneva, 1974).
E/5554	Report of the Secretary-General	10	Mimeographed.
E/5554/Corr.1	*Idem*	10	Offset.
E/5555	Report of the *Ad Hoc* Committee on the Special Programme	4	Mimeographed.
E/5556	Establishment of an international fund or financial institution for human settlements: report of the Secretary-General	16 *(a)*	Mimeographed. For the report, see A/9575.
E/5557 and Corr.1	Report of the Secretary-General and the Administrator of UNDP	15 *(c)*	Mimeographed.
E/5558	Agenda of the fifty-seventh session of the Economic and Social Council, as adopted at the 1900th meeting	2	Mimeographed. For the agenda, see p. viii above.

Document No.	*Title*	*Agenda item*	*Observations and references*
E/5559	Applications for hearings: report of the Committee on Non-Governmental Organizations		Mimeographed.
E/5560	Report of the Secretary-General	12	Mimeographed.
E/5561	Report of the President of the Economic and Social Council	24	Mimeographed.
E/5562	Report of the Policy and Programme Co-ordination Committee	21 *(f)*	Mimeographed.
E/5562/Add.1	Report of the Policy and Programme Co-ordination Committee	21 *(b)*	Mimeographed.
E/5562/Add.2	Report of the Policy and Programme Co-ordination Committee	21 *(c)* and *(d)*	Mimeographed.
E/5562/Add.3 (part I)	Report of the Policy and Programme Co-ordination Committee	21 *(a)*	Mimeographed.
E/5562/Add.3 (part II)	Report of the Policy and Programme Co-ordination Committee	21 *(e)* and *(g)*	Mimeographed.
E/5563	Report of the Economic Committee	19	Mimeographed.
E/5564	Report of the Economic Committee	18	Mimeographed.
E/5565	Human rights questions – allegations regarding infringements of trade union rights: note by the Secretary-General		Mimeographed.
E/5566	Report of the Economic Committee	13	Mimeographed.
E/5567	Report of the Policy and Programme Co-ordination Committee	15	Mimeographed.
E/5568	Report of the Policy and Programme Co-ordination Committee	16	Mimeographed.
E/5569	Report of the Policy and Programme Co-ordination Committee	20	Mimeographed.
E/5570	Resolutions adopted by the Economic and Social Council at its fifty-seventh session		*Official Records of the Economic and Social Council, Fifty-seventh Session, Supplement No. 1.*
E/5571	Report of the Policy and Programme Co-ordination Committee	23	Mimeographed.
E/5572	Report of the Policy and Programme Co-ordination Committee	25	Mimeographed.
E/5573 and Add.1	Report of the Policy and Programme Co-ordination Committee	26	Mimeographed.
E/5574	Report of the Policy and Programme Co-ordination Committee	24	Mimeographed.
E/5575 (parts I and II)	Report of the Economic Committee	8	Mimeographed.
E/5576	Report of the Economic Committee	5	Mimeographed.
E/5577	Report of the Economic Committee	17	Mimeographed.
E/5578 and Add.1	Summary of financial implications of resolutions and decisions adopted by the Economic and Social Council during its fifty-sixth and fifty-seventh sessions: report of the Secretary-General		Mimeographed.
E/5579 (parts I and II)	Report of the Economic Committee	4, 6, 7 and 14	Mimeographed.
E/5580	Credentials of representatives to the fifty-seventh session of the Economic and Social Council: report of the President and Vice-Presidents		Mimeographed.
E/5581	Annotated provisional agenda for the resumed fifty-seventh session of the Council		Offset.
E/AC.6/L.549	Change of name from "Economic Commission for Asia and the Far East" to "Economic and Social Commission for Asia and the Pacific" – Australia, Fiji, India, Indonesia, Iran, Japan, Netherlands, Pakistan, Thailand, United Kingdom of Great Britain and Northern Ireland, and United States of America: draft resolution	18 *(a)*	Adopted. See A/9603, chap. IV, J.1 and resolution 1895 (LVII).*
E/AC.6/L.550	Institutional arrangements for science and technology – Jamaica and Kenya: draft resolution	19	Mimeographed.

Document No.	*Title*	*Agenda item*	*Observations and references*
E/AC.6/L.550/Rev.1	*Idem* – Ethiopia, India, Ivory Coast, Jamaica, Jordan, Kenya, Mexico, Pakistan, Trinidad and Tobago, Zaire and Zambia: revised draft resolution	19	Adopted. See A/9603, chap. IV.K, and resolution 1905 (LVII).
E/AC.6/L.551	Algeria, Argentina, Brazil, Finland, India, Indonesia, Iran, Jamaica, Jordan, Liberia, Netherlands, Pakistan, Romania, Turkey, Venezuela and Yugoslavia: draft resolution	18	Adopted. See A/9603, chap. IV.J, and resolution 1896 (LVII).
E/AC.6/L.552	France: draft resolution	19	Mimeographed. Withdrawn and replaced by a draft decision. See A/9603, chap. IV.K, and decision 40 (LVII).
E/AC.6/L.553	United States of America: draft resolution	8	Mimeographed.
E/AC.6/L.554	Future work relating to the impact of multinational enterprises on the development process and on international relations – Canada: draft resolution	8	Mimeographed.
E/AC.6/L.555	Argentina, Bolivia, Brazil, Chile, Colombia, Guatemala, Jamaica, Mexico, Trinidad and Tobago and Venezuela: draft resolution	8	Mimeographed.
E/AC.6/L.556	Algeria, Argentina, Brazil, Democratic Yemen, Egypt, India, Indonesia, Iran, Jamaica, Kenya, Mexico, Pakistan, Senegal, Thailand, Trinidad and Tobago, Uganda, Venezuela and Yugoslavia: draft resolution	8	Mimeographed.
E/AC.6/L.556/Rev.1	Algeria, Argentina, Brazil, Congo, Democratic Yemen, Egypt, India, Indonesia, Iran, Jamaica, Kenya, Mali, Mexico, Pakistan, Senegal, Thailand, Trinidad and Tobago, Uganda, Venezuela, Yugoslavia and Zaire: revised draft resolution	8	Mimeographed.
E/AC.6/L.556/Rev.2	Algeria, Argentina, Brazil, Congo, Democratic Yemen, Egypt, India, Indonesia, Iran, Jamaica, Kenya, Mali, Mexico, Pakistan, Senegal, Thailand, Trinidad and Tobago, Uganda, Venezuela, Yugoslavia and Zaire: revised draft resolution	8	Adopted. See A/9603, chap. IV.E, and resolution 1908 (LVII).
E/AC.6/L.557	United States of America: amendments to the draft resolution contained in document E/AC.6/L.556	8	Mimeographed.
E/AC.6/L.558	Algeria, Colombia, Egypt, India, Iran, Ivory Coast, Jamaica, Mexico, Pakistan, Romania, Senegal, Venezuela and Yugoslavia: draft resolution	17	Mimeographed.
E/AC.6/L.558/Rev.1	Algeria, Brazil, Colombia, Egypt, India, Indonesia, Iran, Ivory Coast, Jamaica, Kenya, Mexico, Pakistan, Romania, Senegal, Sri Lanka, Uganda, Venezuela and Yugoslavia: revised draft resolution	17	Adopted. See A/9603, chap. IV.L, and resolution 1909 (LVII).
E/AC.6/L.559	Administrative and financial implications of the draft resolution contained in document E/AC.6/L.556/Rev.1: note by the Secretary-General	8	Mimeographed.
E/AC.6/L.560	Australia, Fiji, Jamaica, Japan, Kenya and Trinidad and Tobago: draft decision	14	Adopted. See A/9603, chap. IV. A-D, and decision 28 (LVII).
E/AC.24/L.481	Agreement with the World Intellectual Property Organization – Algeria, Argentina, Brazil, Chile, Egypt, Ivory Coast, Mexico, Poland, Romania, Senegal, Sweden, United Kingdom of Great Britain and Northern Ireland, United States of America: draft resolution	21 *(f)*	Adopted. See A/9603, chap. VI.A.6, and resolution 1890 (LVII).
E/AC.24/L.482	International Book Year, 1972, and the Second United Nations Development Decade: report of the secretariat of the United Nations Educational, Scientific and Cultural Organization – Algeria, Colombia, Egypt, France and Yugoslavia: draft resolution	21 *(b)*	Adopted. See A/9603, chap. VI.A.2, and resolution 1887 (LVII).
E/AC.24/L.483	Report of the Executive Board of the United Nations Children's Fund – Canada, Colombia, Egypt, India, Indonesia, Pakistan, Spain, Sweden and Uganda: draft resolution	15 *(f)*	Adopted. See A/9603, chap. VI.B.6, and resolution 1880 (LVII).

Document No.	*Title*	*Agenda item*	*Observations and references*
E/AC.24/L.484	Netherlands and United Kingdom of Great Britain and Northern Ireland: draft resolution	21 *(b)*	Adopted. See A/9603, chap. VI.A.2, and resolution 1888 (LVII).
E/AC.24/L.485	Special report of the Administrative Committee on Co-ordination on information systems – Netherlands and United States of America: draft resolution	21 *(c)*	Mimeographed.
E/AC.24/L.485/Rev.1	*Idem:* Netherlands, United Kingdom of Great Britain and Northern Ireland and United States of America: revised draft resolution	21 *(c)*	Mimeographed.
E/AC.24/L.485/Rev.2	*Idem:* Netherlands, United Kingdom of Great Britain and Northern Ireland and United States of America: revised draft resolution	21 *(c)*	Adopted. See A/9603, chap. VI.A.3, and resolution 1889 (LVII).
E/AC.24/L.486	Proposal for an International Children's Year – Argentina, Belgium, Brazil, Chile, Colombia, Mali, Mexico and Pakistan: draft resolution	15 *(f)*	Adopted. See A/9603, chap. VI.B.6, and resolution 1881 (LVII).
E/AC.24/L.487	Establishment of an international habitat and human settlements foundation – Jamaica, Kenya and Zaire: draft resolution	16 *(a)*	Mimeographed.
E/AC.24/L.487/Rev.1	*Idem:* Argentina, Indonesia, Jamaica, Kenya, United States of America and Zaire: revised draft resolution	16 *(a)*	Adopted. See A/9603, chap. VI.C.1, and resolution 1882 (LVII).
E/AC.24/L.488	Kenya, Netherlands, Pakistan and United States of America: draft decision	21 *(a)*	Mimeographed.
E/AC.24/L.489	Argentina, Colombia, Jamaica and Mexico – draft resolution	16 *(a)*	Adopted. See A/9603, chap. VI.C.1, and resolution 1883 (LVII).
E/AC.24/L.490	Meetings of working groups of the Intergovernmental Oceanographic Commission – United Kingdom of Great Britain and Northern Ireland: draft resolution	26	Adopted. See A/9603, chap. VI.H, and resolution 1893 (LVII).
E/AC.24/L.491	Spain: amendments to draft resolution III contained in chapter X of the report of the Committee on Housing, Building and Planning on its eighth session	20	Mimeographed.
E/AC.24/L.492	Special report of the Administrative Committee on Co-ordination on information systems – Administrative and financial implications of the draft resolution contained in document E/AC.24/L.485: note by the Secretary-General	21 *(c)*	Mimeographed.
E/AC.24/L.493	Finland, India, Iran, Jamaica, Kenya, Mexico, Netherlands, Pakistan, Uganda and Yugoslavia: draft resolution	21 *(e)*	Mimeographed.
E/AC.24/L.493/Rev.1	Argentina, Finland, India, Iran, Jamaica, Kenya, Mexico, Netherlands, Pakistan, Sweden, Uganda and Yugoslavia: revised draft resolution	21 *(e)*	Adopted. See A/9603, chap. VI.A.5, and resolution 1906 (LVII).
E/AC.24/L.494	Ethiopia, Indonesia, Netherlands, Sweden, United States of America and Yugoslavia: draft resolution	23	Adopted. See A/9603, chap. VI.E, and resolution 1891 (LVII).
E/AC.24/L.495	Japan and United Kingdom of Great Britain and Northern Ireland: draft resolution	21 *(a)*	Adopted. See A/9603, chap. VI.A.1, and decision 42 (LVII).
E/AC.24/L.496	United Kingdom of Great Britain and Northern Ireland: amendments to the draft resolution contained in document E/AC.24/L.493	21 *(e)*	Mimeographed.
E/AC.24/L.497	Argentina and Italy: draft decision	25	Adopted. See A/9603, chap. VI.G, and decision 51 (LVII).
E/AC.24/L.498	Argentina: draft resolution	21 *(a)*, *(e)* and *(g)*	Mimeographed.
E/AC.24/L.499	Algeria, Argentina, Burundi, Congo, Egypt, Ivory Coast, Jamaica, Jordan, Kenya, Liberia, Mali, Romania, Senegal, Trinidad and Tobago, Uganda, Yugoslavia, Zaire and Zambia: draft resolution	24	Mimeographed.

Document No.	*Title*	*Agenda item*	*Observations and references*
E/AC.24/L.499/Rev.1	Algeria, Argentina, Burundi, Congo, Egypt, Ivory Coast, Jamaica, Jordan, Kenya, Liberia, Mali, Romania, Senegal, Trinidad and Tobago, Uganda, Yugoslavia, Zaire and Zambia: revised draft resolution	24	Adopted. See A/9603, chap. VI.F, and resolution 1892 (LVII).
E/AC.24/L.500	Revised pattern of meetings – Jamaica and Japan: draft resolution	26	Mimeographed.
E/AC.24/L.500/Rev.1	*Idem* – Jamaica and Japan: revised draft resolution	26	Mimeographed.
E/AC.24/L.500/Rev.2	*Idem* – Jamaica and Japan: revised draft resolution	26	Adopted. See A/9603, chap. VI.H, and resolution 1907 (LVII).
E/AC.24/L.501	Rationalization of the work of the Council – United Kingdom of Great Britain and Northern Ireland: draft resolution	26	Adopted. See A/9603, chap. VI.H, and resolution 1894 (LVII).
E/AC.24/L.502	Draft resolution proposed by the Chairman of the Policy and Programme Co-ordination Committee	21 *(g)*	Adopted. See A/9603, chap. VI.A.7, and resolution 1910 (LVII).
E/AC.51/74 and Corr.1 and 2	Report of the Secretary-General	21 *(g)*	Mimeographed.
E/AC.51/75	Joint Meetings of CPC and ACC – adoption of the agenda: note by the Secretariat	21 *(d)*	Offset.
E/C.8/18	Report of the Intergovernmental Group of Experts on the Quantification of Scientific and Technological Activities related to Development	19	Offset.
E/C.8/19	Science and technology in the Second United Nations development Decade – World and regional plans of action for the application of science and technology to development: progress report of the Secretary-General	19	Mimeographed.
E/C.8/20/Rev.1	Application of science and technology for development: Application of computer technology – report prepared in response to Economic and Social Council resolution 1824 (LV): report of the Secretary-General	19	Offset.
E/C.8/21	Outflow of trained personnel from developing to developed countries: report of the Secretary-General	19	Offset.
E/C.8/24	Eleventh report of the Advisory Committee on the Application of Science and Technology to Development	19	Offset.
E/C.8/25	Question of convening a United Nations conference on science and technology: note by the Secretary-General	19	Offset.
E/DEC/23-52 (LVII)	Decisions adopted by the Council at its fifty-seventh session		Mimeographed. For the final text, see *Official Records of the Economic and Social Council, Fifty-seventh Session, Supplement No. 1* (E/5570), decisions 23 (LVII) to 52 (LVII).
E/INF/142	List of documents for the fifty-seventh session of the Economic and Social Council		Mimeographed.
E/INF/143/Rev.1	Revised list of representatives to the fifty-seventh session of the Economic and Social Council		Mimeographed. Incorporated in a separate fascicle containing the full list of delegations to the sessions of the Council held during the year 1974.
E/INF/144 and Corr.1	Non-governmental organizations in consultative status with the Council in 1974		Offset.
E/L.1597 and Corr.1	Note by the Secretariat	26	Offset.

Document No.	*Title*	*Agenda item*	*Observations and references*
E/L.1598	Status of documentation for the fifty-seventh session of the Council: note by the Secretariat		Offset.
E/L.1599	Note by the Secretariat	5	Mimeographed.
E/L.1600	Note by the Secretariat transmitting the text of the terms of reference of CPC	21 *(a)*	Offset.
E/L.1601	Administrative and financial implications of draft resolution III contained in document E/5473: note by the Secretary-General	19	Offset.
E/L.1602	Organization of work of the fifty-seventh session: note by the President		Mimeographed.
E/L.1603	Assistance to Zambia – Algeria, Argentina, Australia, Brazil, Egypt, Ethiopia, Finland, India, Indonesia, Iran, Ivory Coast, Jamaica, Jordan, Kenya, Liberia, Mali, Netherlands, Pakistan, Romania, Senegal, Sweden, Thailand, Uganda, Yugoslavia and Zaire: draft resolution	11	Adopted. See A/9603, chap. III.C, and resolution 1875 (LVII).
E/L.1604	Egypt: draft resolution	22	Mimeographed.
E/L.1604/Rev.1	Algeria, Argentina, Brazil, Egypt, Ethiopia, France, India, Iran, Jordan, Kenya, Liberia, Netherlands, Pakistan, Senegal, Sweden, United Kingdom of Great Britain and Northen Ireland, United States of America and Yugoslavia: revised draft resolution	22	Adopted. See A/9603, chap. III.E, and resolution 1877 (LVII).
E/L.1605	Algeria, Argentina, Bolivia, Burundi, Egypt, Ethiopia, Finland, France, India, Iran, Ivory Coast, Jordan, Kenya, Liberia, Mali, Pakistan, Senegal, Sweden, Venezuela, Yugoslavia, Zaire and Zambia: draft resolution	10	Mimeographed.
E/L.1605/Rev.1	Algeria, Argentina, Bolivia, Burundi, Egypt, Ethiopia, Finland, France, India, Iran, Ivory Coast, Jordan, Kenya, Liberia, Mali, Pakistan, Senegal, Sweden, Uganda, Venezuela, Yugoslavia, Zaire and Zambia: revised draft resolution	10	Adopted. See A/9603, chap. III.B, and resolution 1874 (LVII).
E/L.1606	Algeria, Burundi, Congo, Egypt, Guinea, India, Iran, Ivory Coast, Jamaica, Jordan, Kenya, Liberia, Mali, Pakistan, Senegal, Sweden, Uganda, Yugoslavia, Zaire and Zambia: draft resolution	12	Adopted. See A/9603, chap. III.D, and resolution 1876 (LVII).
E/L.1607	The drought problem in Africa – Canada, Egypt, Ethiopia, Finland, Federal Republic of Germany, India, Netherlands, Pakistan, Senegal, Sweden, Uganda and Yugoslavia: draft resolution	10 and 12	Adopted. See A/9603, chap. III.B and D, and resolution 1878 (LVII).
E/L.1608	United Nations emergency operation: note by the Secretary-General	4	Mimeographed.
E/L.1609	Council resolution 1836 (LVI) entitled "Emergency measures in regard to the supply of fertilizers and pesticides": letter dated 20 July 1974 from the Director-General of FAO addressed to the Secretary-General, transmitting extracts from the report of the Council of FAO on its sixty-third session	9	Mimeographed.
E/L.1610	Text of the report by the Special Representative of the Secretary-General for the United Nations emergency operation, made at the 1917th plenary meeting of the Council, on 22 July 1974	4	Mimeographed. For the summary, see E/SR.1917.
E/L.1611	Emergency measures in regard to the supply of fertilizers and pesticides – Egypt, India, Jamaica, Jordan, Kenya, Mexico, Pakistan and Yugoslavia: draft resolution	9	Mimeographed.
E/L.1611/Rev.1	*Idem* – Democratic Yemen, India, Jamaica, Kenya, Mexico, Pakistan, Turkey and Yugoslavia: revised draft resolution	9	Adopted. See A/9603, chap. III.A, and resolution 1879 (LVII).
E/L.1612	Draft provisional agenda of the resumed fifty-seventh session of the Economic and Social Council		Mimeographed.
E/L.1613	Summary statement of the financial implications of the proposals under consideration at the fifty-seventh session of the Council		Mimeographed.

Document No.	*Title*	*Agenda item*	*Observations and references*
E/NGO/16	Statement submitted by the World Federation of Trade Unions, a non-governmental organization in consultative status, category I	4	Mimeographed.
E/NGO/17	Statement submitted by the World Federation of Trade Unions, a non-governmental organization in consultative status, category I	7	Mimeographed.
E/NGO/18	Statement submitted by the World Federation of Trade Unions, a non-governmental organization in consultative status, category I	9	Mimeographed.
E/NGO/19	Statement submitted by the Inter-Parliamentary Union, a non-governmental organization in category I consultative status	24	Mimeographed.
E/NGO/20	Statement submitted by the International Catholic Child Bureau and the International Union for Child Welfare, non-governmental organizations in category II consultative status	15 *(f)*	Mimeographed.
E/NGO/21	Statement submitted by the International Council of Women, the Women's International Democratic Federation, the World Federation of United Nations Associations (category I), All India Women's Conference, International Alliance of Women, St Joan's International Alliance, International Association of Democratic Lawyers, International Commission of Jurists, International Council of Social Democratic Women, World Muslim Congress, International Federation of University Women, International Federation of Women Lawyers, Women's International League for Peace and Freedom, Soroptimist International Association, Zonta International (category II); World Council of Peace, International Union of Socialist Youth (Roster), non-governmental organizations in consultative status	14	Mimeographed.
E/NGO/22	Statement submitted by the International Savings Banks Institute, a non-governmental organization in category II consultative status	14	Mimeographed.
E/NGO/23	Statement submitted by the Society for International Development, a non-governmental organization in category II consultative status	14 *(d)*	Mimeographed.
E/NGO/24	Statement submitted by the World Federation of Trade Unions, a non-governmental organization in category I consultative status	8	Mimeographed.
E/NGO/25	Statement submitted by the World Confederation of Labour, a non-governmental organization in category I consultative status	8	Mimeographed.
E/NGO/26	Statement submitted by the International Confederation of Free Trade Unions, a non-governmental organization in category I in the consultative status	8	Mimeographed.
E/RES/1874 (LVII) – 1911 (LVII)	Resolutions adopted by the Council at its fifty-seventh session		Mimeographed. For the final text, see *Official Records of the Economic and Social Council, Fifty-seventh Session, Supplement No. 1* (E/5570), resolutions 1874 (LVII)-1911 (LVII).

ECONOMIC AND SOCIAL COUNCIL

FIFTY-SEVENTH SESSION

Summary records of the meetings held at Geneva from 3 July to 2 August 1974

1900th meeting

Wednesday, 3 July 1974, at 3.15 p.m.

President: Mr. A. KARHILO (Finland)

E/SR.1900

AGENDA ITEM 1

Opening of the session

1. The PRESIDENT declared open the fifty-seventh session of the Economic and Social Council.

Tribute to the memory of Mr. Juan Perón, President of the Argentine Republic

2. The PRESIDENT paid tribute to the late President of Argentina, Juan Domingo Perón, and requested the representative of Argentina to convey to the Argentine Government and people the Council's condolences on the occasion of the death of their President.

3. Mr. BARCELÓ (Mexico) said that the Latin-American countries associated themselves with the grief of Argentina. He paid a tribute to the late President and to the principles which had guided his actions.

On the invitation of the President, members of the Council observed one minute's silence in memory of President Perón.

4. Mr. G.O. MARTÍNEZ (Argentina) thanked the President, the representative of Mexico and members of the Council for their expressions of sympathy.

Statement by the President of the Economic and Social Council

5. The PRESIDENT said that 1974 was the year of re-evaluation of the foundations of international economic and social relations. So far, the Council had concerned itself with such questions as the International Development Strategy for the Second United Nations Development Decade,[1] collective economic security, and the role it should play in the development of international economic and social relations between nations; but to-day the need for radical changes had become so evident that co-ordinated action was called for at the world level. The sixth special session of the General Assembly had been a signpost in that direction. In its Declaration of principles and Programme of Action on the Establishment of a New International Economic Order,[2] the Assembly had placed the accent on two central themes, sovereignty and equity, the former based on independence and the latter on interdependence. The economic order defined at Bretton Woods had catered primarily for the interests of a few nations; it had led to some results, but was now out-dated.

6. To-day, the horizon was clouded by certain realities: the scarcity of natural resources, food shortages, concentration of wealth and technology in the hands of a few, and a considerable increase in the number of human beings needing to be fed, clothed, provided with medical services and assured of a decent standard of living. If the international community failed to take steps at the international level without delay to deal with that situation, an opportunity would be missed which would perhaps never occur again.

7. In that perspective the Council, at the current session, would have to take a decision on the implementation of the

---

[1] General Assembly resolution 2626 (XXV), of 24 October 1970.

[2] General Assembly resolutions 3201 (S-VI) and 3202 (S-VI), of 1 May 1974.

Programme of Action adopted by the General Assembly. One of its main tasks would be to allocate the various parts of that Programme to the competent United Nations bodies. In resolution 3202 (S-VI), the General Assembly had specified that the Economic and Social Council "shall define the policy framework and co-ordinate the activities of all organizations, institutions and subsidiary bodies within the United Nations system which shall be entrusted with the task of implementing the present Programme of Action". Under that same resolution, the Council was also called upon to decide how the progress reports on the implementation of the Programme should be framed, what ground they should cover and when they should be submitted for its consideration.

8. Referring next to the progress report of the *Ad hoc* Committee on the Special Programme (E/5555) set up to provide relief to those developing countries most seriously affected by the present economic crisis, he regarded it as regrettable that apart from a few major contributions, the emergency operation launched on behalf of those countries had not met with much response. The *Ad hoc* Committee would undoubtedly do its utmost to ensure that the proposed Special Fund began operations on 1 January 1975, as the General Assembly had requested. To facilitate the *Ad hoc* Committee's task, it would be advisable for members of the Council to study that question and to submit suggestions during the session.

9. The question of the impact of multinational corporations on the development process and on international relations would also figure prominently at the current session. The activities of those corporations had the merit of bringing capital and know-how to developing countries, but they must be aligned on the plans and development priorities of the host countries. In that connexion, the report of the Group of Eminent Persons convened to study the subject (E/5500/Add.1) would provide a very useful basis for discussion.

10. In the context of the re-evaluation of international economic and social relations, special importance must attach to science and technology. The Council should study the question of priorities, which determined how the resources set aside for science and technology should be allocated. Threats such as the spread of desert conditions in the Sudano-Sahelian region, bad harvests which endangered the lives of millions of people, pollution, malnutrition – a source of disease – were leading to the re-appraisal of present priorities in the field of scientific and technological research. In that connexion, he expressed gratification at the success of the second session of the Committee on Science and Technology for Development, whose report was before the Council (E/5473). He hoped that the Council, in dealing with the various draft resolutions contained in that document, would show insight, imagination and a real consciousness of service to a common cause.

11. Finally, in view of the session's exceptionally heavy agenda – and in order to concentrate on essentials, it would be necessary to display a high degree of restraint, to rationalize and to make full use of the informal consultations procedure. If the Council worked in that way, it would be able to complete its programme in time, thus confirming that it was an intergovernmental organ fully aware of its responsibilities in a field where the call was for urgent action.

Statement by the Secretary-General of the United Nations

12. The SECRETARY-GENERAL stated that the Council was meeting at a moment of exceptional importance and difficulty. Never in the history of the United Nations had real creativeness in its approaches to economic and social affairs been so urgently needed. The economic upheavals of the past three years, which had begun with prolonged instability in the world currency markets, had then moved swiftly into the area of energy supply and currently held out the prospect of a major world food deficit; that was no series of isolated events. It was a clear indication of profound and closely-related malfunctionings in a global economy whose efficiency had been taken for granted, even while its inequity had been deplored. The adequate functioning of the international economic machinery could no longer be taken for granted; in fact, lack of progress towards its repair or – even worse – its continued deterioration would lead to a serious and highly threatening crisis.

13. That was a situation that required the exercise of the utmost energy and a common and concerted political will. At its sixth special session, the General Assembly had clearly recognized those demands. By formulating proposals for a new international economic order and by coupling that long-term programme with immediate emergency action to help the most seriously affected nations, the General Assembly had drawn attention to the fact that continuous attention must be given to immediate events if there were to be any hope of influencing the long-term situation.

14. The original major preoccupation of the United Nations system with the development of the emerging nations had led it to adopt a medium-term perspective of ten to twenty years; it had not been until the recent special session that world attention had been focused on the immediate day-to-day issues which in the past had been left to more specialized bodies.

15. Nor could the long-term situation be disregarded, since some of the decisions made to-day would bear effect in twenty-five years' time, in a world twice as populated as it was to-day; strategies must be developed on the basis of a continuing effort at long-term projection.

16. Recent developments had given new dimensions and impetus to the search for collective economic security. They had also highlighted the importance of the work currently in progress on the new Charter of Economic Rights and Duties of States.[3]

---

[3] Originated by resolution 45 (III) of the United Nations Conference on Trade and Development; see also General Assembly resolutions 3037 (XXVII) and 3082 (XXVIII).

17. The most visible symptom of the malfunctioning of the world economy to-day was the re-emergence of scarcities. Even if the most dire predictions were not accepted in full, there were clear indications that in several respects the international economic system, facing a new situation, was experiencing serious difficulties in dealing with it. That was clearly seen in food production, where there was a combination of factors which it would not be easy to control and in which demand was growing rapidly under the pressure of population increases and aspirations towards much higher nutritional standards, particularly among the very poor. In that area, it was imperative that collective responsibility should be assumed for action to ensure the sheer survival of millions; the effective assumption of that responsibility – the first precept of collective economic security – must take the form of a world strategy designed to achieve more effective monitoring and stronger remedial effort, to develop capacity for emergency action in case of famine and for crash programmes.

18. A degree of world-wide planning and concertation such as had never been achieved before, covering food, pesticides and fertilizers, was required if the very alarming situation outlined in the FAO projected short-falls for 1985 was to be avoided. That concerted action should combine the development of technology, finance, the provision of physical inputs, and technical and institutional assistance. That was one of the points at which the action programme of the special session should take over where the International Development Strategy had left off, with far more emphasis on programme approaches having specific targets and more precise time-tables. That could all be achieved if the political will was present. In the field of fertilizers especially, there would be additional dividends through the rapid industrialization of oil-producing countries.

19. Action in the field of energy was far more complex. There the course of events had in some cases led to a heavy burden of uncertainty affecting large investments. In the development of new energy sources a concerted action of the technological powers would appear essential. A real problem of technological assessment had to be solved in that connexion.

20. The decisions to be made by each Government with regard to population were even more difficult, because they affected major areas of concern and required gradual, often subtle, changes in attitudes. Nevertheless, the process of preparation of the World Population Conference had brought that complex and sensitive subject out of the exclusive province of demographers and had placed it at the very heart of social and economic planning, which illustrated the way in which the United Nations system could function when a single subject was dealt with from many different vantage points. It was completely unrealistic to talk about population stabilization without regard for social change and the more equitable sharing of resources. It was to be hoped that further progress would be made in a spirit of shared understanding at the World Population Conference to be held at Bucharest in August 1974.

21. The economic management of the industrial countries was one of the most difficult and most potentially dangerous problems facing the modern world. While Governments were endeavouring to comprehend and reverse continuing inflation, they were exposing themselves to the equal evil of a recession, which might be more pronounced and more widespread in its consequences than any of those known since 1945. It was fair to say that never had economic navigation been more hazardous and confusing, the proof being the lack of agreement among economic experts for the past two or three years and the failure of their forecasts. It was true that there were perils in the postponement of effective anti-inflationary actions, but if individual corrective measures were applied too vigorously and on a short-term basis, and if they were undertaken simultaneously or in rapid succession by several of the major industrial countries, those actions could cause a sudden contraction of international economic activity with very far-reaching and serious consequences.

22. The same effect could be brought about by wrongly-conceived policies devised to deal with the large balance-of-payments deficits which most of the industrial countries would incur for some time as a result of the abrupt increase in oil prices. Only decisive concerted action could lead them and help them to contain those deficits until the surplus capital accumulated by the oil-exporting countries was recycled into the world economy and a balance was restored.

23. The situation was further complicated by the existence and expansion of powerful non-governmental transnational agents which had come to play an increasing role in the world economic situation, the most conspicuous of which were the multinational corporations. International bodies, in particular the Economic and Social Council, had to become more aware of that phenomenon and be better informed about it. It was significant that the Council was to deal with the problem of multinational corporations at the very moment when resources development and technology were matters of such concern. It was very important that the problems raised by multinational corporations in a world of sovereign States should be thoroughly and continuously studied so that tensions could be reduced, conflicts avoided and fruitful relationships developed. In its report, the Group of Eminent Persons had highlighted the problems of the relationships between companies and countries and had suggested ways in which they could be improved. The Group's recommendations had been criticized, understandably enough, for the subject was controversial and the dimensions of many of the problems arising were still hazy. Those problems would have to be elucidated and solved; and that would involve a continuing dialogue between all the interested parties – Governments, companies, trade unions and public interest groups.

24. In following up the sixth special session of the General Assembly and in preparation for the 1975 special session on development, the existing institutional machinery would have to be overhauled and strengthened. That was an important task, and certain steps had been undertaken within the Secretariat to lay the groundwork for the requisite reforms. Any such reforms would, of course, be carried out in close consultation with all members of the United Nations system.

25. However important the sixth special session had been, the history of international economic co-operation had not begun there. What had already been done, and particularly what had been well done, should therefore be examined in order to build on it. The United Nations system had played a major role in assessing the strengths and weaknesses of the global economic and social systems, in charting the direction in which improvements lay, in creating the instrumentalities through which change could take place, and in launching the programmes which were bringing change about. Indeed, many major world reforms had been influenced, or in some cases initiated, by the United Nations system, including changes in the trade and monetary system, special measures of help to the least-developed countries, global approaches to the safeguarding of the environment and such significant proposals as the Collective Economic Security System and the Charter of Economic Rights and Duties of States.

26. The realistic and bold decisions recently taken by IMF furnished further evidence of the part played by the United Nations. In particular, the role of the United Nations Conference on Trade and Development in urging greater participation in the IMF decision-making process by developing countries and in suggesting new modalities of financial co-operation was now bearing fruit.

27. At its special session the General Assembly had adopted a commonly-agreed body of principles and an agreed blue-print for action. In the past, the International Development Strategy had provided the essential coherence. No doubt some of its provisions required to be amplified, changed or revised, but many of them were restated in the Declaration on the Establishment of a New International Economic Order, giving proof that the Strategy continued to be relevant to the current situation.

28. Among the Strategy's most important components were the provisions for feed-back, and evaluation. The next review would be invaluable as background to the resolving of the tasks which lay before the 1975 special session.

29. To ensure that performance matched the scale of the challenge required a major collective international endeavour, but time was of the essence, because of the speed with which grave and far-reaching changes were taking place. Similar rapid developments were also taking place within the United Nations system, such as the United Nations Conference on the Law of the Sea, the World Population Conference, the World Food Conference in 1974, the forthcoming Conference on Human Settlements and the fourth session of the United Nations Conference on Trade and Development.

30. That display of extraordinary energy and profound concern for the future of the planet must be harnessed through an institutional system which was capable of translating new agreements and insights into practical action. That would be the principal task of the special session in 1975, for which the Council should begin to prepare its recommendations as soon as possible.

31. The world situation called for a process of continuous negotiation through the various instrumentalities available. But the effort must focus on those issues that required intense governmental concentration. The Economic and Social Council, by virtue of its constitutional position and its long experience, was in a unique position of responsibility and leadership in that effort to direct the energies of the United Nations system into the most productive channels. To that end the Council must be thoroughly familiar with all the parts of the system. In some cases, it must try to heighten efficiency by improved rationalization of the work; in others, where development of international policies was at stake and where the insights to be gained were likely to result from interdisciplinary examination, it must use the great strength inherent in the pluralism of the United Nations to develop a common global design. In an international economic community which was becoming more complex every day, the process of negotiation would be greatly assisted by a much more efficient organization of knowledge, analysis and assessment.

32. The present machinery was quite inadequate; it would require greatly sharpened analytical tools and much improved informational flows. For instance, the short-term changes in supply, demand and prices were such that they could in themselves thwart the objectives of the Development Strategy and the Programme of Action adopted at the special session. They had to be monitored effectively so that international action, when required, could be devised in time. Also, the effort undertaken under the emergency programme adopted at the special session to assess individual situations precisely and continuously should not be abandoned but should indeed be continued and refined in such a way as to provide a much more rational basis than that available at present for the orientation and development of international programmes and policies. Finally, it was necessary to come to grips with the long-term perspective. In particular, it was to be hoped that the World Population Conference would enable a wider public to become more aware of the urgent need to take action to avert a potential crisis involving life itself on the planet.

33. One of the requirements for meeting those needs was an information system based on the tools which modern technology had made available. The computer had totally revolutionized the science of meteorology and could do the same for economic forecasting and analysis. It was in the combination of the wise use of technical competence and the re-affirmation of political will to apply international solutions to common problems that the best – and indeed the only – hopes of the international community lay.

34. The United Nations was entering a most crucial and delicate period in its history. On the political side there were the hopeful beginnings of a period of international détente which held encouraging promise of better international relations; but the world was also entering a period of economic turbulence and tension which might easily destroy the limited political progress which had been achieved. It was imperative to work together in a spirit of shared concern and mutual understanding to build for future generations a new economic order which would consolidate peace and establish unprecedented world-wide co-operation in all fields of human concern. At its present session, the Economic and Social Council could exert a positive influence on the evolution of the world economic

and social situation. He was convinced that the Council would not fail to seize the opportunity and use it to the fullest advantage of the world community.

AGENDA ITEM 2

Adoption of the agenda (E/5520)

35. Mr. CORDOVEZ (Secretary to the Council) drew the attention of the Council to document E/5520 containing the provisional agenda of the fifty-seventh session. It consisted of the agenda items included in the annual programme of work approved at the organizational session for 1974, to which the Council, at its fifty-sixth session, had added items 4, 5, 12, 13, 20, 21 *(a)* and 22. With regard to item 19 *(b)*, concerning the appointment of members of the Advisory Committee on the Application of Science and Technology to Development, the Secretary-General had not completed his consultations in respect of the nominations he was required to make, and suggested that the Council might defer that sub-item to 1975.

36. The PRESIDENT invited the Council to adopt the provisional agenda subject to the change indicated by the Secretary.

The provisional agenda (E/5520), as amended, was adopted.

Organization of work (E/L.1602)

37. The PRESIDENT invited the Council to consider his note on the organization of the work of the session (E/L.1602), which gave effect to the decision taken by the Council at its fifty-sixth session with regard to the matter. He drew particular attention to paragraphs 2 and 3.

38. Mr. SCALI (United States of America) said that he wished to make a few suggestions with a view to facilitating and speeding up the work of the Council, which in 1974, although it had an even heavier agenda than a year previously, had less time to consider all the agenda items.

39. Firstly, he proposed that the Council should take up directly in plenary session, and together, item 10 (Consideration of the economic and social situation in the Sudano-Sahelian region stricken by drought and measures to be taken for the benefit of that region), item 11 (Economic assistance to Zambia), item 12 (Assistance to the drought-stricken areas of Ethiopia), and item 22 (Assistance to southern Sudanese returnees and displaced persons). Those items had common features and general statements on each of them could thereby be avoided.

40. Secondly, the sub-divisions of item 15 (Operational activities for development) could well form the subject of a single general statement in the Policy and Programme Co-ordination Committee. Most of the subjects concerned had been discussed in intergovernmental bodies and seven of them had been considered at the session of the Governing Council of UNDP recently held in Manila. Little, therefore, remained to be done except to prepare draft resolutions. The same applied to item 16 (International environment co-operation).

41. Finally, item 13 (Permanent sovereignty over natural resources) had been discussed in detail in the past months and quite recently by the UNCTAD Working Group on the Charter of Economic Rights and Duties of States; it would also be on the agenda of the next session of the Trade and Development Board and on that of the twenty-ninth session of the General Assembly.

42. The PRESIDENT invited delegations to express their views on the proposals made by the United States delegation. He pointed out that items 15, 16 and 13 had first to be considered by the Committees to which they had been allocated.

43. Mr. NESTERENKO (Union of Soviet Socialist Republics) said that he approved the suggestions of the United States delegation with regard to taking items 10, 11, 12 and 22 together and that he had no objection to items 15 and 16 forming the subject of a single general statement if the majority of the Council were of the same opinion. With regard to the third suggestion made by the United States, concerning agenda item 13, his delegation realized that the question had already been discussed, and would be discussed further, in other bodies, but felt that the Council had placed it on the agenda because it wished to emphasize the importance and complexity of the subject, and that the item deserved the Council's attention.

44. Mr. MWANGAGUHUNGA (Uganda) and Mr. BOUDJAKDJI (Algeria) accepted the first two suggestions made by the United States delegation. With regard to item 13, they considered that it should be discussed in the Economic Committee and stressed its importance.

45. Mr. SCALI (United States of America) sait that, in view of the comments which had been made, he was prepared to participate in the consideration of item 13 as originally proposed.

46. The PRESIDENT suggested that the Council might approve document E/L.1602, concerning the organization of work, subject to the changes proposed by the United States, namely, that items 10, 11, 12 and 22 should be taken up together directly in plenary session and that items 15 and 16 would be the subject of a single discussion in the Policy and Programme Co-ordination Committee.

The organization of work (E/L.1602) was approved, subject to those changes.

The meeting rose at 4.35 p.m.

1901st meeting

Thursday, 4 July 1974, at 10.40 a.m.

President: Mr. A. KARHILO (Finland)

E/SR.1901

AGENDA ITEM 3

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

1. Mr. PETERSON (Administrator, United Nations Development Programme) said that at its recent session the Governing Council of UNDP had reached useful decisions with regard to the role of UNDP in supporting the goals of the Programme of Action on the Establishment of a New International Economic Order. There had been a consensus of opinion in the Governing Council that the resolutions adopted at the sixth special session of the General Assembly had strengthened the role and heightened the responsibility of the United Nations system in achieving a more equitable economic world order, that no new order would be achieved until low-income countries acquired intellectual and technical mastery over their own development, and that emerging forms of international co-operation offered previously unrecognized means of accelerating economic and social progress even in the poorest countries. The Governing Council had taken prompt action to increase the flexibility of UNDP and to take advantage of new opportunities for expanding the volume of technical assistance.

2. The sixth special session of the General Assembly had re-affirmed the need for joint action to solve common problems. The Executive Secretary of ECAFE had appealed to the Governing Council for a flexible commitment of regional resources and had drawn attention to the serious trade deficit in Asia due to the high price of petroleum and the sharply rising costs of essential goods from the industrially advanced countries. The interdependence of nations was daily becoming manifest and the many special conferences which were being organized by the United Nations offered an opportunity for common endeavours. Governments were increasingly turning to the United Nations as their one means of united action.

3. There was general agreement on the need for extensive assistance to the countries which were suffering most in the present economic situation. UNDP had provided senior staff for the new programmes launched by the General Assembly and was increasingly placing its field offices at the service of international efforts to assist countries stricken by disaster. The General Assembly's Declaration and Programme of Action, however, were not directed merely to a short-term recovery effort but to the achievement of a global economic and social order permitting orderly progress by all nations. The underlying premise of such an order was dynamic co-operation among nations exercising sovereignty over their own economic and social progress, particularly sovereignty over their natural resources. It was impossible for a nation to exercise that fundamental right unless it had the technical capacity to determine the best use of its resources for the benefit of its people. Assistance in building up such skills had long been a priority demand on UNDP and its predecessor organizations. As developing countries made progress in those fields, there was a demand for country programmes to include projects in advanced areas of science and technology, industrial processing and export promotion. On the other hand, considerable new efforts were required to attack the root causes of poverty; UNDP was therefore giving priority consideration to the needs of the least developed countries and others with a low *per capita* income. The Governing Council had endorsed the trend towards greater emphasis on the social sector and projects aimed at assisting the poorest sectors of society. Technical co-operation had thus proved capable of meeting a wide range of needs.

4. The Governing Council had taken steps to improve the performance of United Nations international development machinery. Regional indicative planning figures had been allocated for the 1977-1981 development cycle so that developing countries, particularly those with substantial increases in their indicative planning figures during that cycle, could begin to plan appropriate projects forthwith. Moreover, countries which had funds over from their current allocations would be allowed to carry them forward into the next cycle and no nation would be required to give up any of its UNDP allocation. The new flexibility between programme cycles would be particularly useful to the least developed countries which were scheduled to receive the highest increases in programme budgets for the next cycle but which had not been able to use up the resources allocated to them during the current cycle.

5. The Governing Council had also taken decisions designed to promote flexibility in the use of additional special funds. Guidelines had been provisionally approved for the United Nations Revolving Fund for Natural Resources Exploration and it was proposed shortly to appoint a Director of the Fund. It was hoped that that programme would secure the necessary contributions; although it would not be self-sustaining for a considerable time, there might eventually be a range of self-financing international programmes in economically productive fields.

6. The Governing Council's endorsement of proposals for the United Nations Capital Development Fund would provide badly needed grants or credits for small capital investments in promising productive enterprises, of which there was a substantial list in lower-income countries awaiting investigation. The Governing Council had authorized the use of UNDP's general resources to assist colonial countries and peoples and had approved the establishment

of a trust fund which would make it possible to utilize a number of offers of contributions for projects to assist liberation movements in Africa. UNDP continued to maintain close contact with OAU.

7. One sign of the new economic order was the growing co-operation among developing nations, a traditional field of UNDP activities. Recently, the growing reservoir of technical knowledge in those countries had provided new sources of experts with up-to-date knowledge and deep understanding of development problems. The Working Group on Technical Co-operation among Developing Countries had presented a report on the subject[1] to the last session of the Governing Council. As a result, a special unit was to be created within UNDP to facilitate the exchange of information and to promote new forms of co-operation. Furthermore, resident representatives had been given the responsibility of assisting efforts of individual countries to participate in sub-regional, regional and interregional programmes. The Governing Council had also proposed stronger ties with the regional economic commissions and had encouraged their participation in the planning and execution of regional projects. A close working relationship had already been established between ECA and the UNDP regional representative in Addis Ababa.

8. The growing willingness of developing countries to contribute to each other's progress had been shown by a number of OPEC member countries which were embarking on substantial assistance programmes of their own in addition to being ready to participate fully in multinational work and to assume the status of net contributors to UNDP. UNDP, for its part, was prepared to make available to them its experience in project planning and implementation.

9. In view of the fact that the nature and modalities of technical co-operation were rapidly changing, the Governing Council had discussed suggestions which went beyond the traditional forms of technical assistance, while keeping in mind the basic aim of improving the skills of the recipient country. It was evident that, as had been the case in the current decade, new problems and challenges would emerge in the 1980s. In its efforts to determine the future shape of technical co-operation, UNDP would draw upon its past experience of development practices in nearly 120 countries and upon the in-depth study of its country programming which was under way. He had welcomed the proposal to convene a meeting of ministers and senior officials responsible for development co-operation in both recipient and donor countries. Meeting in conjunction with the summer 1975 session of the Governing Council, they could provide helpful direction in the planning of technical co-operation for the next decade. Such a meeting might make a constructive contribution to the 1975 special session of the General Assembly, which was likely to prove of outstanding importance to the global development effort.

10. Mr. FRAZÃO (Brazil) said that the Economic and Social Council was meeting at a uniquely complex and challenging moment in contemporary economic history. It was evident from the Secretary-General's review of salient features of the world economy (E/5521, chap. I), that the events of the previous 12 months had exacerbated trends which had already been detectable in July 1973, when the Council had conducted the first review and appraisal of the International Development Strategy. Although in 1973 there had been a general increase in output of 6.7 per cent and an above-average over-all performance by the developing countries, the cycle of global economic growth had passed its peak. Economic performance among developing countries had varied significantly; in particular, the pace of industrial growth in African countries members of ECA had slackened, while, for the second consecutive year, there had been reduced harvests in that continent owing to drought. The improvement in the terms of trade for commodities had been considerably offset by currency depreciation, monetary instability and inflation exported from the developed countries. Furthermore, the prices of foodstuffs exported by those countries had risen more rapidly than foodstuffs sold by the developing countries.

11. One of the most striking features of the world economy in 1973 had been the increase in petroleum prices, the initial impact of which had been more easily absorbed by the developed economies. The economies of petroleum importing developing countries were much more vulnerable because their investment growth rate largely depended on their external sector, and their terms of trade were now penalizing their imports of capital goods, essential raw materials, services and commercially acquired technology.

12. Another feature of the world economy in 1973 had been generalized inflation in developed market economies which had been largely financed by its transfer to the already hard pressed developing countries. The outcome would be an increase in the external indebtedness of the developing world unless the world economic community devised measures to shield all its members from the impact of current economic trends. It was to be hoped that the anticipated deflationary measures in the industrialized countries would not take the shape of restrictive commercial policies and greater restrictions on the flow of capital resources to the developing countries.

13. The international community's first concern at the present juncture should be to establish co-operative schemes based on a careful investigation of areas of coincidence and convergence of interests. The members of the world community were acquiring a pragmatic sense of interdependence and his Government was convinced that the world community would be capable of implementing a global strategy for over-all development and prosperity. Although far from perfect, the International Development Strategy, with its quantitative targets and qualitative parameters, had been a great step forward. The sixth special session of the General Assembly had taken over the work of review and appraisal started in 1973 and had opened up new horizons in adopting the Declaration and Programme of Action on the Establishment of a New International Economic Order. It now lay with the United Nations system, under the policy guidance of the Council, to translate the principles and broad directives laid down by

[1] UNDP, document DP/69.

the General Assembly into a comprehensive, well-articulated strategy, with tasks and targets clearly defined and supported by a substantive pluri-annual programme which would link the whole United Nations system in a single interdisciplinary operation. That should be the primary task of the Council, and the expected adoption of the Charter of Economic Rights and Duties of States, the mid-term review of the International Development Strategy and the further elaboration of the Declaration and Programme of Action should all be viewed as stages in a process which would culminate in 1975 in the special session of the General Assembly devoted to development and international economic co-operation.

14. The study by the Group of Eminent Persons to Study the Impact of Multinational Corporations on Development and on International Relations (E/5500/Add.1) had been issued at a time when the international community was in need of an unbiased, balanced and constructive appraisal of the instruments for economic development and expansion at its disposal. His delegation, fully aware of the significance of the issue of multinational corporations, was of the opinion that the Council should consider the subject at five-yearly intervals, or more frequently, and that the task of advising the Council, through either an *ad hoc* body or a permanent commission, should be performed by government representatives, on the basis of a clear mandate. Should the Council opt for permanent machinery, which would have as its first task review of the recommendations set out in document E/5500/Add.1 (part I), he wished to express his delegation's concern about possibly premature action by the international community in the direction of establishing a general agreement on multinational corporations along the lines of GATT. The Council's first concern should be to collect and evaluate sufficient information to provide a basis for decisions by the international community. Such decisions should, during an interim period at least, normally take the form of possible recommendations which could gradually evolve into a *de facto* code of conduct. Such developments could be greatly facilitated by the creation of a research and information centre, as recommended by the Group of Eminent Persons. Experience could lead to more complex and legally-binding instruments, without prejudice to the sectoral arrangements resulting from negotiations in process or envisaged within the United Nations system. Referring to paragraph *(d)* of the proposed terms of reference of the commission on multinational corporations (E/5500/Add.1 (part I)), he expressed doubts about the wisdom of placing the "work leading to the adoption of specific arrangements or agreements in selected areas" in the hands of a commission, thus by-passing the specific and pragmatic experience of sectoral bodies and their accepted jurisdiction. The work referred to in that sub-paragraph should be undertaken by the Council itself and, under its over-all policy guidance, by other organs of the United Nations family which reported through it to the General Assembly. There should be no delegation of powers in such matters, nor should there be any confusion about the fields of sectoral competence.

15. The suggestion that the proposed commission should provide a forum for the presentation and exchange of views by Governments, intergovernmental organizations and non-governmental organizations, including multinational corporations, labour, consumer and other interest groups seemed to his delegation worth while in that it would constitute an opportunity for all interest groups to present their views on the many and complex issues involved. It would be wrong, however, for the interest groups to form an integral part of the commission.

16. The chapter on technology put forward no daring or even innovative proposals concerning the vital question of the commercial transfer of technology; it merely suggested mechanisms to facilitate the acquisition of concessional technology. The formulation of a code of conduct on the transfer of technology, to which UNCTAD was devoting attention, would inevitably bear on many aspects of multinational corporations.

17. For all those reasons and many others, he felt that it would be premature to formulate a programme of work until a decision had been taken on the composition and mandate of the proposed commission.

18. Turning to the question of collective economic security, he said that the debates in 1973 had thrown considerable light on the scope of the concept of collective economic security and its possible functional and institutional applications. The report of the Secretary-General on the subject (E/5529) had the merit of clarifying some issues in a pragmatic manner without prejudging developments which had yet to take shape in the political conscience of the international community and to be reckoned with by the Council. The sole purpose of the comments he proposed to make on the concept of collective economic security was to contribute to the further refinement of that concept and to the gradual extrapolation of its conceptual parameters to the universe of options, behaviour patterns and ethical objectives of a political action geared to the idea of achieving peace and security through development and prosperity.

19. While the concept of collective economic security was an offshoot of the notion of collective political and military security, the two concepts were substantially different not only in objectives but also in their external manifestations and characteristics. By stressing the relative value of security in the notion of collective political and military security, which was a refined projection of the idea of the balance of power, and by emphasizing the intrinsic value of the notion of security in the concept of collective economic security, which had as its ultimate aim the assurance of concrete situations of development and prosperity, the new study had gone a long way towards removing a continuous source of misunderstanding. That fundamental difference explained the fact that collective economic security could not be identified with situations of immobility or stagnation, since adequate levels of development and assured conditions of prosperity were essential to it. In that respect, the concept of collective economic security was incompatible with the *status quo*.

20. A second major characteristic of the concept of collective economic security, which was also less apparent in the notion of political and military security, related to the idea of interdependence. The methods and procedures for ensuring conditions of collective economic security

rested essentially on the recognition that the world economic fabric constituted a single unit where actions and measures interacted in a chain of contradictions and adjustments. Thus, the concept of collective economic security had a practically unlimited potential for the promotion of enlightened co-operation for development and prosperity.

21. Referring to the comments which he had made at the spring 1973 session of the Council in connexion with the Secretary-General's previous note on the subject (E/5263) (Economic Committee, 610th meeting), he expressed regret that the new study did not develop the dynamic principle built in the idea of collective economic security as an instrument and a lever for development. It was also noteworthy that the study omitted any explicit reference to the admission in theory and to the implementation in practice of more favourable and differentiated treatment to developing countries which was the logical counterpart if not the very condition, of the application of the equity function as long as blatant inequalities prevailed among States. It was his understanding that those considerations flowed logically and naturally from the basic accepted premises that accelerated development and sustained prosperity were complementary processes and that it was intellectually inadmissible and practically inconceivable to preserve and safeguard the dynamics of prosperity by isolating poverty.

22. Accordingly, collective economic security, conceived as a global approach to present-day economic problems, had of necessity to lead to preferential arrangements in favour of the developing countries, to processes of development capable of ensuring the international economic equity envisaged as a fundamental aspect of the new international economic order. It was necessary to give unequal treatment to unequal countries, in other words to provide a global economic structure that accelerated the full economic development of all the areas of the world. Collective economic security thus meant collective economic security for development. Brazil would strongly oppose any attempt by any developed countries to transform that concept, which was geared to change, into an instrument for freezing the existing power and economic structure, in defence of their one-sided views of world order.

23. His Government hoped that the revision of the International Development Strategy in 1975 would be largely based upon and influenced by the new perspective and priority of the aims of development co-operation that emerged from the concept of collective economic security. That concept should provide the gauge to measure aspirations and to evaluate successes and possible shortcomings at the 1975 special session of the General Assembly devoted to development and economic co-operation.

24. There was a direct link between the concept of collective economic security and the goals of regional integration and economic co-operation among developing countries. Both ideas acquired a new political dimension when seen in the broader framework of a concept which ensured an ethical foundation and a practical motivation for the endeavours of States, linked by geography or other factors, to attain conditions of collective development and prosperity with justice. There again the concept of collective economic security was the ethical norm that ensured equity across the boundaries of power. That concept of collective economic security was already finding expression in Latin America in many initiatives.

25. There seemed to be a link between the quest for collective economic security, the attempts to define the economic rights and duties of States and the wishes of many Governments to set up an international trade and development organization which would, *inter alia,* provide a new global approach to such vital questions as the transfer and creation of technology as a tool for development.

26. The Council would have to decide how it would treat the question of collective economic security. Its task would seem to be to activate and perfect the policies, instruments and programmes of economic co-operation through the judicious application of the new perspectives that the goal of collective economic security could provide. The Council's purpose should be to make that goal an integral part of its daily routine of assessing the present and laying the foundations for the future in the field of international economic co-operation. The elaboration of the Charter of Economic Rights and Duties of States might well represent a milestone in the institutional functions of the concept. As another practical application of the concept the Council might decide to establish permanent machinery for dialogue and negotiation at a high policy level. On the operational front, the revision of the International Development Strategy and the implementation of the new Programme of Action should provide ample scope for the enlightened application of the concept.

27. The Council's role at the present time was to provide, at the policy level, the conceptual synthesis of often conflicting trends. It had to screen the many options available and produce an acceptable common policy denominator. It was no longer possible to indulge in a sceptical attitude of "wait and see", nor could the Council merely try to mend superficially a fabric of international economic relations that was irreversibly worn out. The call to action by the sixth special session of the General Assembly could not have been more pressing. It was imperative that the new international economic order should be not only new and orderly but that it should provide the bases for greater and sustained development and provide a catalogue of real benefits for all. What was at stake was the case for economic co-operation as a rational way out of the world's economic and financial difficulties.

28. Mr. SCALI (United States of America) said that over the past year the United Nations had seized the opportunities which the improved relations between East and West had created for it to show that it was capable of carrying out its primary role of world peacemaker and peacekeeper. The war in the Middle East had been the severest test which the United Nations had faced in recent years; it had proved equal to the challenge and had played a key role in directing the new spirit of genuine conciliation among the peoples of the area towards concrete results. Each step forward had been made with and through the United Nations, bilateral and multilateral diplomacy

moving forward hand in hand to achieve much more than either could have done alone.

29. While the world was in consequence more peaceful than it had been a year earlier, unfortunately it was not more prosperous, yet it was as necessary to free mankind from fear of hunger, poverty and disease as to free the world from the scourge of war.

30. The world economic situation had worsened during the past year because of accelerated inflation, shortages and feared shortages of key commodities. With those had come a massive shift in established trade patterns and monetary flows. Economic growth had slowed down in many industrialized countries. Some developing countries had suddenly found themselves in a position to profit from that situation but others faced economic collapse.

31. The United States of America had responded to the combined economic and financial problems by monetary and fiscal measures to restrict inflation and by increasing its production of key commodities, particularly food. It was now considering what further steps it should take, in co-operation with other countries, to meet the emergency needs of those nations which were unable to withstand the new pressures which 1974 had brought.

32. While most nations faced soaring inflation and widening balance-of-payments deficits, there was no world-wide depression. It had to be recognized, however, that an orthodox response to those problems could lead to such a depression.

33. One of the prime moves by the United States to control inflation had been to expand the supply of critically needed raw materials, although it had known that that policy would result in lower prices for its agricultural products. It hoped that other States would likewise combat inflation by making increased supplies available at reasonable prices rather than by adopting or maintaining a policy of artificial shortages and higher prices. In the long run it was in the interest of both producers and consumers to avoid a "boom and bust" market. To that end, adequate and regular supplies of raw materials would have to be made available at stable and fair prices. That required better prediction of future needs and future availabilities of various commodities. The United States representative at the sixth special session of the General Assembly had proposed that an international group of experts, working closely with the United Nations Secretariat, should immediately undertake a comprehensive survey of the earth's non-renewable and renewable resources. The Assembly had referred that proposal to the Economic and Social Council (E/L.1599, draft resolution II).

34. The sixth special session of the General Assembly had been called in response to the serious economic situation. Although its agenda had specified a concern with raw materials, there had been little discussion and no agreement on whether the price of key materials was too high or too low or whether the supply of those raw materials should be expanded or reduced. There had been clear recognition, however, that some nations were in no position to pay sharply higher prices for food, fuel and fertilizers.

35. The United States had been unable to accept all the recommendations of the special session but it had made clear its willingness to join with others in meeting the emergency needs of those countries hardest hit by the latest economic crisis. As the world's largest producer and exporter of food, it had felt morally obliged to remove all restrictions on food production, thus increasing supplies and bringing prices down to more reasonable levels.

36. As world food production depended, *inter alia* on factors outside man's control, it was necessary to be prepared for good and bad years. The United States accordingly supported the proposal made by the Director-General of FAO that an international system of national stockpiles should be established (E/5477, para. 3). It was willing to participate in such a system and to rebuild its own food reserves, provided other States were prepared to do the same.

37. While food prices were declining, the prices of other critically important commodities were not. The United States Government would respond to the appeal made by the Secretary-General of the United Nations for emergency assistance to the countries hardest hit by rising prices of key commodities. Its assistance would be provided through both bilateral and multilateral channels. The United States Government hoped to announce a new world-wide food assistance policy within the next few weeks. The United States House of Representatives had just approved a new allocation of $1.5 billion to IDA.

38. Food production depended directly on production of fertilizers, which in turn was linked to petroleum production. The new high yield "miracle" seeds specifically needed petroleum-based fertilizers. The importance of those fertilizers for countries living near the margin of starvation, where even a small reduction in yields could produce intolerable consequences, was obvious.

39. One of the principal tasks of the forthcoming World Food Conference would be to examine that problem and to recommend medium and long-term measures to prevent fertilizer shortages in the future. It was recognized, however, that the urgency of the current shortage also required short-term action before the World Food Conference took place. Congress had therefore been asked for a substantial increase in United States bilateral aid for food production, including fertilizer assistance. As part of that expanded programme, the United States would be prepared to increase its concessional financing of fertilizer purchases in appropriate cases where developing countries were able to find supplies but were unable to pay for them. United States fertilizer plants were operating at near capacity to meet the demand created by greatly increased food production in that country and others. Although the United States fertilizer industry had traditionally served a primarily domestic market, his Government was fully aware of the urgent need of some developing countries for increased supplies, to which it would respond as far as possible. As part of its bilateral assistance programme, it was offering technical assistance to developing countries in which fertilizer plants were operating below capacity. It was prepared to help in improving the efficient use of fertilizers and to contribute to planned research into their

use, particularly in tropical soils with great potential for increased food production.

40. Countries in the drought zone of Africa whose economies had been weakened by famine, massive population movements and resultant unemployment were among those least able to withstand recent economic pressures. The United States had fulfilled the pledge it had made at the Council's fifty-fifth session (1860th meeting) to assist those countries and was happy to note that others too had responded. It had donated $129 million in food and other assistance to the six drought-stricken countries of the Sahel and had made nearly $18 million in emergency assistance available to Ethiopia. More than 500 million tons of American food had been provided for drought victims. The United States had also assisted in providing aircraft and other forms of transport and in constructing rural roads to ensure that the food reached the needy.

41. One particularly encouraging aspect of international response to the African drought was the growing public concern in many countries for the victims of the tragedy. He had worked closely with private American citizens who were giving generously of their time and skills to provide assistance and to rouse world public awareness to the scale of the crisis, which threatened 25 million people with starvation. The extent and duration of the tragic drought appeared to be increasing and it might be wondered whether the world was not, in fact, witnessing a major climatic change which could leave much of the continent of Africa uninhabitable. He was happy to note that WMO had begun to investigate the problem as recommended by the United States Secretary of State.

42. In 1973, (1865th meeting), he had expressed the hope that the United Nations might better co-ordinate its efforts in all fields and had observed that, since 90 per cent of the United Nations resources were devoted to the economic and social area, it was the Council's primary responsibility to see that the money was well spent. There was unfortunately continuing evidence of a tendency to substitute new bureaucracies for new ideas. Energy, time and talent continued to be wasted in the creation of new institutions when what was needed was more effective and united action on the part of existing ones. His Government agreed with the statements of the Directors-General of UNESCO and FAO in that respect. An example of the needless urge to proliferate was the recommendation of the recent special session of the General Assembly on the establishment of yet another development fund. The time and efforts of the Assembly could better have been spent in seeing that more money was made available through existing channels.

43. The forthcoming review of the United Nations system in preparating for the special session of the General Assembly in 1975 should be a penetrating evaluation which should not overlook the need for radical surgery and should not hesitate to indicate, for example, which United Nations agencies had outlived their usefulness or failed to measure up to their assigned tasks, which agencies could best be cut back and which expanded. Every agency inevitably believed that it did not require radical reform and that the surgery should be performed elsewhere.

44. In order to enable existing United Nations institutions to produce better results, the United Nations itself must improve its capacity to evaluate the full range of performance by all. It should establish information systems which would allow the Secretary-General, his top advisers and Member Governments to know exactly what the United Nations was doing. Only with such evaluation and information tools would it be possible to identify the agencies with an excessive, and those with a minimum, bureaucracy. Leading representatives of United Nations agencies should be more directly involved in the discussion and in the resolutions on key issues in United Nations forums. The United Kingdom representative had rightly observed that the specialized agencies should participate earlier and more actively in the formation of United Nations policy in order to be in a better position to implement it.

45. Another example of the kind of proposals which led to the unnecessary proliferation of institutions were those resulting from the recent report of the Group of Eminent Persons on the role of multinational corporations on development and on international relations. While it considered that Governments and multinational corporations alike could profit from a closer examination of their respective rights and duties, his Government felt that the work should be carried out, under the Council's responsibility, within the present United Nations structure, and that it should be staffed from within the United Nations Secretariat. The report of the Group of Eminent Persons was in some respects disappointing. While there appeared to be great emphasis on the need of Governments for assistance in dealing with the multinational corporations, little consideration was given to the possibility that the corporations might need help in dealing with Governments. There was much discussion of the duties of multinational corporations towards their host Governments, with too little attention to the reciprocal obligation of States which accepted foreign investments.

46. The United Nations had recently concentrated increasing attention on the concerns and needs of developing countries, a trend which had been highlighted at the sixth special session of the General Assembly. The emphasis on development would continue through the Council's present session and would culminate in another special session of the General Assembly in 1975. He hoped that in the process members would not lose sight of the realities. Streamlining the structure and revising the priorities of the United Nations would have, at best, a marginal effect on global development. The key decisions would continue to be national ones.

47. The crucial question facing the world was not what channel would be used to assist nations facing imminent economic collapse, but whether sufficient assistance would be forthcoming through any channel. Those able to help had a moral obligation to do so. The world was waiting and watching and countries would be judged not by what they said but what they did to provide emergency assistance to those who needed it most.

48. His delegation had been deeply disturbed by the gloomy forecast by the representative of the World Bank of continuing massive inflation, as a result of which no

improvement in the living standards of most of the world's developing nations could be expected during the present decade. A staggering loss of scarce foreign exchange was forecast for those countries least able to afford it, in order to pay the new higher prices for basic commodities, between 80 and 90 per cent of the extra cost of which was due to the increase in petroleum prices. The Council would benefit from further information from the Bank's experts on where the massive shift of money in the world was going. It was of critical importance to know, for example, whether it was true that oil-producing countries, if the present price structure remained unchanged, would have accumulated about $60,000 million by the end of 1974 and up to $140,000 million by the end of 1975, with an even more staggering increase by 1976. He would be glad if the World Bank or IMF could provide such data.

49. The Council should base its actions on a clear perception of the nature of the dilemma. Extraordinary measures were needed to restore financial order. Failure to co-operate in a spirit of compassion and generosity might lead to world-wide recession or worse. To help to ensure economic survival for all, food aid must be expanded, food reserves against times of disaster must be built up, fertilizer supply bottlenecks must be removed and global food production must be greatly increased. High-level United States government officials were shaping a global food assistance policy which was to be announced shortly. His Government recognized that, for those in need, food was more valuable than money. It was firmly convinced that, in an increasingly interdependent world, only a global food policy could succeed.

50. The newly wealthy nations must act to help the less fortunate before the economic plight of all worsened dangerously. His delegation applauded the special financial arrangements already made by a number of those countries to help those in need, but the enormity of the problem and the speed with which events were moving demanded far more action. The United States called on all other States to join in the battle to free mankind from the fear of hunger, poverty and disease. One half of the world's population could not survive in peace and prosperity while the other half starved.

51. Mr. PRONK (Netherlands) said that the sixth special session of the General Assembly, which had made it possible for the United Nations to react immediately to the economic crisis, had been confronted with important changes in the world economic scene. The main problem hitherto had been the division of the world into rich and poor countries, all the negotiations and some of the decisions taken having been directed to the redistribution of wealth from rich to poor. There was now a situation in which all countries lacked supplies, some of food, others of fertilizers, capital or oil. There was now a need to redistribute limited resources for poor and rich.

52. New dividing lines had consequently appeared between oil importers and oil exporters, food importers and food exporters, and importers and exporters of fertilizers, with new groupings, changes in interests and new problems, but also with new possibilities. It was not surprising, in the new situation, that at its sixth special session the General Assembly had for the first time dealt exclusively with economic problems. The sixth special session had produced positive results not only in its adoption of the Programme of Action and of special measures but in particular in bringing about a sharp awareness of the changes in the world economic situation. He welcomed the realization that things would never be the same again. It was false nostalgia to long for what had been, particularly when that implied misery and suffering for two thirds of the world's population.

53. The Council's task was to carry on from where the General Assembly had left off at the sixth special session and to prepare for the next special session, deciding on the selection of subjects, determining procedures and fixing time schedules.

54. The world scene had changed. Prices of many commodities had risen steeply, the rate of inflation had increased and shortages in many parts of the world, such as Africa and Southern Asia, had become more acute. The central problem had, however, remained basically the same problem of the enormous differences in power and in levels of economic development between States and between individuals. That fact should be kept in mind in tackling the present situation. Nothing fundamental could be achieved without real changes in the distribution of power, income and property.

55. The oil crisis had confronted people in the rich part of the world with a scarcity of raw materials – a new phenomenon for them but a normal experience for the poor two thirds of the world. The shortages had hit the rich countries at an exceptionally high level of prosperity. Though resulting in problems such as inflation and balance-of-payments deficits, such difficulties were relatively easy for the rich to overcome. No real difference could be observed in the situation in America or Europe without delving deeply into statistics, but the situation was fundamentally different for the poor countries, for which deficits in the balance of payments could be disastrous. Even a small deterioration in their economies affected the every-day life of millions of people. It was therefore essential to ensure that the developing countries should suffer no setback.

56. The argument of the rich countries that in the field of commodities the sovereignty of the producing countries should be conditioned by a regular supply of commodities to importers now applied both ways. Steps now had to be taken to ensure the supply of essential commodities, particularly food and fertilizers, to the peoples of the developing world.

57. For all essential commodities arrangements had to be made to secure the rights of both producers and consumers. In the case of food grains and fertilizers the best arrangement might be a planned surplus production system, which would enable the food position of the poor countries to be improved. For oil and other minerals, long-term world-wide agreements should be worked out covering production, supply and prices. Such a commodity policy should be aimed at ensuring that the commodities were sent where they were most needed. Stock building and distribution

agreements for capital, the most important commodity of all, must also be concluded.

58. While interest groups such as multinational corporations could contribute to the negotiation process, all decisions on scarce commodities should be taken by Governments, which, as representatives of the people, had a duty to agree on measures for the welfare of the people. Massive interests were too often delegated to suppliers of capital whose principal aim was to maximize their return on investment.

59. The Netherlands Government had decided to contribute $30 million to the emergency operation launched by the General Assembly at the sixth special session. Of that sum, $20 million would be made available by way of an additional budget allocation in 1974. The EEC had decided to make a contribution on condition that countries outside the Community participated also, but in view of the urgency of the situation the Netherlands Government would contribute without such conditions. Larger sums would be required in subsequent years and the Netherlands was prepared to contribute its share to the long-term programme.

60. There was increasing realization of the fact that it was no longer justifiable to concentrate exclusively on the long term. Anyone pursuing long-term policies was in danger of forgetting present tragedies and of doing nothing about the hundreds of millions of children who would be mentally and physically blighted for the rest of their lives because they had insufficient food now. That situation could not be allowed to continue. Famines in Africa and Asia had drawn greater attention to the immediate need but there was much more at stake: continued misery, mass malnutrition and lack of any decent housing in large parts of the world. Those were immediate, pressing problems which could no longer be shelved. A new component of programmes and projects designed to settle immediate needs directly should be introduced into development policy. The developing countries themselves were bringing that point up increasingly and the rich countries would have to respond by making assistance available for immediate needs more systematically.

61. The President of the World Bank had mentioned employment projects as a possible contribution. WFP had begun to give emergency relief in addition to its projects in which foods was used as wages. It was necessary to go further in developing new concepts and formulating new plans. What was needed was a policy and a plan of action for dealing with recurrent urgent situations. He had in mind a United Nations economic emergency force capable of dealing with all kinds of urgent and immediate needs, possibly based on the same kind of contingency planning that had strengthened United Nations peace-keeping operations. Such a policy and plan of action need not and should not affect long-term planning and development. The Governments of developing countries were often hardly able to carry out any long-term policy because their immediate needs absorbed all their strength, capital and goods. There should be no inconsistency between action to meet immediate needs and long-term development.

62. In its budget for 1975, the Netherlands Government would make available about $100 million for programmes and projects directed to relief of immediate needs. Part of that money might be used for financing such multilateral emergency operations.

63. There would be little point in holding another special session of the General Assembly unless a number of agreements could be concluded. There was no need for still more strategies or declarations. The requirements of the long-term problems were already well known.

64. The structural changes in the United Nations system which the special session in 1975 was required to initiate had to be rather far-going. The existing system had been unable to cope with the requirements of the changing economic and political relationships. Those changes had to be reflected in the instruments for negotiation and decision. Without such adaptation more and more decisions would be taken outside the United Nations system and that would place the United Nations outside the present world reality.

65. In the discussion on collective economic security new concepts had emerged and new trains of thought had been developed with respect to the decision-making process. The aim should be to set up a collective economic security system based on the Charter of Economic Rights and Duties of States, to which any country whose economic interests were affected or injured could have recourse. Under the Charter, the Council should adapt its working methods to enable it to carry the economic security system into effect.

66. The accelerating rate of world-wide inflation was a matter of great concern to all. At its present session the Council might, complementary to work going on elsewhere, especially in IMF and its Committee of Twenty,[2] initiate studies, perhaps by a new group of eminent persons, on certain aspects of that problem, including particularly the non-monetary aspects. Certain ideas on how to deal with inflation through internationally concerted action, including indexation, might be explored. His delegation would be interested in the reactions of other delegations to that suggestion.

67. Recent events had shown that a new economic order, for the creation of which the next special session of the General Assembly was to be convened, was indeed what was needed. The new phenomenon of scarcity and stagnation in development in the poor part of the world made far-going steps necessary. Scarcity had emphasized the unreasonably high percentage of world resources being used by the rich countries. The continued economic growth of those countries and the continued increase of population in most parts of the world together contributed to a deterioration of conditions in most of the less developed countries.

68. Changes were needed. Population required to be limited, particularly in the rich countries, in order to reduce the share of those countries in the use and consumption of

[2] *Ad hoc* Committee of the Board of Governors of the International Monetary Fund on Reform of the International Monetary System and Related Issues.

natural resources. Family planning had so far largely failed. New policies and concepts needed to be formulated and the World Population Conference should take up the challenge.

69. Economic growth in the rich countries should also be scrutinized. A limit had probably to be set to economic growth in the sense of production of material goods. It was not yet known how to settle that new but inescapable problem.

70. Scarcity had also brought about an awareness of the importance of ecological factors, not only in the sense of human welfare but also as elements of production. There was a growing gap between the ever-increasing knowledge of economy and technology and the baffling lack of insight into human, biological and ecological processes. The next special session should seek ways and means of bridging those gaps. The ecological approach should be added as a new element in the unified approach to development next to economic and social development.

71. Development required new relations between rich and poor countries. The report of the Group of Eminent Persons dealing with problems of multinational corporations supplied guidance for future policies with regard to multinational corporations. The Council at its present session should take up the recommendations of the Secretary-General and translate them into practical measures.

72. Development also required increased efforts by the poor countries themselves and large-scale debt relief and aid by the rich countries. It required new trade policies and many of the measures proposed in the Programme of Action adopted at the sixth special session of the General Assembly.

73. In discussing schedules, procedures and programmes and their acceptance or otherwise, the Council was in fact discussing whether or not to redistribute happiness and suffering in the world. Procedures, schedules and programmes could be smoke-screens behind which to hide, but they could also be instruments for a real, positive policy. It was in that sense that his suggestion had been put forward.

The meeting rose at 12.45 p.m.

1902nd meeting

Thursday, 4 July 1974, at 3.15 p.m.

President: Mr. A. KARHILO (Finland)

E/SR.1902

AGENDA ITEM 3

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

1. Mr. BERLIS (Canada) said that Canada was not unresponsive to the needs of developing countries, whose circumstances had significantly worsened in the current economic situation. The Canadian delegation had supported section X of the Programme of Action on the Establishment of a New International Economic Order dealing with special measures and particularly emergency measures, at the special session of the General Assembly. Canada had responded to the Secretary-General's recent appeal concerning those countries' urgent needs by pledging a contribution of $276 million to the replenishment of IDA and had decided to increase its regular contribution to the programme of development assistance for 1974-1975 by $100 million specifically for the countries in most serious need. Canada had, too, pledged an amount equivalent to $300 million to the IMF special facility to assist countries in payments difficulties resulting from the increased costs of imports of petroleum and petroleum products. That having been said, it was obvious that those short-term needs were symptoms of longer-term problems and that the present situation triggered by the oil price increases of the previous autumn threw into stark relief long-existing economic problems in the area of inflation, employment levels and international trade and investment.

2. The international community had accepted responsibility for trying to come to grips with those basic problems, as evidenced by the ongoing work by many bodies in the United Nations system, and particularly by the holding of a special session of the General Assembly on raw materials and development. The Canadian delegation believed that the Council should ensure that the negotiations and discussions in the various agencies and organizations of the system proceeded in an orderly and co-ordinated manner. It should use the established machinery for international co-operation, and it should work to adjust and improve that machinery.

3. To achieve that the Council must concentrate its efforts and set priorities for its own work. His delegation therefore welcomed the focusing of the general debate on certain items of the agenda, and believed that item 4 (Programme of Action), item 8 (multinational corporations) and item 14 (Second Development Decade) should be given special attention because they encompassed a number of other related and important questions such as permanent sovereignty and science and technology and provided a basis for the consideration of the most pressing problems before the Council, largely subsuming the agenda item on collective economic security.

4. The Programme of Action covered a very wide spectrum and posed thorny problems which would not be easy to settle, in view of the fact that the decision on the Declaration and Programme of Action had not been taken without reservations by a number of delegations, including that of Canada. Nevertheless, there had been substantial support for the basic objectives of the special session, namely an acceleration in the rate of development in developing countries and a more equitable distribution of the world's economic resources.

5. There had already been some encouraging signs since the end of the special session, especially on the monetary front. The agreement reached at the Committee of Twenty meeting in June had shown that IMF was capable of negotiation on complex monetary problems; the oil facility and the extended Fund facility, as well as the guidelines on floating, clearly displayed willingness on the part of a wide variety of nations to co-operate in order to solve their current problems.

6. The report of the Committee on Science and Technology for Development on its second session (E/5473) was yet another encouraging sign. One of the main questions considered by the Committee was the transfer of technology; since that essential component of the Programme of Action was also one of the most important concerns of the UNCTAD Intergovernmental Group of Transfer of Technology of UNDP and of WIPO, obviously some co-ordination should be established among those bodies, and the Council should assume responsibility for it.

7. With regard to trade, detailed preparations were going forward for the forthcoming negotiations on trade liberalization within the context of GATT, whose members and secretariat were ready to move in the direction of the legitimate needs of developing countries.

8. The question of multinational corporations had been attracting the increasing attention of Governments, individuals and institutions for several years, and in its report (E/5500/Add.1) and the Group of Eminent Persons which had been asked to examine the matter was stressing its gravity and urgence. In his address to the special session of the General Assembly on raw materials and development (2211th plenary meeting) the Secretary of State for External Affairs of Canada had affirmed that his country favoured the establishment of machinery to ensure that the decisions of multinational business corporations were consistent with the national interests of the countries within which they operated and that it defended the right of capital-importing countries to define their terms for the acceptance of foreign investment. Canada was wedded to those principles and was ready to give attentive consideration to the recommendation in chapter III of the Group's report calling for the establishment of machinery to assist the Economic and Social Council in its deliberations on the contemporary and pressing questions raised in the report. Its recommendations should be debated by the Council; but Canada would refrain from going further into the substantive questions raised in the report without taking time for its further analysis. Canada also considered that the terms of reference for any body to study the subject, whether it was the Council, UNCITRAL or the proposed commission, should be carefully considered, since it would determine an international course of action for many years to come. Canada welcomed the substantial achievement of the Group of Eminent Persons in its report, just as it had been in favour of the notion from the outset.

9. As to the preparations for the appraisal of the International Development Strategy for the Second United Nations Development Decade, it was to be hoped that lessons would be learned from the difficulties encountered in the first appraisal; the Secretariat and the various parts of the United Nations system should, in his view, take a larger share in the preparations; the reports and comments of the various elements of the system should be produced in sufficiently good time and in a more digestible and comprehensive form than they had been during the first appraisal; if delegations and organizations were prepared to make the necessary effort, the result could supply significant impetus to the global development effort.

10. The pursuit of the objectives which would have to be attained during the coming months should not deter the Council from considering the other important items on its agenda; but such consideration called for the greatest self-restraint if the Council was to prepare the 1975 special session properly. Canada would do its utmost to assist the Council in its current deliberations to produce positive results.

11. Mr. SAITO (Japan) said that shortages of raw materials and food, inflation, monetary instability and the deterioration in balances of payments created problems of an unprecedented nature and magnitude for the world community today. In seeking solutions to those problems, it was necessary to take account of a situation which changed from day to day, and to approach them from a global standpoint. In that context, his delegation attached great importance to the Declaration on the Establishment of a New International Economic Order, adopted by consensus at the recent special session of the General Assembly, and to the Charter of Economic Rights and Duties of States now being formulated within UNCTAD.

12. In order to deal effectively with those global and often urgent problems, the Council must strengthen its functions with a view to mobilizing the expertise and resources of the various organs of the United Nations system, giving guidelines to those organs, and co-ordinating their activities. It must also establish its own procedures for the timely consideration of major problems as the need arose. The information and analyses provided by the regional economic commissions could be extremely helpful to the Council in considering those problems at the world level.

13. The present level of inflation was the highest the world had known since the end of the Second World War. If it was not bought under control it would lead to unacceptable social injustices and would undermine the very basis for the harmonious growth of the world economy. In view of that situation, every nation should accord the highest priority to stabilizing prices, in particular, by applying a demand management policy supported by fiscal and monetary measures. His country, which was almost totally

dependent on foreign countries for its supplies of oil and other raw materials, had taken a series of measures to reduce consumer purchasing power, stabilize prices and combat inflation psychology. Those measures had proved effective and Japan intended to maintain its anti-inflation programme in the coming months.

14. The recent increases in the prices of oil and other raw materials had created a fear, in some developed countries, of large balance-of-payments deficits in the years ahead. However, those countries should not resort to arbitrary measures in order to remedy that situation, for to do so would only cause further imbalances in the world economy. At a meeting towards the end of May, the Council of OECD had requested that for a period of one year, members of the organization should refrain from imposing new restrictions on trade or other current transactions, and from stimulating visible and invisible exports artificially. It was also to be hoped that the undertakings contained in the Declaration on the Establishment of a New International Economic Order would help to spare the most seriously affected developing countries still greater hardships.

15. International co-operation to reduce restrictions in world trade were made still more necessary by the present economic situation. In that context, multilateral trade negotiations took on an added importance. His Government would continue its efforts to ensure that such negotiations were conducted in the spirit of the Tokyo Declaration of Ministers[1] issued at the end of the GATT ministerial meeting in the autumn of 1973, taking full account of the special interests of the developing countries.

16. With reference to the World Food Conference, which was to take place shortly, he said that his Government accorded high priority to the question of establishing a system of assessing world food supply and demand, stabilizing food supplies and providing agricultural assistance to developing countries.

17. International investment had come to play an important role in the world economy. The value of the industrial production of enterprises financed by international investment exceeded the total value of international trade and contributed greatly to the development of the world economy. Against that background, it was opportune that the Council had before it the report of the Group of Eminent Persons for considering the question of multinational corporations in depth. Japan supported, in principle, the Group's recommendation concerning the establishment of a permanent commission under the Council, and deemed it desirable to study the possibility of establishing a code of conduct for those corporations.

18. Turning to the question of international monetary reform, he recalled that the Committee of Twenty had decided that the Interim Committee of the Board of Governors of IMF should reconsider the question of establishing a link between development assistance and the allocation of SDRs. His country had adopted a sympathetic attitude to the developing countries' views on that question, and he hoped that the Interim Committee would actively consider the possibility of establishing such a link. Also, it was advisable that there should be consultation and co-operation between oil-importing countries which were short of liquidity, and oil-exporting countries which were exposed to volatile movements of the liquidity they had accumulated.

19. Although Japan was one of the developed countries which had been hardest hit by the present economic situation, it intended to make the greatest possible development assistance effort. In 1973, the value of its assistance had amounted to $5,844.2 million, or more than double the 1972 figure. That amount had represented 1.42 per cent of the Japanese GNP, and was well above the 1 per cent target laid down by the United Nations. The budgetary appropriations for official development assistance in the financial year 1974 showed a 27.4 per cent increase over 1973.

20. On the subject of the emergency operation launched at the sixth special session of the General Assembly on behalf of developing countries most seriously affected by the current economic crisis, he announced that his Government had decided to provide emergency relief assistance to those countries in the form of commodity aids, debt relief, grants, etc., to the value of at least $100 million over and above the amount of aid it had given those countries in the past twelve months. His Government had also decided to contribute $495 million to IDA. In the current year, it had also substantially increased its contributions to UNDP ($16 million, including $2 million for the least developed countries), to WFP ($1.7 million) and to the Special Fund for the Sahel ($1.8 million). He hoped that the oil-producing countries and the most advanced developing countries would also provide assistance to the countries most seriously affected by the present crisis.

21. With regard to the Special Fund established at the sixth special session of the General Assembly, his Government was prepared to participate in the examination of a specific plan for that Fund, and to contribute as much as possible when such a plan had been formulated.

22. Referring to the problems of developing and utilizing the natural resources of the earth, he expressed the hope that the United Nations Revolving Fund for Natural Resources Exploration would begin its operational activities as soon as possible. Also, at the sixth special session of the Assembly (2211th plenary meeting), his Government had offered to act as host to the fourth session of the Committee on Natural Resources. Arrangements were now being made with the United Nations Secretariat to hold that session at Tokyo, from 24 March to 4 April 1975. He hoped that the Council would approve that proposal.

23. Mr. KOTAITE (International Civil Aviation Organization) recalled that in 1973 some 630 million passengers had travelled on scheduled and non-scheduled flights of commercial air carriers. In the case of scheduled services, the total traffic (passengers, freight and mail) in terms of ton-kilometres had increased by 11 per cent in relation to 1972, the number of passenger-kilometres by 10.2 per cent, freight ton-kilometres by 16.2 per cent, mail ton-kilometres

[1] For the text, see GATT document MIN(73)1.

by 4.3 per cent and the number of passengers by 7.3 per cent. Percentage increases in 1973 scheduled international traffic over 1972 had varied considerably between regions and was particularly high in developing regions. The highest rate of increase (25 per cent) had been recorded by the airlines of Asia and the Pacific, followed by those of the Middle East (20 per cent), Latin America and the Caribbean (18.5 per cent), Europe (14 per cent), Africa (13 per cent) and North America (7 per cent).

24. Rates of growth of international non-scheduled passenger traffic had slackened in 1973 for the third consecutive year, mainly as a result of the world economic situation, the growing use of promotional fares on scheduled services, and regulatory changes. The total number of passenger-kilometres on international non-scheduled flights had risen to 102 million in 1973, an increase of 9 million over the preceding year; non-scheduled traffic had accounted for almost one-third of all international passenger traffic in 1973, approximately the same as in 1972.

25. As regard the opening of new routes and services, an important feature in 1973 had been the further development of international services between China and various countries in Asia, African and Europe; in that respect it was worth noting that the Government of the People's Republic of China had resumed its active participation as a member of ICAO.

26. 1973 had been characterized by a number of developments which had affected tourism. The year could be divided into two periods, the second of which, from October onwards, had been dominated by the fuel crisis. The first part of 1973 had witnessed a continuation of the economic growth recorded since 1971, although that prosperity had in turn created difficulties which had adversely affected international tourism: strong inflationary pressures, uncertainty resulting from the monetary adjustments of the previous year, and the adoption of floating exchange rates by many States. Potential tourists had reacted by purchasing consumer durables as a safeguard against inflation, and international tourism had suffered accordingly.

27. By the end of 1973, the fuel crisis and its impact on international aviation had been causing serious concern to countries dependent on international tourism. Airlines had been faced with sharp increases in fuel prices and had in some cases had to reduce their services. Operating profits for 1973 were estimated at $821 million, some 3.1 per cent of operating revenues as compared with 3.8 per cent in 1972.

28. The airline safety record had been better in 1973 than in 1972; the number of passenger fatalities on scheduled services in 1973 had amounted to 922 in 33 accidents, as against 1,402 fatalities in 44 accidents in 1972. Bearing in mind the volume of traffic in those two years, the number of passenger fatalities per 100 million passenger-kilometres had fallen from 0.25 in 1972 to 0.15 in 1973.

29. Acts of unlawful interference with international civil aviation had continued to affect the safety, regularity and efficiency of international air services, but new security measures had been adopted and improved safety devices and systems had been introduced for the inspection or screening of passengers and freight, etc., and the protection of aircraft. ICAO was still concerning itself with acts of unlawful interference and air transport security, particularly by keeping up to date and developing standards and recommended practices. The ICAO Council had adopted a new annex to the International Civil Aviation Convention (annex 17 on aviation security). In the legal field, three conventions established by ICAO were already in force: the Tokyo Convention on Offences and Certain Other Acts Committed on Board Aircraft, ratified by 74 States; the Hague Convention for the Suppression of Unlawful Seizure of Aircraft, ratified by 67 States, and the Montreal Convention for the Suppression of Unlawful Acts against the Safety of Civil Aviation, ratified by 56 States.

30. During the year ICAO had pursued its primary objective of ensuring the safe and orderly development of international civil aviation through technical, legal and economic studies and the adoption of appropriate international standards. Two major economic meetings had been held (Conference on the Economics of Route Air Navigation Facilities and Airports, and the eighth session of the Facilitation Division). In the technical field, 11 air navigation meetings had taken place and the ICAO Council had adopted amendments to eight annexes containing standards and recommended practices. Three meetings had been held in the legal field, including an International Conference on Air Law, and the ICAO Assembly had held two extraordinary sessions.

31. ICAO was very aware of the intensified international effort being made to tackle the problems of the developing land-locked countries. Although no funds of its own were available for economic development, ICAO was doing pre-project work for a UNDP project, which would serve as a pilot study for all regions and help to increase the efficiency of UNDP country programming. ICAO hoped that UNDP would provide the necessary funds.

32. The ICAO assistance programme had been expanded in 1973, particularly with regard to UNDP regional projects and projects carried out under funds-in-trust and cost-sharing financing. ICAO intended to continue to improve the assistance it was giving in that field.

33. With regard to the environment, the action taken by ICAO in fixing maximum limits on aircraft noise had already borne fruit in that the noise levels of many newly certified aircraft types were substantially lower than those currently prescribed in annex 16 to the International Civil Aviation Convention.

34. His organization had continued to co-ordinate its work with that of other organizations within the United Nations family, particularly WMO, with which it was working to determine future responsibility for administering the North Atlantic Ocean Stations (NAOS) Programme. In view of the relative increase in the use of the services rendered by the NAOS ships for non-aeronautical purposes and the relative fall in their use for purely aeronautical purposes, the two organizations had co-

operated closely towards the objective of transferring the NAOS Programme from ICAO to WMO as of 1 July 1975.

35. The PRESIDENT said that representatives of IBRD and IMF would now reply to the points raised by the representative of the United States at the preceding meeting.

36. Mr. HOFFMAN (International Bank for Reconstruction and Development) said he thought that the "gloomy forecast" on the short- and medium-term outlook for some of the least developed countries, which the United States representative said that he had recently submitted, must have been a reference to a short statement made at a joint ACC/CPC meeting on 1 July last. That statement was presented in the very limited context set by the agenda for that meeting – namely, how were the specialized agencies responding to the new world economic situation. He had not submitted any new evaluation of the facts or trends established by the World Bank; he had only briefly described the process the Bank was going through to adapt its operations to the new prospects.

37. The most recent effort by the World Bank to trace the general effects of the recent drastic changes in commodity prices on the resource position of various groups of countries was described in a paper issued in March 1974, entitled "Additional external capital requirements of developing countries". That paper had been made available to delegations at the recent special session of the General Assembly and the Secretariat could no doubt reproduce the paper if the Council so desired.

38. The Bank was at present engaged in updating its analyses and projections, but he could not say when and in what form the new results would be published. From the papers that he had seen, he expected that the broad conclusions about the resource position of various groups of countries contained in the March paper were not likely to have changed very much by mid-summer of 1974.

39. Mr. ZEGERS (International Monetary Fund) said that he could give projections regarding the evolution of international payments only for 1974 and for the balance of payments on current account, covering goods, services and private transfers. The figures he would be giving were, however, estimates of current account balances based on customs data which had been adjusted to take into account, *inter alia*, the delay in the recording of the data due to the time required to transport oil from one place to another.

40. So far as concerned the major oil exporters, the figures thus adjusted showed for 1974 a surplus of $65,000 million, an increase of $58,800 million as compared with 1973. That figure of $65,000 million had been based on the assumption that oil prices would remain at present levels throughout 1974 and that world supplies of oil would change very little as compared with 1973.

41. As for the second group of sixteen industrial countries listed in the IMF statistics, the 1974 projections showed a deficit of $30,300 million; that was equal to a negative shift of $40,900 million from the adjusted 1973 surplus of $10,600 million.

42. With regard to the third group of twelve countries listed in the IMF statistics as "more developed primary producers", including for instance Australia and New Zealand, there was a projected deficit of $6,400 million, i.e. a negative shift of $7,500 million, as against a surplus of $1,100 million in 1973.

43. The 1974 projection for the fourth group, that of the "less developed primary producing countries, other than oil producers", showed a deficit of $20,900 million, that was to say a negative shift of $11,800 million from the 1973 deficit estimate of $9,100 million.

44. He noted that the total of the balance-of-payments estimates that he had quoted amounted to a positive figure of $8,800 million for 1974. That was due to current account balances of countries not reporting to IMF, as well as relatively important statistical errors and asymmetries which were inevitable in estimates of that nature.

45. Lastly, he said that the projections in question had been made nearly two months ago and should be revised in the light of future developments. It was not possible at present to provide reliable estimates for 1975.

46. Mr. SCALI (United States of America) thanked the representatives of IBRD and IMF for their prompt replies. He was, however, surprised that the representative of the World Bank had not given figures which had already been made public in other meetings. He also regretted that the reply of the IMF representative concerned a single year only. But the statistics given by him – a surplus of $65,000 million for certain countries in 1974, i.e. an increase of $58,000 million as compared with 1973 – merely showed the magnitude of the financial crisis caused by the increase in the price of oil. If some countries could obtain such fabulous amounts in 1974, not to mention 1975 and 1976, that would shake the foundations of international economic co-operation. That prospect should be at the centre of the Council's discussions. Perhaps the industrialized countries would survive such cataclysmic changes, but he wondered what would happen to the less developed countries.

The meeting rose at 4.25 p.m.

1903rd meeting

Friday, 5 July 1974, at 10.10 a.m.

President: Mr. A. KARHILO (Finland)

E/SR.1903

AGENDA ITEM 3

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

1. Mr. MAHEU (United Nations Educational, Scientific and Cultural Organization) introduced his organization's report on its activities in 1973 (E/5518).

2. He referred to the UNESCO report submitted in accordance with Council resolution 1575 (L) on the results of the International Book Year (E/5468) and its contribution to the objectives of the International Development Strategy. The report endeavoured to define the national, regional and international objectives for a future world book strategy in the light of the conclusions of the regional meetings of experts which had preceded International Book Year and of the lessons of the campaign itself. Among the problems calling for an international approach, particular attention should be drawn to paragraphs 92-102 of the report, concerning the world paper shortage which affected the developing countries in particular and about which the UNESCO Executive Board had expressed grave concern. That state of affairs could have serious repercussions on the dissemination of education, information, science, technology and culture.

3. His comments would concern, firstly, the establishment of a new world economic and social order and, secondly, the strengthening and improvement of the institutional system of the United Nations to make it better able to serve the establishment and functioning of that new world order. Aware of the exceptional importance of the prospects opened up for international co-operation, he had drawn the attention of the UNESCO Executive Board at the outset of its ninety-fourth session to the Declaration and Programme of Action on the Establishment of a New International Economic Order. The Board had at once taken the matter up and, after a discussion in which great interest had been shown, had adopted two decisions: the first was to include in the provisional agenda of the General Conference an item on the ways and means by which UNESCO could contribute, within its field of competence, to the establishment of a new international economic order and to invite the Director-General to prepare a document on that agenda item for consideration by the Executive Board at its ninety-fifth session; in the second decision, the Executive Board had recommended that the General Conference should consider at its eighteenth session the means by which UNESCO, within the framework of the provisions made or proposed by the General Assembly of the United Nations or by the Economic and Social Council, could participate in the joint effort to improve the functioning of the United Nations system, had invited the Director-General to submit a report setting out his views and suggestions on the subject and had recommended to the General Conference, in the light of the discussions on the question, that it take all appropriate steps to encourage UNESCO's participation, within the limits of its competence, in the joint effort to make the United Nations system better able to contribute to the establishment of a more just, effective and fraternal world order.

4. He was not in a position at the present stage to indicate precisely what form UNESCO's contribution would take. Any decision on the subject would have to be taken by the General Conference. Moreover, until the Council had discussed the matter and made specific recommendations to the General Assembly there would remain a number of uncertainties about priorities and ways and means, particularly with regard to financial resources, and about the machinery for the participation of the specialized agencies. Any clarification provided by the Council's discussions would be extremely useful to him in drawing up the analyses and proposals which he had been instructed to prepare for the General Conference.

5. He could, however, make certain general observations on what the role of UNESCO in the enterprise might be in the light of the draft programme and budget for 1975-1976 and the table of objectives for 1977-1982. Its role in emergency assistance operations for countries most affected by the economic crisis or by natural disasters might be considered a secondary one. Not only were its methods of work little suited to that type of activity, but such action had to be undertaken first and foremost in fields outside its competence, such as financing, food and health. UNESCO could nevertheless participate in the joint effort, for example by helping to organize campaigns for mobilizing and directing public opinion. In cases of distress resulting from continuing situations or recurrent factors, emergency assistance should be accompanied by action intended not only to relieve the effects but to remedy the causes. That applied to the natural and human problems affecting the Sahelian area of Africa and other countries in a similar climatic situation. Those problems were not accidents or mere episodes. Their solution called for a sustained effort within the framework of medium- or long-term programmes, which should obviously include research in the natural, social and human sciences, together with educational and cultural action with respect to population behaviour, in all of which UNESCO was particularly well qualified to promote useful co-operation with other organizations of the system.

6. By the nature of its activities, the contribution of UNESCO would clearly be greater in the case of more or less long-term operations than in emergency assistance. Its programme and medium-term plan included numerous

undertakings, many of them in operation for a number of years, based on the same concerns as were the Programme of Action in general and the Special Programme in particular. In the latter connexion might be mentioned the activities dealing with literacy, technical training, the introduction and transfer of technology, public information and the plan to convene a Conference of Ministers of Education from the least developed countries in 1975.

7. He was convinced that the General Conference would have no major difficulty in directing the proposals prepared during the past winter for the forthcoming programme and for the medium-term planning objectives along the main guidelines defined by the sixth special session of the General Assembly. That direction was already essentially being followed. It would suffice first of all to strengthen the emphasis here and there, in the hope that the substantial additional resources which could be anticipated if the Programme of Action was to live up to its name would make it possible to give practical substance to the essentially promotional projects in the UNESCO regular programme, and then to see that those projects were further implemented through broad operational action.

8. Above all, the UNESCO contribution would relate essentially to the social aspect, the importance of which could not be over-emphasized. It was natural that the discussion at the sixth special session of the General Assembly should have emphasized economic questions and solutions, since those were the factors which conditioned all the others and since it was undoubtedly the economic crisis which had stimulated awareness of the need for a new world order. The social dimension, however, was at least as important as the economic dimension since it formed an integral part of development and of all other work for international justice. Development could no longer be reduced to mere growth, or its evaluation simply to average *per capita* income. It was essentially a human process, of which man was the means and the end. Questions of a strictly social nature such as employment or the distribution of national income were therefore at the centre of the development problem, and basic social services such as health and education were in the forefront of the needs and priority claims of the people.

9. The term "social" should moreover be understood to include the cultural aspect. Material well-being alone should in no case be taken as representing development; human dignity was at least as important as happiness, and that dignity whose conscience was culture had no meaning except in relation to those values which were the reasons for living. What was known as the "quality of life" defined that dual demand for happiness and dignity that would be meaningless without its cultural dimension, which the younger generation were increasingly regarding as the criterion of true development. Environmental problems had suddenly acquired great importance as a challenge to industrial civilization itself. Even if it was recognized that, for a number of countries whose economies were still outside the industrial civilization, growth remained essential for remedying the shortages from which they suffered, it was quite impossible, in establishing a new order of relations among developed and developing nations, to neglect the socio-cultural considerations he had mentioned. The serious cultural difficulties encountered in assisting those countries, particularly in the transfer of technology, were an ever-present reminder of that essential aspect of development problems.

10. The social element was just as much a dimension of international order as it was of national development. In speaking of dignity, he could just as well have used the word "justice", which was the overriding social objective. The desired new world order was essentially a more just order. The promoters of the sixth special session of the General Assembly had emphasized that point. International justice, however, could not be confined to relations among States: to be real it had to relate to the peoples themselves in their actual conditions, which meant that international action should be concerned with those conditions. It was impossible to be satisfied with a situation in which a State was rich and powerful and its leaders were able to express and defend their views on the world scene if large sections of its population lived in poverty, ignorance and passivity. The economic liberation of States, following on their political independence, must be accompanied by a corresponding emancipation of their peoples: that was the very definition of social progress.

11. Such should be the aim and the ultimate justification of the Charter of Economic Rights and Duties of States, and such must be the meaning of the interest which the organizations of the United Nations sytem, including UNESCO, would devote, in their respective fields of competence, to the question of the relations between the activities of multinational corporations and the autonomy and authenticity of national development.

12. Turning to his second main point, the strengthening and improvement of the United Nations system, in pursuance of Council resolution 1768 (LIV) and General Assembly resolution 3172 (XXVIII), he stated that his comments on the subject would be made in his personal capacity and would be the conclusions of his own reflections on 28 years of service.

13. A review of the system as a whole was timely and necessary. No system of intergovernmental institutions had lasted so long. Not only was it by far the most complex system that history had known, but the world had never undergone such great and rapid change as during the 30 years which had elapsed since the system had first been conceived. That was a dual reason for pondering the adequacy of the instrument for the great new tasks of the future.

14. Neither the constitutions of the institutions nor even the inter-agency agreements were in question. The humanist ideology on which the constitutions were based had lost none of its value; on the contrary, it should be adhered to more firmly than ever in the face of the divisive interests and passions threatening the human family. The agreements were formal provisions whose sole object was to serve as a framework for co-operation without defining it; only the substance of such co-operation, its guiding ideas and its practice mattered. It was in that spirit of realism that he and his colleagues in the UNESCO secretariat had endeavoured to respond in document E/5476/Add.3 to paragraph

13 of Council resolution 1768 (LIV). He was deeply convinced that the entire system of inter-agency relationships should be reviewed realistically. He accordingly withdrew the statement contained in the corrigendum to document E/5476/Add.3, which was in fact a misunderstanding and would have him say the opposite.

15. The structures referred to in the General Assembly resolution should certainly be reviewed but the functional aspect – methods of work, approaches to problems, and guidelines for the search for solutions and their application – was more important and should be studied closely in a critical and realistic spirit which was open to innovation.

16. The capacity for synthesis in the existing system should be strengthened and improved. The analytical treatment of problems, from the point of view of thought and action, and consequently the performance of the various institutions in the system, considered separately, were in general highly satisfactory. On the other hand, the ability of the system to conceptualize and act as one left much to be desired. A serious effort should be made without delay to overcome its defects if it was desired that the system should be capable of adequately performing the tasks whose synthesis should fall to it in the establishment and functioning of a new international economic and social order.

17. The functions of synthesis of the system should be exercised above all in the recognition of situations and problems and in the definition of objectives embracing specialized activities in the various aspects of those situations and problems. For that purpose, the system should be equipped with permanent central machinery, both for the collection and synthesis of information and for the formulation of objectives and strategies. An organ for information collection and forecasting and a technical staff, both of high quality, were needed, to be at the direct disposal of the Council to provide all the necessary data on which to base its decisions as well as guidance for their implementation, care being taken to ensure that such machinery was not viewed as being apart from or above the system. The participation of most, if not all, of the system's components in those organs was essential.

18. The effective co-ordination of efforts in so diversified a system could be achieved only by concerted programming of medium-term plans. Short-term projects required a different type of co-operation which would vary according to the situation and for which there was no need to formulate general principles. It was fortunate that for some years many specialized agencies, in particular UNESCO since 1969, had been committed to medium-term programming and had thus achieved the necessary basis for methodical concerted action. In that connexion, he drew attention to the ACC report (E/5488), which on many points coincided with suggestions in the report of Inspector Bertrand on medium-term planning in the United Nations system.[1] Once the questions and problems of general methodology had been clarified, it would be a matter of setting up the necessary machinery to ensure the regular functioning of concerted medium-term programming. Such machinery should be designed first to deal with general problems in particular areas which could be dealt with in the framework of ACC. Some on-site machinery for country programming would then need to be devised, taking into account the useful but still inconclusive experience of UNDP in the matter.

19. The system was only an instrument and could not work alone. What was most important was the political will of the Governments gathered together and served by the system. That political will should be demonstrated as clearly as possible in the coming months in order to make the best possible use of the exceptional opportunities for renewal of international relations and to ward off the serious dangers of the economic crisis.

20. Political will must be affirmed particularly in two areas: that of resources and that of multilateral negotiations.

21. If the organizations of the United Nations system were to face their growing responsibilities, it was essential for their resources to be significantly increased. That applied particularly to their regular budgets, on which their efficiency and competence depended, and without which the organizations could not accept to increase indefinitely operations financed from extra-budgetary resources.

22. With regard to multilateral negotiations, the system had two essential functions: to serve as a forum where points of view could be expressed and ideas exchanged and to function as a series of institutions each of which was an instrument for planning and implementing concrete programmes of international co-operation. The system also had the essential task of promoting and organizing multilateral negotiations, on an equal footing. In considering the establishment of a new international order, States should express their willingness to make greater use of the opportunities offered by the system in that respect. Such negotiations were essential before the next special session of the General Assembly took place.

23. Concluding with a personal note on the occasion of his last address to the Council as Director-General of UNESCO, he emphasized that the system was made up of men and women – delegates representing Governments and civil servants. It was essential for the harmony of the system that those two groups should understand and respect each other and collaborate in an atmosphere of confidence. It was also highly important for civil servants to understand that their profession involved an essential element of vocation. A person entering the service of the United Nations system did so not simply to earn his living but because he had convictions. In his personal experience, the overwhelming majority of men and women who were privileged to serve the system not only were competent, devoted and loyal, but believed in what they were doing. That element of faith and conviction was as important as the concept of efficiency and yield. It behoved those men and women to serve to their utmost, and it behoved Governments to give them growing reason for daily hope and pride.

---

[1] JIU/REP/74/1. Subsequently circulated under cover of document A/9646.

24. The PRESIDENT said that he wished to express deep appreciation to the Director-General of UNESCO for his long and devoted service to the United Nations system for the benefit of humanity. His words gained a particular poignancy on what was to be his last appearance before the Council.

25. Mr. Sardar SINGH (India) said that one of the essential tasks before the Council at its present session would be to agree on a timetable for implementing the decisions taken by the General Assembly at its sixth special session and to assign responsibility for that implementation to the competent United Nations bodies. The deliberations at the special session had demonstrated that the economic difficulties facing the world could be surmounted only by concerted action, in a framework of international co-operation based on equality and equity. The developed world was being made to realize that it could not continue to base its affluence on the exploitation of the natural resources of developing countries and on the poverty of their people. The poor countries had been particularly affected by the recent financial and economic crises, yet their interests had hitherto played only a marginal role in the search for solutions. The just demands of the producers of some raw materials for a more equitable return for their products had brought into focus the interdependence of nations. The decisions of a few must no longer determine the destiny of many. What was needed was the political will to seek effective solutions to the development problems of all nations, rich or poor, developed or developing. Inflation was a global phenomenon, but its repercussions had been particularly serious for those developing countries whose raw material exports had not benefited from the recent price increases.

26. The Council should not be content with a mere discussion of theoretical concepts, but should relate its discussions to real problems and seek solutions. Urgent and forthright action was required to prevent the economic collapse of developing countries seriously affected by the present economic crisis. The Declaration and the Programme of Action adopted by the General Assembly, if implemented speedily and effectively, could help to remedy the inequities and weaknesses of the international economic system. Those two documents were the result of intensive negotiation and represented a compromise which did not fully reflect the needs and interests of developing countries. It was therefore all the more regrettable that they were not fully supported by all developed countries. He appealed to all the countries and organizations represented to join in a common endeavour to implement those measures. He hoped that the developed countries in particular would show the political will to move towards the new economic order with courage and vigour, since their own long-term interests coincided with those of the rest of humanity. Opulence could not continue to exist in isolation amid poverty.

27. Of all the measures adopted by the General Assembly, the Special Programme of emergency measures deserved the most serious and urgent attention of the international community. The very purpose of emergency relief would be defeated unless it was provided speedily. He welcomed the Secretary-General's appeal for emergency assistance to the most seriously affected countries and his appointment of Mr. Prebisch as head of the emergency operation. It was essential to ensure that the volume of imports of such countries was maintained for at least twelve months, in order to safeguard their development programmes. Because of the vast increase in the prices of certain imports, that could only be done through the transfer of funds to them. The emergency programme should be put into operation by August 1974 at the latest. A well co-ordinated emergency operation was crucial to the adjustment process in those countries. He appreciated the response of the countries which had announced generous contributions to the emergency programme and hoped that other countries in a position to do so would soon take action commensurate with the magnitude of the problem. Every effort must be made to strengthen the hand of the Secretary-General to ensure that the administrative problems involved in the distribution of funds under the emergency programme would be reduced to a minimum and that the operation would be carried out smoothly and efficiently.

28. The most seriously affected developing countries would obviously have the greatest difficulty in adjusting to the changed circumstances and might well take several years to do so. The Special Fund established under the Programme of Action was not a development fund but a means of assisting those countries to rejoin the mainstream of development. It was regrettable that specific proposals concerning the modalities of operation of the Special Fund had not been submitted to the Council for consideration at its present session. The *Ad hoc* Committee on the Special Programme had submitted only an interim report (E/5555) outlining the major proposals made and the views expressed. The appointment of a governing council for the Fund would be an important step. He hoped that the scope, size and modalities of the Fund would be established as a matter of urgency.

29. The General Assembly had called for the establishment of an equitable relationship between the prices of developing countries' exports and imports. That subject would have to be thoroughly studied by UNCTAD with a view to preparing an integrated plan for a progressive improvement in commodity prices, with due regard for the rate of inflation in developed countries and the needs of developing countries. Such an improvement would have to be broadly based and orderly. The current intergovernmental consultations in UNCTAD had so far failed to achieve the results expected. The developed countries had been reluctant to make commitments, on the pretext that they could only be made within the framework of the multilateral trade negotiations to be held under GATT. Those negotiations had not yet begun, despite the decision taken by the Ministerial Meeting at Tokyo in September 1973. If the promises made to the developing countries were to be fulfilled, the measures contemplated in the Tokyo Declaration, the International Development Strategy for the Second United Nations Development Decade and the recently adopted Programme of Action must be implemented as a matter of urgency. The recent enlargement of preferential arrangements among developed countries and the reduction of industrial tariffs which was expected to follow the multilateral trade negotiations would seriously erode the benefits secured by the devel-

oping countries under the generalized system of preferences. While welcoming the trend towards trade liberalization, the developing countries were anxious to ensure that they did not lose by it. The generalized system of preferences should first be made fully operational through its application by countries which had not yet done so and through substantial improvements in the schemes already in operation.

30. The General Assembly had also made important recommendations regarding monetary reform and development financing. The developing countries had a vital stake in the smooth functioning of the international monetary system and no reform would have much meaning if it did not improve international conditions for their development. They had at last been conceded the right to participate in international monetary policy-making, but they also had a right to expect any reform of the world monetary system to redress some of the inequities which had condemned them to a low level of development.

31. The Programme of Action rightly emphasized the promotion of collective self-reliance and co-operation among developing countries. The enormous potential for increasing that co-operation in all fields must be effectively explored. The Fourth Summit Conference of Heads of State or Government of Non-Aligned Countries had expressed the view that the 1975 special session of the General Assembly called for in General Assembly resolution 3172 (XXVIII) should be devoted exclusively to problems of development, including the initiation of appropriate structural changes in the United Nations system to make it an effective instrument of international economic co-operation. While it was imperative for such structural changes to be carried out, India felt that the special session should concentrate mainly on actual problems of development and should consider the results of certain important conferences held in the meantime, such as the World Food Conference and the World Population Conference. Development problems could not be tackled without detailed consideration of such important influences on international economic stability as increasing population pressures and world-wide shortages of food, fertilizers and raw materials.

32. The failure of the First Development Decade had been blamed on the absence of a development policy. That omission had been rectified and the international community was now committed to a detailed development strategy. The objectives had been defined and there was an agreed programme of action for attaining them. All that was needed was the political will to act.

33. There could be no collective economic security in the world unless international economic conduct was based on equity. In international economic affairs, exploitation of the poor by the rich was still the order of the day. Equity, however, did not mean equal treatment, which was equitable only among equals. If collective economic security was to be fostered, there would have to be deliberate preferential treatment where necessary in order to redress economic injustice and promote a better world economic order. The need for emergency assistance mentioned in the Secretary-General's note on assistance in cases of natural disaster and other disaster situations (E/5531) was a symptom of the economic ill-health of the world. Collective economic security must be such as to render emergency assistance unnecessary.

34. The Council had special responsibility for co-ordinating the actions of the organs of the United Nations system, which had a crucial role in the implementation of the decisions adopted by the General Assembly at its sixth special session. Those bodies must be constantly improved to enable them to play their part in the new world economic order. Interdependence and adequate co-ordination were necessary for the effective functioning of the United Nations system as a whole, but each organ required a proper degree of autonomy to enable it to function unhampered in its own sphere. While strengthening the Council's co-ordinating role, it was important to guard against excessive centralization in decision-making or direction in the sphere of international economic co-operation.

35. The report of the Group of Eminent Persons convened to study the role of multinational corporations on development and on international relations (E/5500/Add.1) was of particular significance for the present session of the Council. The report made a number of suggestions for action by Governments at the national level. As the Group of Eminent Persons had acknowledged, however, co-ordinated action at the international level was needed. A generally acceptable and applicable international code of conduct for the regulation of the activities of multinational corporations would have to be formulated. He welcomed the recommendation that a commission on multinational corporations should be established (chap. III). The terms of reference proposed by the Group for that commission were appropriate. The commission should take up as a matter of priority the development of a regulatory framework. He also supported the establishment of an information and research centre on multinational corporations. Appropriate institutional machinery at the international level would facilitate the continuing and effective involvement of the Council and the United Nations system in the study of the activities and role of multinational corporations. He hoped that the Council would take action at the present session to enable the General Assembly to make the proposed institutional arrangements later that year.

36. In his opinion, the following points should be particularly borne in mind in the Council's deliberations. Bold new measures were needed in regard to raw material and primary commodity prices to reverse the continuing trends of stagnation or decline in the real prices of several commodities exported by developing countries. The specific problems of developing countries, particularly in times of food shortages, should be taken into account in international efforts to deal with food problems, and developed countries should adjust their economies to facilitate the expansion and diversification of imports from developing countries. The generalized system of preferences should be improved and extended, and the principles of non-reciprocity and preferential treatment should be introduced in favour of developing countries in their trade relations with developed countries. Reform of the international monetary system should be undertaken with the

equal participation of the developing countries and a link should be established between SDRs and development finance, with due regard for the burden of debt-servicing. All possible international efforts should be directed towards promoting the rapid industrialization of the developing countries. The transfer of technology to developing countries should be improved qualitatively and quantitatively, and care should be taken to ensure that the technology corresponded to needs and conditions in the developing countries. The activities of transnational enterprises should be regulated and controlled, and provision should be made for ensuring that the "package" provided by such enterprises conformed to the needs of the host country. Co-operation among developing countries should be promoted, since it was through their own efforts that their development should ultimately be achieved. The emergency needs of developing countries most seriously affected by the recent economic crisis should be urgently and effectively met through timely international assistance, including additional liquidity on an appropriate scale. The role of the United Nations system in the field of international co-operation and development, and in the economic and social fields in general, should be strengthened and made more effective.

37. Mr. BARCELÓ (Mexico) said that his country had always considered that the fundamental role of the Economic and Social Council was to promote measures beneficial to all peoples, but in particular to improve the quality of life in developing countries by assisting them to overcome their problems of poverty, unhealthy conditions and illiteracy. Measures to that end should be based on the right of each State to make use of them as it pleased, free from any economic, political or other form of pressure. The Council should co-operate fully both to protect inalienable human rights and to promote economic development and the development of international trade in accordance with the legitimate interests of all peoples. It was therefore essential that the Council should play its part fully in implementing the main decisions taken at the sixth special session of the General Assembly. Some questions requiring further analysis should be referred to the specialized agencies and regional organizations, where co-operation was often most successful.

38. It should be borne in mind that the peoples of the third world were unshakeably resolved to determine their future on the basis of full sovereignty over the exploitation and use of their natural resources; the channelling of their internal and foreign investments to the uses they deemed most appropriate; the control of the transfer of technology on viable terms; the harnessing of the activities of transnational enterprises to the goals of the International Development Strategy, and all other matters relating to the achievement of independent and self-sustaining economic and social development.

39. The UNCTAD Working Group on the Charter of Economic Rights and Duties of States had recently completed its work on the final draft of the Charter. He hoped that the document to be approved by the United Nations would embody the legal, economic and political principles required to overcome the current world economic crisis and to improve the development prospects of the third world. Those principles would constitute the basis of the new economic order. The President of Mexico had had that object in mind when he had proposed such a charter at the third session of the United Nations Conference on Trade and Development.

40. The Economic and Social Council should intensify its efforts to ensure the provision of assistance to the developing countries in the areas in which it was most urgently needed. To that end it should provide itself with up-to-date information but it should avoid creating a plethora of study groups. The forthcoming World Food and World Population Conferences would no doubt consider those problems in the context of general economic development since, as the President of Mexico had remarked, it was wrong to assume that such problems could be solved in isolation: the population explosion was an essential aspect of under-development and it could only be put right by development.

41. It was to be regretted that the Council's agenda was so overloaded that it gave no opportunity for detailed discussion, while the delay in receiving the documents for the session made it impossible for the experts in the relevant Government departments to provide a careful analysis of the subjects under review. Such a state of affairs detracted from the Council's creative potential. For that reason his delegation would confine itself to stating its views on a few subjects of fundamental importance.

42. Mexico reaffirmed its right to exercise full and permanent sovereignty over its natural resources and related economic activities. Its domestic legislation provided for the fullest use of that right; recently a number of foreign undertakings exploiting Mexico's natural resources had been nationalized. Mexico insisted that any disputes arising from the exercise of permanent sovereignty over natural resources should be settled in accordance with domestic legislation, which made provision for indemnity in the case of expropriation. His delegation supported the statements made on that subject in the Declaration adopted by the General Assembly. Permanent sovereignty over natural resources enabled States to determine the key sectors of their own economy and the scope and nature of direct foreign investment in various fields of the national economy. In the case of Mexico, the present law relating to foreign investments clearly defined the field of action of foreign investment in order to make it complementary to the investment of domestic public and private capital and to harmonize it with national development objectives. Properly directed foreign investment was particularly useful in the fields in which higher technology was required in order to produce competitive goods and services for international markets and capital goods required to accelerate the industrialization process.

43. The growing influence of transnational corporations, through the internationalization of production, posed a serious threat to national sovereignty and made it necessary to regulate their activities. In Mexico the laws relating to foreign investments and the transfer of technology covered the activities of international undertakings. His delegation would support the establishment of an appropriate body under the Economic and Social Council to keep under

review the impact of such enterprises on development. It agreed with the views expressed in its report by the Group of Eminent Persons that direct foreign investment should not be a substitute for international assistance. With regard to the Group's recommendation that host countries should set up centralized negotiating services to deal with foreign investment, Mexico had already done so through the creation of the National Committee for Foreign Investment and the National Register for the Transfer of Technology, and it was prepared to place its experience at the disposal of other developing countries. The United Nations could assist developing countries by helping them to review periodically the terms of negotiations with foreign investors. His delegation agreed that host countries might, in appropriate cases, adopt policies towards foreign investors similar to that applied to indigenous companies. Such policies should be studied with a view to their adoption on a regional basis. He noted with satisfaction that the Group of Eminent Persons had unequivocally condemned any intervention by multinational corporations in the internal affairs of the host country. The metropolitan countries should avoid becoming entangled in disputes between subsidiaries of transnational corporations and the host State.

44. His delegation would support a resolution embodying such recommendations of the Group of Eminent Persons as the Council deemed acceptable, in particular the establishment of a commission on multinational corporations together with an information and research centre. The commission should be under the direction of the Economic and Social Council, which should review the subject at least once a year.

45. Mexico supported the proposed code of conduct for transnational coporations, provided it did not infringe the national sovereignty of the recipient country. It also suggested that the code should embody the following principles, which were applicable both to transnational corporations and to foreign investment in general: such investment should be supplementary to national investment; it should not displace national undertakings or enter areas adequately covered by such undertakings; it should have positive effects on the balance of payments and particularly on the increase of exports; it should have beneficial effects on employment bearing in mind both the level of posts and the remuneration of workers; it should employ and train technical and administrative personnel belonging to the host country; it should use to the maximum extent national inputs and components in its products; it should finance its operations from external resources without calling upon the internal savings of the host country; it should promote the diversification of investment funds; it should contribute to the development of zones or regions of relatively less economic development in the host country; it should not assume a monopolistic position in the domestic market; it should provide the technology most appropriate to the conditions of the host country and contribute to the research and development of domestic technology; it should have a favourable influence on price levels and quality of output; it should respect the social and cultural values of the host country; it should be directed towards activities of importance to the economic development of the host country; it should identify itself with the interests of the host country; it should not distort patterns of consumption; and, in general, it should co-operate in achieving the goals of the host country's development policy.

46. As a member of the Committee on Science and Technology for Development, Mexico had taken an active part in that Committee's second session and had collaborated in the preparation of its draft resolutions. His delegation would accordingly support any action by the Council to give effect to those resolutions.

47. Mexico had participated actively in the Preparatory Committee for the World Food Conference and its delegation had expressed the view that the Conference should devote itself mainly to increasing the production and consumption of foodstuffs in the developing countries. The delegation had also reiterated its interest in the creation of a World Food Bank, which had been proposed by the President of Mexico.

48. The first review and appraisal of the International Development Strategy had served to reveal the lack of international co-operation in that field. It was essential that the international community, particularly the developed countries, should fulfil the targets for development assistance established in the Strategy. There could be no stability built on wide disparities between peoples. His delegation hoped that at the mid-term review in 1975 the special session of the General Assembly would revise the policies and objectives of the International Development Strategy with a view to closing the gap which still divided the rich and poor nations and thus achieving the objectives set out in the preamble of the United Nations Charter. The Economic and Social Council should therefore give priority to considering what action should be taken by the United Nations system to that end.

49. The Mexican delegation had played an active part in the drafting groups which had drawn up the Declaration and Programme of Action adopted at the sixth special session of the General Assembly. Mexico hoped for the speedy and effective implementation of the Programme, particularly such concrete measures as the expansion of the trade of developing countries and the improvement of their terms of trade.

50. The problem of housing was vital to development; the fact that in developing countries there were only 50 dwellings per 1,000 inhabitants showed how much needed to be done simply to prevent any deterioration of the situation, let alone to improve it. His delegation considered that a unified approach through the United Nations could greatly assist in mobilizing international co-operation in that field. The problem in Mexico was particularly acute, although the construction industry was one of the most dynamic sectors of the economy and the Federal Government was making great efforts to provide reasonable housing. The developing countries required external assistance from all sources to provide sufficient financing for the local construction and allied industries and to translate General Assembly resolution 2998 (XXVII) into practical terms.

51. The Mexican economy in 1973 had followed the general growth patterns for Latin America; its GNP had increased by 7.5 per cent, the same as in the preceding year. There had been some unfavourable factors such as an increase in the price index and a deterioration in the terms of trade. The authorities had taken a number of anti-inflationary measures. Despite low agricultural output and the unfavourable international situation, the value of industrial output had increased by 10.7 per cent in 1973 and a substantially increased agricultural output was anticipated for 1974/75. As a result principally of the economic crisis, the deficit in the balance of payments had increased but had been somewhat offset by receipts from tourism and frontier operations. Exports had increased by 25.1 per cent and Mexico had exceeded the targets fixed by the International Development Stragegy for all growth components. Indeed, Latin America in general had exceeded its annual average target. Nevertheless, the United Nations could still do much to further international economic co-operation by persuading the international community, particularly the developed countries, to increase the flow of real resources for development purposes.

52. For 25 years the Economic and Social Council had been helping the developing countries, but perhaps not as rapidly as might have been desirable. Some of its organs, such as ECLA, had provided a high standard of technical assistance which had been useful both for regional integration and for the development of individual countries. If, however, the Economic and Social Council was to realize its full potential, some changes in its structure, functions and methods of operation would be required. The Council must strive to raise the general level of living and to overcome under-development, affirming its determination that all men and all peoples should achieve independence.

53. Mr. STANOVNIK (Executive Secretary, Economic Commission for Europe) said that the main characteristic of the economic situation in the ECE region, which included most of the world's developed countries, was a continuous pressure on resources, which had accelerated inflation in many countries and obliged others to adjust their planned targets. Recent developments in commodity, and especially energy, markets had aggravated the situation.

54. During 1973, both the market-economy countries and the socialist countries of the region had attained high rates of growth in production, national income and foreign trade. However, the high level of economic activity attained in the middle of 1973 had since declined rapidly in many countries, although there were now some signs of improvement. In 1974, the market-economy countries were expected to attain an economic growth rate of 1 or 2 per cent, with a similar increase in imports and a somewhat higher one in exports. Growth rates in the countries with centrally planned economies had, with few exceptions, also tended to slow down.

55. Inflation was perhaps as much a problem of the 1970s as unemployment had been in the 1930s. The average annual increase in consumer prices had risen from 2.5 per cent in the latter part of the 1950s to the present 10 to 15 per cent. That rate was likely to rise further during 1974, since increases in wholesale prices and wages had not yet been reflected in retail prices. Inflationary pressures had become ingrained in the socio-economic structures of the developed countries, and in the world economic and monetary structure, because of the spiral pattern of wage and price increases under conditions of full employment, the high level of economic activity and especially the anticipatory inflation of raw material prices and other costs. The international character of inflation was due to the high degree of economic interdependence. Many barriers to trade and capital movement had been removed in recent decades and foreign trade was expanding more rapidly than production. The importance of capital flows had also increased. The value of internationalized production now exceeded that of total exports among the western countries of the region. Current developments in the international economic system therefore had the effect of spreading inflation to all national economies. The deficit in the balance of payments of the main reserve currency country had no doubt favoured inflation by increasing world-wide liquidity, although some of its partners had until recently refrained from matching price increases by higher interest rates to avoid over-stimulating capital inflow and increasing inflation. The recent dramatic price movements in many international commodity markets had taken place against a background of speculative capital flows, bad harvests, depleted food stocks and rising food prices in the latest phase of the world-wide inflation.

56. The countries with centrally planned economies had also been affected by the increases in the prices of raw materials and fuel in the world markets, because of their increasing participation in those markets. Their policy of price stabilization within CMEA required additional financial resources as import prices increased. Budget subsidies, a major instrument of that policy, absorbed an increasing share of the national income, thereby limiting resources available for investment and development.

57. Statistical data might give the impression that the unfavourable trend for developed countries had improved the position of the developing countries. In 1973, the latter had increased their real export earnings by 8 per cent, improved their terms of trade by 10.5 per cent and had added $11,500 million to their monetary reserves, and their share of world trade was likely to reach 27 per cent in 1974. That improvement was illusory. Their terms of trade had constantly declined over the past two decades. The recent increases in commodity prices had affected individual developing countries very differently. Moreover, the export price increases merely led to the redistribution of export income and their effect depended on how that income would be spent. If it was invested in new productive capacity in the developing countries, it would lead to a real redistribution of wealth and help world economic development. If it was used to provide financial shelter, it would have no redistributive effect and a potentially adverse effect on world economic growth. There was already evidence of such an effect in the slowdown in world economic growth, which in turn was likely to depress import demand and commodity prices if it continued. For example, the additional oil bill of the OECD countries was expected to be about $55,000 million in 1974, resulting in a foreign trade deficit of $35,000 million. That would increase the cost of industrial inputs and might encourage some of those

countries to adopt restrictive economic measures. In the present circumstances, the economic policies pursued by the Governments of developed countries played a decisive role. A restrictive economy could do infinite harm to growth and employment in the world as a whole. Moreover, traditional measures designed to deflate demand could create unemployment without stopping inflation. Only an internationally co-ordinated and truly co-operative growth policy could produce results beneficial to all. The developed countries could only pursue such a policy with the co-operation of the developing countries, and especially the primary producing countries. It was against that economic background that Governments were called upon to implement the Programme of Action adopted at the recent special session of the General Assembly.

58. Although the nature of the world's economic problems called for global solutions, there was room for, and a need for, regional action. In East-West trade, the emphasis had always been on basic materials. Energy alone represented almost one quarter of Eastern exports to the West. However, there was also extensive trade in technologies, especially those concerned with the efficient use of materials and energy. The development of such technologies would also benefit countries outside the region. Similarly, the growth of trade within the region would be of vital importance to the world economy as a whole. Economic co-operation among countries with different economic, political and social systems had always been a special concern of ECE and still offered great promise. The political situation in the region, symbolized by the Conference on Security and Co-operation in Europe, provided favourable conditions for the economic co-operation needed for establishing a new world economic order.

59. Mr. IGLESIAS (Executive Secretary, Economic Commission for Latin America) said that he wished to refer to three points: some features of economic development in Latin America in 1973, the impact of the world economic crisis on the Latin American region and the possibilities of a new world economic order.

60. Latin America had sustained its growth rate during 1973 at an average of 7.4 per cent, chiefly owing to expansion in the industrial and mining sectors. The dollar value of the region's exports had increased by 40 per cent, of which 33 per cent represented an increase in prices and 7 per cent an increase in the volume of exports. That favourable position was not attributable solely to world economic conditions but also to the dynamism shown by most Latin American countries in penetrating foreign markets. It was noticeable, however, that in most cases commodity prices had only attained levels which they had reached in the past and that the terms of trade relationship was less favourable than it had been in the 1950s. Since economic growth in Latin America was closely linked with performance in the external sector, the important question was whether the present favourable trends would continue. In order to answer that question, it was necessary to assess the international situation, in which there were many variables, both economic and political; account had also to be taken of a profound change of values in the industrialized community which had affected the goals of society. All those elements would be factors in determining the new international order.

61. At the present time, however, the system of relationships remained unchanged: the industrialized countries constituted the centre and the developing world the periphery. The centre had the security of owning the financial markets and there was a danger that the experience of the past might be repeated and that the prices of industrial goods would remain high while the prices of commodities fluctuated, with consequent adverse effects on Latin American terms of trade. Although there were a number of imponderables, it might be said that there was at present a better prospect of achieving international agreements on commodity prices.

62. Increased prices of imports in 1973 had affected the balance of payments in Latin American countries and inputs for agricultural production. Serious imported inflation had particularly grave economic and social repercussions in Latin American countries, with their tradition of inflation which many of them had recently adopted stringent measures to contain.

63. The world economic situation offered a challenge at the national, regional and global level. The challenge at the national level had brought out clearly the differences between the various countries in Latin America and the need to revise the criteria on which they had been classified, taking into account additional factors such as natural resources, energy potential and accessibility of capital.

64. The secretariat of ECLA had classified the countries of the region into three groups: those which were clearly benefiting from price increases; those which had considerable experience and could cope with the situation; those with fewer resources and which had serious problems.

65. For countries benefiting from the price increases, the problem lay in the choice between present consumption and future investment. The situation offered great opportunities to achieve self-sustaining development, to carry out rapid reforms and to extend the benefits of progress to the mass of the population. For the larger countries in the region with room to manœuvre, the international situation posed problems but also provided opportunities, since they had natural resources, energy and instruments of economic policy which they could use as defensive weapons. The most important aspect was that the situation gave them a chance to review the role of their domestic markets and to extend regional co-operation. The most serious problem occurred with the smaller countries in the region where the impact of price increases was greatest. Their domestic policy would have to be carefully managed and support from the international and regional community would be a key factor in maintaining their stability.

66. With regard to the challenge at the regional level, Latin America had already had successful experience of regional co-operation. The present situation offered the possibility of co-operation in many new fields, to exploit Latin American resources and business acumen.

67. At the world level, the economic crisis had given Latin America the opportunity to collaborate in international forums in bringing about a new order. Like the other developing countries, Latin American countries were conscious of the dangers inherent in the old system and the Charter of Economic Rights and Duties of States had been a Latin American initiative. A key element in a new international order would be the position of raw materials: no international order would be lasting unless it was based upon just commodity prices agreed upon between the producers and the industrialized countries. He believed, however, that the present difficulties were capable of rapid and successful solution because all countries were now well aware of their interdependence.

The meeting rose at 12.55 p.m.

1904th meeting

Friday, 5 July 1974, at 3.20 p.m.

President: Mr. A. KARHILO (Finland)

E/SR.1904

AGENDA ITEM 3

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

1. Mr. DUMAS (France) reminded the Council that the General Assembly had entrusted it with the task of implementing the decisions taken at its sixth special session concerning the establishment of a new international economic order. The Council did not have much time before it to accomplish that task, and the context of crisis demanded rapid decisions. Furthermore the work had to be completed before the special session of the General Assembly due to be held in 1975.

2. With regard to the spirit which should inspire a new international economic order, his delegation had long been attached to three compelling concepts.

3. Firstly, the renovated international economic order should be the reflection of a new mentality, based on an objective knowledge of economic data as exact as modern methods of analysis made it possible to gather. All over the world, however, the economic concepts on which the adventure of development had been based, especially for the last 30 years, were undergoing profound change. The mere weight of the contemporary economy on a planet which henceforward permitted a foresight of its physical limitations should affect a great many viewpoints. Moreover, the demand for justice had irrevocably impressed itself on the world's conscience. In those circumstances, any retreat into self-sufficiency had become inconceivable; the persistence of inequality was now regarded as dangerous; and the necessity had appeared of jointly controlling mankind's future so that it should not be the victim of catastrophic mistakes stemming from fate or accident.

4. The protection of the common good, more and more closely identified with the simple survival of the human race, demanded a strengthening of international co-operation, while collective economic security called for a more consistent structure. The Secretary-General's report on collective economic security (E/5529) was truly imbued with that spirit.

5. In the integrated concept of development which was that of the Council, no area of activity – the economy, social organization, science or culture – could be neglected.

6. The desire to strengthen international co-operation, however, should not lead to the obliteration of the second compelling concept, namely respect for national independence, a concept that was, moreover, one of the basic principles of the new international economic order. It was necessary to safeguard in all circumstances and for every nation the right to its inherent personality, its freedom to conclude political, economic and cultural alliances without let or hindrance and the possibility of forging its own destiny as it thought fit. The experience of the European Economic Community showed that that was not incompatible with co-operation.

7. That double attachment to independence and to organized interdependence was designed to replace the relationships based on force, which had prevailed hitherto, by relationships based on equality and justice among partners. With that aim in mind, it should be possible gradually to organize economic relations between countries so as to reduce to the minimum the part played in negotiations by inequalities based on power. To achieve that goal, it was necessary to increase the impact of the less fortunate by encouraging their development, especially in industry, and by facilitating the creation of regional groupings.

8. Lastly, the third compelling concept was that the new international economic order should be outward-looking enough, and lend itself in sufficient degree to continuous creation, as to be capable of flexible adaptation to all future developments; for by reason of the evolutionary process which mankind was at present undergoing, it would be necessary to control, perhaps for several decades, a continuing instability affecting to some extent all provinces of collective life. If that could be successfully ac-

complished, an order both dynamic and stable could be re-instituted; but it would take more time than remained before the next special session of the General Assembly to achieve that aim.

9. The establishment of a new international economic order would in any case run into many difficulties. The first stemmed from the existence of private transnational corporations, which by definition did not move in precisely the same orbit as any particular nation and which, because of their legal status, could not take part in discussions held between sovereign nations anxious to organize their mutual economic relationships. Furthermore, those firms pursued objectives distinct from those of nations, claiming a freedom of enterprise which was of course legitimate.

10. The existence and the momentum of production units not confined within the frontiers of a State were a necessity of present times. Such units had the power to combine the elements of production throughout the world in the most efficient manner, and they had at their disposal the techniques and capital necessary for the exploitation of such natural resources as were still available, thus making it difficult to replace them in the course of industrialization of small States.

11. Nevertheless, transnational corporations must not become concrete obstacles to the establishment of the proposed new economic order. It was therefore necessary to draw up codes of conduct for their guidance, which would make it possible to reconcile the principles of freedom, which were at the root of their activities, and the principles of organization, which were at the root of the activities of the United Nations. The report (E/5500/Add.1) of the Group of Eminent Persons which had investigated the impact of multinational corporations on the development process was therefore most timely, and it contained interesting suggestions.

12. Another difficulty lay in the transfer of financial resources to developing countries. It should not be forgotten that for geographical and other reasons a great many countries, both developed and developing, had not benefited in terms of bargaining power from the changes brought about by the economic events of recent months. The needs of those countries for financial aid remained considerable and still called for action by the entire international community, especially by those, whoever they might be, who now enjoyed the dividends of power.

13. His delegation believed that international co-operation must remain the concern of all. With regard to transfers of financial resources for development, international co-operation should comprise rights and duties fairly shared out, but it was not necessary that such sharing should be carried out exclusively in terms of recognized groups within the General Assembly. A new economic order could obviously not sanction a factual situation other than one which stemmed from the bond linking national independence with international responsibility.

14. Referring next to the way in which his delegation visualized, in formal terms, the provisions defining the new international economic order and the manner of arriving at such definitions, he would put forward three suggestions.

15. Firstly, so far as the formal aspect of the Programme of Action on the Establishment of a New International Economic Order, adopted by the General Assembly at its sixth special session, was concerned, his delegation saw it as a rigorous intellectual construction based on the few major problems of to-day and on the solutions which could be envisaged. Less important problems and detailed solutions would not be left out of account, but they would appear only in a subsidiary position, as a consequence of the major problems. The Programme of Action was for the time being only a first draft of the projected construction.

16. The General Assembly had not been able for lack of time to assign precise tasks to the various organizations of the United Nations system. In particular, the paragraph relating to the Council's role in the draft Programme of Action (section IX, para. 3) was couched in very general terms.

17. To give any new international economic order a real chance of becoming fact, two conditions had to be met. On the one hand all the competent organs of the United Nations system must tackle the problems which concerned them in order to provide the Council with information on the realities to which common action had to be applied and with technical opinions on the measures to be adopted. On the other hand such information and advice must have been discussed in the governmental councils to which those organs were responsible. Those two conditions had to be met so that the reports prepared by the agencies really represented the intellectual contribution necessary to give full impact to the action undertaken.

18. In the second place the Council already had available a considerable volume of material prepared in recent years, or in the course of preparation, by the international community. In that connexion the International Development Strategy for the Second United Nations Development Decade and the Charter of Economic Rights of States could be cited in particular. The very notion of a new international economic order implied a strategy for giving it reality. That strategy already existed and had been the subject of a first review and appraisal in 1973. Early arrangements for a second review in 1975 had been placed before the Council. That review should lead to a revised strategy which would take account of both the decisions of the sixth special session of the General Assembly and changes in the economic data on which the original Strategy had been based. Thus revised, the Strategy would provide all the builders of the international community with blueprints of the new international economic order to be constructed, while the Charter of Economic Rights and Duties of States defined the ethics of international economic relations.

19. In addition to the two general texts just mentioned, there were several programmes of action, including the World Employment Programme, the Action Plan for the Human Environment, the World Plan of Action for the Application of Science and Technology to Development and the World Population Plan of Action. It was to be

hoped that the World Food Conference and the Second General Conference of UNIDO would also be making their contribution.

20. Thirdly, priority must be given to crucial problems on the solution of which depended the likelihood of a new international economic order. Those problems were two-fold in essence, and in fact partly interconnected: the organization of commodity markets, especially that of energy resources; and international financial relations. The latter theme was being dealt with by the competent institutions, and it was to be hoped that the arrangements which were now under consideration would prove commensurate with the issues to be resolved.

21. The problem of market organization, on the other hand, called for decisions by the Council. He would revert later to the draft resolutions submitted by his Government on that subject (E/L.1599, draft resolutions I and II).

22. Next, speaking as the representative of the President of the Council of Ministers of EEC, which was the entity most closely integrated in the international exchange system, said that the Community had been most directly affected by the current deterioration in the economic and monetary situation and, more than any other body, was aware of the danger to the international economic order of inflationary pressures and the deterioration in balances of payment. Those problems struck not only at the Community and its member States but at all the countries of the world, and they called for solutions at the world level.

23. Consequently, the convening of a special session of the General Assembly at the instigation of the Algerian Government had seemed to the nine Governments of the Community to be particularly appropriate. Following upon that special session, it seemed to them important to underline two of its results: the realization, at the political level, of the gravity of the situation; and the need to overcome the crisis in international economic relations in a spirit of solidarity between all States.

24. In the Community's view, the collective effort which the Council was called upon to prepare at its current session must, in particular, be directed towards three complementary objectives.

25. First, the process of inflation which was rampant at the world level must be checked and at the same time an economic recession prevented by maintaining or restoring equilibrium in balances of payments. Broadly speaking every State must itself make the first move by adapting its national economic policy to the requirements of the situation. States members of the Community would endeavour, for their part, to conduct such action in a framework of closest possible co-ordination of their economic and monetary policies. But national or regional efforts must be accompanied by increased co-operation at the world level.

26. In particular, the various States must avoid having recourse to restrictive trade measures which, though erroneously giving the impression of alleviating specific situations in the short term, were liable to lead to a cumulative process which would ultimately prove harmful to all countries, rich or poor. For that reason, the Community particularly welcomed the Declaration adopted on 30 May 1974 by the Governments of OECD member countries[1] and the Declaration elaborated at the recent ministerial meeting of the Committee of Twenty of IMF.[2] Those declarations gave welcome proof of the political will of the signatories to maintain the present degree of liberalization of international exchanges, in the interests of all.

27. It followed that the Community was interested not only in current economic problems but also in the long-term efforts conducted within the United Nations with a view to an international economic system which would be accepted as just and equitable by all the countries concerned. That prospect gave a powerful incentive to the promotion of international co-operation, even in the short term.

28. With regard to the second category of problems, efforts to improve the international economic system should be focused in the first place on the raw materials problem.

29. The question of the stabilization and expansion of raw materials exports had continued to be of the utmost importance. The Community would not flinch from a readjustment of raw material prices, which should be remunerative for producers and equitable for consumers. But that did not exhaust the problem. As recent developments had shown, it was in the interest of all – developing and developed countries, producing countries and consumers – that policies should be defined which, viewed in the longer term, would ensure the utilization of the available resources in conditions which were both rational and equitable. In particular, the diversification of the economy of the producing countries was a development to be encouraged while consumer countries, developed or developing, must be assured of security of supplies on normal terms. The policies to be defined would not ignore market forces to operate correctly, thereby procuring mutual advantages for all the countries concerned.

30. The Community considered that the Council was the appropriate forum for an exchange of ideas from whith the major trends of the solutions sought would emerge. Those solutions would be implemented as effectively as possible through negotiations, in particular those already planned within the framework of GATT. In that connexion, he recalled the principles of the Tokyo Declaration. Within those terms, negotiations relating both to conditions of access to the markets of developed countries and to the conditions of raw materials supply would open up favourable prospects for the application of equitable and mutually advantageous solutions.

31. The third element in the Community's policy on the problems under discussion was the continuance and improvement of the efforts made under the heading of

---

[1] For the text, see OECD Press Release of 30 May 1974.

[2] For the text, see IMF Press Release No. 74/32 of 13 June 1974.

development assistance. The representative of the Commission of the European Communities would himself speak on that point in due course.

32. Speaking once again as the representative of France, he reverted to the two draft resolutions submitted by his Government, one of which concerned the establishment of a temporary committee of limited size to prepare the documentation on market organization, in the very first place for energy resources, while the other related to the establishment of a central economic observatory having the task of publishing objective information on prices, production, consumption and stocks of raw materials.

33. In submitting those two texts, his country had been motivated by the fact that the impulse which had led to the idea of establishing a new international economic order had arisen from the disturbances in the energy resources market and, more generally, in the natural resources market, which, in view of their effect on the daily life of peoples, had to be brought under control without delay. But the control of such a complex situation called for recourse to the most tried principles of effective action. Sound decisions depended on sound information, and a collective decision must be prepared by more than one party.

34. The proposed economic observatory met the first of those principles. So far, for strategic reasons, negotiations relating to commodity markets had been marked by an understandable reluctance to divulge information. Organizing those markets through negotiations between States implied the availability of widely-accessible information providing a transparent view of those markets at any given moment.

35. The proposed tem orary committee of limited size answered the second principle of effective action. Such a body would ensure the pursuit of the discussions initiated at the sixth special session of the General Assembly on the subject of raw materials and, in particular, would open a dialogue between producers and consumers of resources with a view to taking vital decisions concerning the distribution of energy in the world.

36. His delegation would welcome any suggestions and amendments aimed at improving its proposed texts or at clarifying any relationship between them and the two other draft resolutions submitted by the Governments of Saudi Arabia and the United States of America (E/L.1599, draft resolutions IV and II respectively).

37. His delegation was in favour of inaugurating a new international economic order which would satisfy the traditional French ideals of liberty, equality and fraternity, together with the ideal of justice. Its position was based on an analysis of the current world situation. A sense of gravity arose from the discovery of a kind of threshold which the human community must cross if it wished to retain its dynamism. What was required of all nations was a renewal which went deeper than leaders and public opinion were yet prepared to accept. The definition and implementation of a new, international, dynamic economic order therefore called for an all-embracing effort of organized wills. His delegation accordingly welcomed the contribution which was to be made in the Council in a few days' time by the representative of IAFP.

38. The frontiers of our planet were already visible. The pursuit of dynamism through the conquest of new lands and foreign adventure was no longer possible. Henceforth, adventure lay inwards. To ensure that the planet had a future, conquest must be replaced by an upsurge of organization. That was how his delegation visualized a new international economic order guaranteed by the United Nations.

39. To be sure, organization was not as soul-stirring as conquest with all its share of risk, but also of hope. Nevertheless he was deeply convinced that the immense and complex effort to be undertaken must lead to results which would arouse fresh hopes in all peoples.

40. Mr. NESTERENKO (Union of Soviet Socialist Republics) said that he too deplored the present economic situation, marked by a series of crises in finance, in food supplies and especially in energy, which had had the effect of disrupting economic relations between nations and of holding back the favourable evolution which had come about in political relations. No effort should be spared to avoid a halting of the process of *détente* which had at last begun, to prevent the collapse of the possibility, which seemed to be within reach, of translating into fact the principles of peaceful co-existence between countries with different political and economic systems and of developing economic, scientific and technical co-operation at the international level. The political climate had notably improved in Europe and distinct progress had been made, especially at the level of bilateral exchanges. It still remained to lay a firmer foundation for stable, mutually advantageous relations between European countries, and for that purpose to solve the problem of armaments in central Europe, as was the object of the talks now going on in Vienna between the countries of the Warsaw Pact and of the North Atlantic Treaty Organization.

41. The positive results which had emerged from the recent conversations between the Heads of State of the United States of America and the USSR represented a decisive step towards an understanding which would further the interests of those two great countries and of the whole world, as had been pointed out by Mr. Brezhnev, who had said he would leave nothing undone that might help to establish stable peace between those two great countries. The Peace Programme which was one of the themes of the twenty-fourth Congress of the Communist Party of the Soviet Union also had peace as its objective, and recommended a political line of action which could be described as a "peaceful attack". The Policy Advisory Committee of the members of the Warsaw Pact had for its part stressed the need to relieve existing tensions in the world and had declared itself in favour of equitable economic co-operation based on respect for the sovereign rights of States, the principle of State sovereignty over natural resources, the principle of the most-favoured-nation clause and the will to achieve rapid economic development for the developing countries and to abolish the aftermath of imperialist policy.

42. The United Nations must measure up to the task laid upon it by the Charter, to promote peace and co-operation between nations, and to work for social progress in the world. The last point in particular was one of the topics of current discussion in the Council, which was seeking a way of attenuating the social repercussions of changes in the economic situation. For the practical impact of those changes was an increase in the number of unemployed and the consequent aggravation of social conflicts. Recent economic events were causing a general slowing down in economic and social progress, but their effects were particularly harmful for the least developed countries. The rise in commodity prices had failed to improve the situation of the developing countries, since fluctuations in exchange rates and inflation, by increasing the cost of manufactured goods, had wiped out the profits those countries drew from the sale of their raw materials. As the developing countries were mainly suppliers of raw materials and agricultural products, the gap between them and the industrialized countries was growing wider, and their peoples were unable to share in the fruits of the scientific and technical revolution of recent years.

43. His delegation had often had occasion to make known its position of principle on those matters. That position was precisely reflected in Mr. Gromyko's statement (2210th plenary meeting) at the General Assembly's sixth special session on commodities. The latter had stressed in particular the need for all nations to unite their efforts to work out a policy for action to solve the problems which had come to maturity. Starting from that standpoint, his delegation considered that the Council, in approaching the study of the matters within its competence, should draw inspiration from the following principles.

44. First, economic and social progress was inseparable from the maintenance of peace and security in the world. The absence of peaceful co-existence between States with different systems made it impossible to solve the problems on which the future of mankind depended. It was essential that all States should make a positive contribution to the launching of an irreversible movement towards *détente*. To that end, measures should be agreed to ensure full and general disarmament, especially in the nuclear field, and, as the General Assembly had proposed at its twenty-eighth session (resolution 3093 (XXVIII)), to reduce the military budgets of the permanent members of the Security Council and devote the major part of the savings to helping the developing countries.

45. Secondly, international policy for peace should be based on broadening the relations between States in scientific, economic, social and cultural matters, with due respect to the principles of equality of rights and non-interference. Trade in particular should be regulated according to such principles, which would rule out any discrimination and provide for a more precise definition of the most-favoured-nation clause, while allowing some exceptions for developing countries.

46. Thirdly, the developing countries should be enabled to participate fully and equally in world trade, and that would not be possible until they enjoyed genuine economic independence and the standard of living of their peoples had been raised. The achievement of those objectives would be facilitated by the adoption of measures of reform, by the intensification of economic development, especially through industrialization, by the implementation of the principles of planned economy, by closer attention to national budgets so as to provide for the better distribution of resources, and by stricter regulation of the activities of companies operating on international capital.

47. Fourthly, in order to ensure the advancement of the developing countries, action must be taken against the monopolies which, by pursuing a policy of individual profit, created an obstacle to the developing countries' economic independence by perpetuating conditions of exploitation and colonialism. Those countries must be in a position to control the activities of monopolies which had a stranglehold on the key sectors of their economies and which, by exporting their profits to their countries of origin, reduced the developing countries' resources to a corresponding extent.

48. The reform of economic policy must also cover the abolition of the relics of colonialism, and the United Nations Declaration on the Granting of Independence to Colonial Countries and Peoples should be translated into fact. The campaign for decolonization and against imperialism was thus an essential condition of progress, and that campaign had to be waged with energy and determination, for experience proved that appeals to noble sentiments never took effect.

49. Fifthly, the activity of multinational companies constituted a factor of disruption in the world economic order. It was especially harmful to the developing countries, threatening their sovereignty and their national independence, taking away from them control of their resources, undermining their development programmes, slowing down their economic and social life and putting their balance of payments at risk. The developing countries must have the right to enforce nationalization of the companies that infringed the principle of national sovereignty over national resources; they must be in a position to control the activities of international capital.

50. His delegation believed that the example of the socialist countries could be followed; their social structure was such as to eliminate the exploitation of one class by another, to put an end to unemployment and economic and inflationary crises, and to allow an appropriate international division of labour designed to ensure economic progress. The fundamental objective of production in those countries was to fulfil the aspirations of the peoples and to raise their standard of well-being. Within CMEA, relationships between countries were based on equal rights, voluntary membership and mutual co-operation, leading to equalization of the different countries' levels of economic development. The economic and social integration of the CMEA countries had been intensified since 1971, for the still greater benefit of all the member countries, whose output and incomes had substantially increased over that period. Mr. Brezhnev had pointed out at the last session of CMEA that international economic relations modelled on the economic relations built up within CMEA would contribute greatly to eliminating inequalities between na-

tions and would put an end to the unequal trade encouraged by colonialist policy.

51. The Soviet Union, whose economic progress had acquired new impetus in recent years, had increased its trade with the industrialized countries and had made various agreements, in particular with Japan, for the sale of coal and the purchase of industrial equipment, and with companies in Western Germany for building industrial plants. Scientific and economic co-operation agreements had been concluded with the United States of America during the President's visit to the USSR; those agreements were so framed as to benefit not only the States parties to them but also the world community as a hole.

52. The Soviet Union was continuing to co-operate with the developing countries and to offer them every assistance in the context of trade. In 1973, its trade with developing countries had increased by 40 per cent and the volume of co-operative action in scientific, technical and economic fields had also grown considerably. In many cases, the Soviet Union's economic co-operation with the developing countries had reached a stage where the inter-country economic relationship was of mutual benefit. Some long-term agreements had been made, in particular a ten-year co-operation treaty with Iran in 1972 and a fifteen-year treaty with India in 1973.

53. The Soviet Union attached great importance to the question of multilateral co-operation, which many United Nations organs were engaged in discussing. The implementation of the decisions taken at the sixth special session of the General Assembly could contribute to eliminating any inequalities, increasing the economic independence of the developing countries and putting an end to the aftermath of colonialism. For its part, the Soviet Union was ready to approve any measure based on those principles and to endeavour to help the developing countries affected by the current economic situation. The Soviet Union would participate in any undertaking likely to transform international economic relationships into an instrument for development.

54. Conscious of the developing countries' need to increase their mutual co-operation in order to work out joint programmes aimed, for instance, at developing their food, energy, hydraulic or forest resources, the Soviet Union was ready to provide technical assistance, helping them to prepare appropriate recommendations and economic plans, offering fellowships for the training of capable leaders and financing visits by their experts to the USSR to complete their training.

55. Consideration of the matters which he had outlined should not lead the Council to put aside other problems such as, for instance, that of economic and social co-operation between countries with different systems. The Council would also have to concern itself with matters of general interest such as inflation, the increase in prices and unemployment, approaching these problems on as wide a basis as possible so as to cover all countries, not forgetting that security and economic and social development could be guaranteed only if peaceful conditions and progress were assured everywhere in the world.

56. For its part, the Soviet Union intended, on the basis of the principles it had just set forth, to participate actively in the study of those matters, and in the search for constructive solutions.

57. Mrs. SIGURDSEN (Sweden) said that the adoption of the Declaration on the Establishment of a New International Economic Order had confirmed the trend towards an integrated approach to development: it was now clear that development must encompass all spheres of economic life: trade, monetary questions, transport, the transfer of technology, sovereignty over natural resources, control of transnational corporations. The rich countries must take account of that broader approach; Sweden, for its part, was currently making an integrated study of developing countries' demands and of the effects of its own economic policy on those countries.

58. In that context, if the United Nations system was to accomplish the task currently facing it, co-ordination within the system must be reviewed. Her delegation, for its part, would make every effort to enable the Council to reach tangible results in the matter at its current session.

59. The most immediate task in establishing a more just and equitable international economic order was to launch a short-term programme to assist those developing countries most seriously affected by the current economic crisis. That task must be carried out with the co-operation of all industrialized countries and other potential donors. The most seriously affected countries must receive assistance soon and on easy terms. The current level of development assistance was far below what would be reasonable in terms of both needs and capabilities. It was worth emphasizing the fact that if all developed countries reached the target for official development assistance laid down in the International Development Strategy, an additional $10,000 to $12,000 million would be made available to the poorer countries. That would make it possible not only to meet the most urgent needs but to make long-term investments. Sweden, for its part, would achieve the 0.7 per cent target in 1975. In order to assist countries in great need of additional resources, and in response to the Secretary-General's appeal, her Government had decided to increase its bilateral assistance by some $20 million. That sum could be used to pay for immediate imports. Furthermore, her Government was prepared to act swiftly in regard to the Special Fund established under resolution 3202 (S-VI), should a solution commanding wide support be adopted by the United Nations.

60. Sweden had noted with particular satisfaction that the Programme of Action called for urgent and effective measures to ensure a more effective participation by developing countries — whether recipients or contributors — in the decision-making processes of IBRD, IDA and other international financial institutions. The developing countries must carry a substantially greater weight in multilateral assistance organizations. The volume and quality of official development assistance and the policies and procedures of multilateral institutions should not be considered exclusively in institutions dominated by the industrialized countries; such a course would obviously run

counter to the intentions and decisions of the special session.

61. The arrangements to be adopted for the Special Fund would mark a starting point in the process of restructuring the multilateral aid system. The organization, voting procedures and lending policies of the Fund must be consistent with the new guidelines adopted by the General Assembly. In organizing the Special Fund, important questions concerning the role of the developing countries in the decision-making process and in lending policies would have to be settled; that would provide a unique opportunity to review the whole multilateral aid system. At its current session, the Council should identify the problems arising in that respect and request that the special studies necessary for its future deliberations and those of the General Assembly be prepared.

62. Turning to the International Development Strategy, she wondered what opportunities there were for observing and measuring development. Statistical data gave very little information on the actual living conditions of populations. New and refined concepts must be elaborated to that end. Furthermore, the United Nations should improve and, if possible, quantify the social targets of the Strategy.

63. Unfortunately it was apparent that there were mechanisms in the process of development which generated poverty for the many while bringing increased prosperity to the few. When an economy based on subsistence agriculture was transformed into an economy of large-scale production in both agriculture and industry, wide segments of the population were affected; farmers were forced off their land into urban slums, nomads were driven into areas where they could not subsist, etc. High-yield grain varieties might cause the quality of the soil to deteriorate and thus threaten the very existence of future generations. Rapid industrialization might cause widespread unemployment among people subsisting on handicrafts. Confronted with such situations, the United Nations must identify the conflicts inherent in development and analyse the mechanisms which generated poverty.

64. In the same context, it must be emphasized that the activities of multinational corporations often undermined the efforts of developing countries to achieve economic independence, and frequently aggravated social problems and tensions within those countries. Those activities must therefore be brought into line with national and international objectives. The international trade union movement could play a useful role in that regard: it was essential that in its decisions on multinational corporations, the United Nations should take due account of that movement's ideas. At the national level, Governments should review their labour legislation with a view to abolishing provisions favouring multinational corporations.

65. The 1974 and 1975 special sessions of the General Assembly, the United Nations Conference on the Law of the Sea, the World Population Conference and the World Food Conference gave proof that the international community was determined to attack the problems of poverty, malnutrition and development. The international community must now take up a great challenge: failure would cause a grave setback in peaceful international co-operation for development.

66. Mr. EKLUND (Director-General, International Atomic Energy Agency) said that he wished to highlight some of the information contained in the note by the Director-General of IAEA (E/5493), which itself brought up to date the information contained in the annual report of IAEA to the General Assembly.[3] During the past year, the General Conference and the Board of Governors of IAEA had given special attention to three major questions: firstly, the question of ensuring adequate funds for the Agency's technical assistance programme; secondly, the response that IAEA should make to the new world energy situation; and thirdly, the steps IAEA should take to ensure that rigorous safety and environmental standards were applied during the expected rapid growth of the use of nuclear energy.

67. In addition, a conference of the parties to the Treaty of the Non-proliferation of Nuclear Weapons would be held at Geneva in 1975 in order to review progress in the implementation of the Treaty; preparations had already begun, and IAEA would be reporting on its work on safeguards and its role in fostering international collaboration on the peaceful uses of nuclear energy. In that connexion, he drew the attention of the Council to the report[4] prepared in 1968 by a group of experts convened by the Secretary-General, which had estimated the annual cost of a modest nuclear force at $170 million and of a small high-quality force at $560 million (1968 values).

68. The target for voluntary contributions for the Agency's own technical assistance programme was now $3 million and the Board of Governors had recommended a target of $4.5 million for 1975. IAEA was now executing more than 100 UNDP projects, of which 15 were large-scale projects, as compared with 9 such in mid-1973. There were at present 104 member States of the Agency, the German Democratic Republic and Mongolia having become members during the past year. The Board of Governors had also recommended the admission of the Democratic People's Republic of Korea and Mauritius.

69. Describing developments in major programmes, he noted that the rise in crude oil prices had led to an increase in orders for nuclear power plants in almost all the major industrial countries. In the case of the developing countries, the situation had changed even more radically: nuclear power plants of one-third to one-quarter of the size of those now being built for the industrial countries might well become competitive in many developing countries.

70. In an endeavour to determine the scope of the potential market for nuclear power in the developing countries, IAEA; with the help of the World Bank and other organizations, had carried out a detailed survey in 14

---

[3] A/9125 and Corr.1.

[4] *Effects of the Possible Use of Nuclear Weapons and the Security and Economic Implications for States of the Acquisition and Further Development of These Weapons: report of the Secretary-General transmitting the study of his consultative groups* (United Nations publication, Sales No. E.68.IX.1), paras. 67 and 68.

developing countries in 1973. The results were now being brought up to date.

71. In 1973 also, IAEA had informed the Committee on Natural Resources of the Council that the world must take active steps to avoid a shortage of uranium during the next decade. It had been glad to note an increase in the number of large-scale projects for uranium prospecting which it was being called on to execute for UNDP. In addition, IAEA had been invited, in February 1973, to serve as the supply channel for the nuclear fuel for a power plant in a member State, namely Mexico. Since then, a second supply agreement of the same type had been concluded with Yugoslavia.

72. The expected growth of the use of nuclear power had sharpened the debate about its impact on the environment. In order to assist in solving the problems arising in that sphere, IAEA had expanded its safety and environmental protection activities, particularly in the areas of nuclear waste management, total environmental impact from nuclear power production and criteria for nuclear power plant safety and reliability, with a view to meeting increased requests for nuclear plant siting and safety missions. The Agency's expanded environmental programme was benefiting from special contributions from member States and from the Fund of UNEP.

73. Nuclear safety was a topical subject and there was a temptation to attach much importance to it. But the Agency wished to urge the organizations of the United Nations system in particular to consult it before publishing statements purporting to describe the potential environmental impact of nuclear energy. In addition, at the request of the parties to the 1973 International Convention on the Prevention of Pollution from Ships, IAEA was developing a definition of high-level radioactive wastes and drawing up procedures for dealing with wastes that could safely be dumped at sea.

74. As regards the role of nuclear science in food and agriculture and in water resources, the rate of increase in agricultural production during the past ten years in 42 developing countries had been smaller than the rate of population growth. The joint FAO/IAEA programme using nuclear science techniques in food and agriculture could not deeply affect that extremely serious situation immediately, but the Agency had received confirmation from the developing countries themselves of the importance which they attached to that programme and of the need to increase the funds available for it. Agriculture and water were closely linked and the United Nations agencies carrying out large-scale water resource projects were making increasing use of the Agency's services to conduct isotope hydrology studies which helped them to obtain information about ground water in arid regions. Almost 200 water resource experts from 45 countries had attended a symposium on the subject held at IAEA headquarters at Vienna in the spring of 1974.

75. Nuclear medicine was now well established and the Director-General of WHO and he himself were considering the transfer of certain responsibilities for routine applications from IAEA to other bodies. IAEA would continue to focus its work on matters of special interest to the developing countries, on the new and more experimental medical uses of radioisotopes, and on new nuclear instruments and radiopharmaceuticals.

76. The computerized international nuclear information system now covered the whole field of nuclear science literature. The Agency expected that it would deal with some 65,000-70,000 items a year by the end of 1974, and that the period of rapid growth would then come to an end. The IAEA system had served as a model for a similar system which FAO, with the Agency's help, was establishing for agricultural science; the Agency was also working with UNESCO on the development of the UNISIST system.

77. As far as co-ordination with other international organizations was concerned, attention would have to be given to the proliferation of meetings on energy. It might also be timely to reaffirm the Agency's primary responsibility for questions relating to the impact of the peaceful uses of nuclear energy on the environment. In the energy sector, co-operation had been established between IAEA and IBRD: (IBRD had helped the Agency to carry out the market survey which he had already mentioned, and the Agency was assisting the Bank in its studies on the expanding role of nuclear power and its contribution to future energy supplies. Co-ordination of the Agency's activities with those of other international organizations was not posing any major problems. Essentially, the Agency had found that the relationship agreements that it had concluded with the United Nations and the specialized agencies, as well as the special arrangements such as the Joint FAO/IAEA Division that had been established on the basis of those agreements, provided a satisfactory basis for co-operation. For its part, the Agency would not seek any formal changes, but it wished to stress the need for direct working contacts and consultations, and for flexibility and readiness to experiment with new types of co-operation. Even the most explicit legal provisions could not prevent overlapping of activities, but a constructive approach could often resolve formal conflicts of competence which were written into the statutes and constitutions of many United Nations bodies and which could not be eliminated by a process of constitutional amendment. Priority should, however, continue to be given to the economic, social and technological problems that confronted all the organizations in the United Nations system.

78. Mr. CAVAGLIERI (Italy), noting that the fifty-seventh session of the Council closely followed the sixth special session of the General Assembly on the problems of development and raw materials, said that it was for the Council to tackle the problems of implementing the principles adopted by the General Assembly in order to strengthen the role of the United Nations system in the field of economic co-operation (cf. resolution 3202 (S-VI, section IX, para. 3). The appeal launched by the General Assembly for strenuous efforts of collaboration among States highlighted the serious difficulties of the world economy and indicated the way to overcome them. No temporary or local remedy would suffice.

79. The *World Economic Survey 1973*, in part two, chapters I-II (E/5521 and Add.1), gave a clear summary of the situation. A general state of uncertainty, ever-changing conditions in production and trade, a very high degree of

fluidity in the monetary field, a widespread lack of stability in all economic sectors where rising costs and inflation were affecting everybody directly or indirectly, appeared to be the main components of the picture. Clearly, that situation had not originated in a vacuum; it had resulted from the interplay of political, social and economic factors. The whole complex had come to the surface in a particularly dramatic way through the unprecedented increase during the previous 18 months of the prices of raw materials, in particular of food energy. The *Survey* placed in a clear light the repercussions of the rise in oil prices in relation to their size and their suddenness: the technical and financial role played by energy in the present day and age could not have been more clearly stressed in all its extent, nor the changes occurring in the position of the various States.

80. The dichotomy between industrialized and developing countries had practically lost its meaning in terms of resources available; at the present day, to be industrialized meant to be able to export technology and know-how. The real question at issue was the quantity and quality of the needs and resources of each country. The main problem of several developing countries was the utilization of their financial or natural resources, actual or potential, for the purpose of strengthening their economic infrastructures and production systems. In the long term, that dichotomy was bound to disappear; in the short term, however, there were still countries that could help the others to overcome their difficulties, as also countries that needed help. That was only one of the implications of those general principles of co-operation and interdependence among States which had been repeatedly stressed by the General Assembly as the main guidelines for any action aimed at improving the present situation.

81. The present trend towards a new economic system was rapidly emerging along certain well-determined lines, namely: the establishment of a set of general rules and criteria; the adoption of common views and methods for dealing with major problems; and the implementation of short-term measures to meet emergencies. All were now agreed that that new economic system could be established only at an increasingly broad international level and that concept had found its expression in the idea of collective economic security.

82. The last part of the report of the Secretary-General on collective economic security (E/5529) gave an example of how that concept could affect some of the most complex and vital problems of the present day. His delegation felt, for its part, that international action in the economic field would not necessarily entail the creation of specific institutional machinery; nevertheless, bringing up-to-date and streamlining the existing bodies was a necessary and logical prerequisite for enabling the United Nations system to keep pace with the rhythm of evolution.

83. Collective economic security could manifest itself through the establishment of rules. He cited several topical examples: the Charter of Economic Rights and Duties of States now under pereparation thanks to the initiative of the President of Mexico; the Conference on the Law of the Sea currently meeting at Caracas; the formulation of codes of conduct which was being envisaged for an increasing number of matters; the general trade negotiations within the framework of GATT, and the coming discussions at Bucharest and Rome on the population and the food problem. It remained true, however, that the main stress was to be laid on development problems, which were to be studied anew at the next special session of the General Assembly, in 1975.

84. Clearly, it was too early to expect results from, or make forecasts as to the sequel of, the sixth special session of the General Assembly. It was certain, however, that the new process set in motion by the Assembly had brought into light all the aspects of a world problem, the terms of which had undergone a dramatic change. One of the first consequences would be the adaptation of the International Development Strategy to the new realities: co-operation and interdependence were to be strengthened in all their forms. All the problems pertaining to development – trade, monetary reform, population, food, human settlements – had a common feature, namely, the dynamic nature of each situation and the need to consider the problems in an equally dynamic perspective. Thus, development should be regarded as an improvement in welfare, not the continued supply of means of subsistence to an expanding population. That of course called for a minutely detailed inventory of all the means and resources, available or potential, that could be used to promote development. Several initiatives had already been taken in the present and other fora; the Council was to consider the measures laid down in the draft resolutions transmitted to it in May by the General Assembly (E/L.1599).

85. There was one specific point which, in the opinion of his delegation, merited more detailed comment: he referred to multinational corporations. The report of the Group of Eminent Persons and the remarks of the Secretary-General (1900th meeting) certainly called for a study more thorough than the mere reading which was all the delegations had been able to permit themselves in the short time available to them. As indicated by the Secretary-General, the creation of international machinery in that field was a particularly delicate matter; on the other hand, the role played by international corporations in the economy of the present day could not be ignored or overlooked. Multinational corporations were a tool to be utilized and directed in order to draw from it all the benefits it could provide, and to prevent it from exercising a pernicious influence. Those corporations constituted an efficient vehicle of capital and technology. His delegation was studying the recommendations of the Group and those of the Secretary-General on the possible creation of international machinery. In his delegation's view, such machinery could only be a source of information and assistance, and should not in any way encroach on the exclusive responsibility of States in deciding their policies in regard to multinational corporations. It was for each Government to decide how it would avail itself of those economic instruments in the interests of mutual benefit.

86. Finally, he broached the subject of action in emergencies, still within the framework of collective economic security. The most recent case of intervention by States and international bodies in tragic situations had been the assistance brought to the drought-stricken regions of central

Africa. Moreover, the economic turmoil caused by price fluctuations had placed certain countries in a particularly difficult situation. The special programme adopted by the General Assembly aimed at meeting the needs of the most seriously-affected countries through a series of short- and medium-range measures under the supervision of an *ad hoc* committee. That would be the first set of measures adopted by the General Assembly to deal with a general economic emergency.

87. He concluded by expressing his delegation's fervent wish that common problems and efforts might bring together ever more closely the various countries, and lead to fuller mutual understanding, more effective co-operation and progress towards peace and prosperity.

The meeting rose at 5.25 p.m.

1905th meeting

Monday, 8 July 1974, at 10.15 a.m.

President: Mr. A. KARHILO (Finland)

E/SR.1905

AGENDA ITEM 3

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

1. Mr. ISLAM (Pakistan) said that the present world economic system had demonstrably failed to benefit the majority of mankind. It favoured a few rich countries, to the detriment of the others, and had indeed been devised to perpetuate a situation which enabled the rich to exploit the poor and the strong to dominate the weak. The disparity between living standards in developed and developing countries showed that the system was inadequate and unjust. It was no longer acceptable to the majority of mankind. The collapse of the monetary system, the disruption of the international trading pattern, soaring commodity prices, the energy crisis and the failure of existing institutions to stabilize prices and the cost of living had brought developing countries to the brink of economic breakdown. That situation was the culmination of a process which had developed over the years, but nothing constructive had been done until the energy crisis had forced the developed countries to start a dialogue with the developing countries in an attempt to solve their own problems.

2. At its sixth special session the General Assembly had adopted a Declaration on the Establishment of a New International Economic Order, but the reservations entered by many countries gave the impression that the new economic order they envisaged was one in which the voice of the developing countries would be heard, but the decisions would continue to be made by the developed countries. Attempts were clearly being made to ensure that the new economic order would continue to serve the interests of those countries, without due regard for the rights of the developing countries. Some apparently feared that the balance of payments surplus of oil-producing countries, for example, would have a catastrophic effect on the international economic order. On the contrary, it might be the beginning of a more balanced order. The industrialized countries had had a balance of payments surplus with the rest of the world for decades. The outcome would depend on how the surplus was used. He did not doubt that the wealth would be used wisely and in the interest of all mankind. The newly-rich countries would naturally consider the welfare of their own people first, but they were clearly aware of their responsibility to help the less well-endowed developing countries and had already begun to play a part in the establishment of a new economic order.

3. Nevertheless, economic power remained with the countries which had wielded it for the past century and their co-operation would be needed to change the present one-sided system. It would be in their own long-term interest to help to restructure international monetary and economic institutions in a way that would benefit all countries equally and to avoid a confrontation between the developed and the developing countries.

4. Certain factors which had hitherto prevented the proper economic growth of the poor countries must be removed to enable them the prosper. The principal adverse factors were unfavourable terms of trade and international trade barriers. In recent years, international trade barriers had in fact increased and trading rules had become more complex, with the result that developing countries found it increasingly difficult to compete with the developed countries. The economic association of some industrialized countries for the protection of their agriculture and industry had been detrimental to the poor countries. Unrealistically low tariff quotas and global ceilings, product classification into sensitive and semi-sensitive categories, and complicated regulations regarding such matters as the origin and "authenticity" of products confused traders. The unilateral application of import rules prevented some developing countries from diversifying their exports.

5. The developing countries had seen their share of world decline and hoped to obtain better trading opportunities through the multilateral trade negotiations launched by GATT. Those negotiations should be allowed to begin without further delay. They should be guided by the principles and objectives of the Tokyo Declaration of the

GATT Ministers and the relevant provisions of the Programme of Action adopted at the sixth special session of the General Assembly. Their aim should be to increase the developing countries' share of world trade and their foreign exchange earnings, to improve market access for their exports by the removal of tariff and non-tariff barriers, and to ensure stable, remunerative prices for their products. To correct the present imbalance in world trade, the negotiations would have to be based on the principles of non-reciprocity and preferential treatment for developing countries. The generalized system of preferences should be maintained, improved and extended.

6. The growth of developing countries was also impeded by the present international monetary system, whose reform was of vital importance to the world economy. The Programme of Action outlined measures for its reform. An integral part of the reform should be the promotion of a net transfer of real resources from the developed to the developing countries. A link should be established at an early date between the allocation of SDRs and additional development finance. He had been disappointed to hear that the Committee of Twenty of IMF had called for yet another study on that subject; he hoped that the study would be completed expeditiously and would lead to positive action. The developing countries had a right to full participation in decisions on the reform of the monetary system and to a fair share of the resulting benefits. That right was recognized in the draft Charter of Economic Rights and Duties of States adopted by the UNCTAD Working Group at Mexico a few days earlier. The development of poor countries was also impeded by their huge debt-servicing burdens, monopolistic freight rates, the high cost of the tranfer of technology, and the continuing brain drain.

7. He expressed disappointment at the lack of progress in regard to the Special Fund envisaged in General Assembly resolution 3202 (S-VI), although the urgent need for effective measures was universally admitted and there had been a consensus of opinion on the section of the resolution dealing with the Special Programme. It was all the more disappointing that a number of delegations had been unable to make substantive statements during the two sessions of the *Ad hoc* Committee on the Special Programme. Urgency should be the keynote of the Special Programme. He suggested that the Council should direct the *Ad hoc* Committee to consider the question of the establishment of the machinery of the Special Fund as a matter of the highest priority and to complete its work without further loss of time.

8. The report of the Group of Eminent Persons convened to study the role of multinational corporations on development on the international relations (E/5500/Add.1) would be most useful as a preliminary document and the recommendations in it merited serious consideration by both developed and developing countries. He agreed with the Secretary-General (1900th meeting) that the problems raised by multinational corporations should be thoroughly and continuously studied and he supported the Group's recommendations that a commission of 25 experts on multinational corporations should be established. He also supported the recommendations for the establishment of an information and research centre in the United Nations Secretariat to provide administrative support for the proposed commission, and he favoured an annual discussion on multinational corporations in the Council. Above all, however, it was necessary to formulate and adopt an international code of conduct to regulate and control the activities of multinational corporations. The proposed commission should give priority to the formulation of such a code.

9. The Secretary-General's report on collective economic security (E/5529) was a timely and cogent document. He agreed that the concept of collective security was applicable to economic as well as military relations among States, but felt that the concept of collective economic security needed further elaboration and urged the Secretary-General to expand the practical scope of the four tasks he had outlined for international institutions: assessment, regulation, provision of equity, and emergency assistance (section III. A). It was the duty of the international community to introduce and apply certain regulations aimed at promoting international economic security. The study rightly stated that provision of equity meant measures to ensure that gains in economic welfare reached all countries and all levels of society. The evolution of a new economic and social order, which had been accelerated by the recent economic crisis, would continue and he was confident that a more just and stable order would emerge. Since the process of change was governed by global forces, regional developments and national goals and policies, steps must be taken at all those levels to mitigate the difficulties of the most seriously affected countries, to further the economic development of all countries and to promote collective economic security.

10. Mr. W. RAHMAN (Observer for Bangladesh), speaking at the invitation of the President, said that the Declaration and Programme of Action adopted at the sixth special session of the General Assembly, which would have been inconceivable 25 years earlier, marked a departure from the old concept of an international economic order based on domination by the strong and rich to one of interdependence and collaboration. Little effective action had been taken to attain the assistance objectives laid down in the International Development Strategy; as the Committee for Development Planning had observed, that Strategy remained more a wish than a policy. The new Declaration and Programme of Action raised new hopes. If, as the Indian representative had said (1903rd meeting), they were implemented urgently and effectively, they could help to rectify the inequities and weaknesses of the international economic system. That would depend on the political will of the developed countries, which should ungrudgingly provide expertise and equipment and encourage developing countries in every way possible to earn the foreign exchange they needed.

11. The Programme of Action rightly recommended the implementation, improvement and enlargement of the generalized system of preferences. Unfortunately, the developing countries could not take full advantage of the tariff concessions because the system still excluded products of major export interest to them. A recent UNCTAD study[1]

[1] TD/B/C.5/22 and Corr.1.

revealed that only 30 to 50 per cent of imports eligible for preferential treatment had actually received such treatment and that preferential schemes covered only about 25 per cent of dutiable imports from developing countries. To remedy the situation, the developed countries could take *ex-ante* and *ex-post* measures to avoid further damage to the economies of the developing countries. The most effective way of improving the system, however, would be through extended product coverage, larger tariff cuts and liberal ceilings and tariff quotas.

12. He welcomed the General Assembly's decision at the sixth special session to establish a Special Programme for additional emergency aid to the most seriously affected countries to enable them to overcome their present difficulties and achieve self-sustained economic development. He hoped that immediate action would be taken to give effect to the emergency programme, for the situation was desperate in countries like his own. There was a danger that the upheavals in the world economy would seriously affect his Government's five-year development plan.

13. The hopes raised by the Tokyo Declaration of GATT Ministers concerning the multilateral trade negotiations appeared to be fading. The negotiations should be started in earnest, with the following objectives: additional benefits for the trade of developing countries though improvements in the generalized system of preferences and trade concessions; the restriction of preferential tariff margins for products of export interest mainly to developing countries included in the generalized system of preferences and the exclusion of such products from most-favoured-nation treatment and tariff reductions; larger preferential tariff cuts for products of export interest to developing countries included in the system and consideration of the export interests of the least developed and land-locked developing countries.

14. He agreed with the Secretary-General that the Council was the logical organ of the United Nations to be entrusted with responsibility for collective economic security and that security was correlated to the concept of collective political security. The interdependence of the present-day world called for a new strategy of dynamic stability, based on global responsibility for the development of all countries. Acceptance of that principle would ensure the economic security of all countries and avert economic upheavals such as present one, which had widened the gap between the rich and the poor. He noted with satisfaction the work done by the UNCTAD Working Group at Mexico City and welcomed the Charter of Economic Rights and Duties of States. He agreed that States should co-operate in establishing more rational and equitable international economic relations and encourage structural changes in harmony with the interests of developing countries in particular. All States had a right to participate in the formulation of international decisions to solve world economic and monetary problems and to share equitably in the resulting benefits. All States should promote co-operation in the transfer of technology and help developing countries to apply the achievements of modern science and to develop indigenous technology. All States had the right to exercise permanent sovereignty over their natural resources.

15. The basic assumptions underlying the International Development Strategy would have to be re-examined in the context of the new world economic situation. That situation called for an integrated policy on primary commodities. To establish such a policy, to fulfil the expectations of the sixth special session of the General Assembly and to prepare for the 1975 special session, it would be necessary to overhaul and strengthen existing institutional machinery. The Council should concentrate on ways and means of implementing the Programme of Action.

16. Bangladesh attached particular importance to the forthcoming World Food and World Population Conferences. He hoped that the former would result in the establishment of a permanent buffer stock of food grains to absorb the impact of sudden fluctuations in the commodity markets. He welcomed the study on the impact of multinational corporations on the development process and on international relations and thought that serious efforts should be made to evolve an acceptable code of conduct for such corporations that would benefit the developing countries.

17. Mr. ZEGERS (International Monetary Fund) said that the Managing Director of the Fund, who regretted that he was unable to leave Washington at the moment, had asked him to present the following statement.

18. The results of the recently-concluded international monetary reform exercise undertaken by the Committee of Twenty of IMF had fallen short of what had been hoped for at the time of the Committee's establishment in 1972 but, in view of the turbulent developments in the world economy over the past two years, the Committee's achievement had been noteworthy for its scope. While in the present uncertain circumstances it had not been feasible to prescribe fully articulated monetary arrangements for the longer term, there was a substantial measure of agreement on the broad objectives of a reformed system and a general commitment to pursue policies that would promote those objectives. Seen in that context, the programme of immediate action agreed upon in Washington[2] providing for the preparation of draft amendments to the Articles of Agreement of IMF for further study by Ministers and submission to member countries before February 1975, was, in his view, a significant step in the evolution of the international monetary system.

19. To provide for the continuation of such evolution, it had been decided that a new permanent organ of the Fund with decision-making powers in supervising the management and adaptation of the monetary system was needed at ministerial level. The proposed council would strengthen the voice of the international community, developing and developed countries alike, and help to guard against the possibility of harmful and excessively nationalistic policies. Since such a council could be established only by an amendment to the Articles of Agreement, it had been decided that an interim committee on the same lines, but with advisory powers only, should be set up meanwhile.

---

[2] See IMF press release No. 74/32 of 13 June 1974.

20. Another important area in which the wishes of the international community as a whole would be given added weight was the management of the present floating exchange rate system. It was gratifying to note that the Executive Directors had adopted a decision on guidelines for the management of floating exchange rates. Those guidelines would help to ensure that countries conducted their exchange market intervention in the light of internationally agreed criteria and would provide a framework for a continuing dialogue among countries on the appropriateness of their external policies.

21. In the Committee of Twenty, the Ministers had agreed that members of the Fund should be invited to undertake not to introduce or intensify trade or current account restrictions for balance-of-payments purposes unless the Fund had first found that such measures were justified. Although of a voluntary nature, that declaration showed the joint determination of all countries to avoid policies that could be harmful to the principles of international co-operation in the difficult period ahead.

22. Another point on which the Committee of Twenty had been able to reach rather general agreement was the importance of enhancing the role of SDRs in international reserves. A new method of valuation of the SDRs had been adopted, based on the 16 most important currencies in world trade; it should add a welcome measure of stability to what eventually become the central asset in world reserves. The SDR would initially bear a rate of interest of 5 per cent, which was higher than under the former valuation but still well below market rates and low enough to emphasize the essentially co-operation nature of IMF.

23. The growing role of the SDR would benefit all members of the Fund by enabling the international community to improve procedures for the management of global liquidity. At the same time further work would be needed on the part to be played by the other major elements of international liquidity: gold and national currencies. The Executive Directors would study those questions in the coming months.

24. The measures he had mentioned should benefit all members to the Fund by making the international monetary system more efficient and responsive. There were in addition several specific proposals and recommendations which would be of particular interest to the developing countries members of the Fund.

25. Firstly, the Committee of Twenty had endorsed the establishment of a new facility with expected initial resources of over SDR 3,000 million ($3,600 million) to help members to meet the initial impact of the increase in oil import costs. The Managing Director hoped that the facility would constitute an important source of additional financing to countries which might otherwise be driven to adopt policies that were undesirable both for their consequences for domestic development programmes and for their effects on trading partners.

26. Secondly, there was widespread support for the extended Fund facility referred to in General Assembly resolution 3202 (S-VI) which, as part of the immediate programme of action recommended by the Committee of Twenty, would provide resources on a somewhat more ample and longer-term basis than normal to countries with structural weaknesses in their balance of payments and which would be of particular benefit to developing countries with substantial levels of concealed unemployment. Much work had already been done on the proposal, which he hoped could be implemented in the near future.

27. Thirdly, although there was so far no agreement on the means by which the necessary transfer of real resources to developing countries should be achieved under new monetary arrangements, there was widespread recognition of the magnitude and urgency of the problem. It had therefore been agreed that a joint committee of the Fund and the World Bank should be established at ministerial level to continue the study of the question and to recommend measures. The committee would give particular attention to the difficulties of the countries most affected by present economic conditions. Work done in that area would, of course, be closely co-ordinated with that done by other organizations.

28. Fourthly, it had been agreed that the question of the link between development assistance and SDR allocation should be further studied and that the Executive Directors should prepare a draft amendment for the consideration of Ministers. That did not mean that there was general agreement on the link, but certain major countries which still had serious reservations on the matter would re-examine their attitude to the question in the context of carefully worked out legal texts.

29. While the package recently agreed upon in Washington was a significant contribution to the evolution of the international monetary system, progress in the international monetary field would be of little comfort to member countries of the Fund if they were unable to control the serious domestic problem of inflation. The Ministers in the Committee of Twenty had recognized the seriousness of the problem and had affirmed their determination to adopt the necessary policies to combat it. Inflation was an evil which was most harmful to those least able to protect themselves. The richer and more industrialized countries therefore had a special obligation to the poorer nations to adopt effective and realistic domestic policies.

30. Mr. PETRIĆ (Yugoslavia) said that the Council was holding its present session at the time when it was expected to assume an important part of the responsibility for the implementation of the historic decisions of the sixth special session of the General Assembly. President Tito had recently emphasized that the significance of the sepcial session lay primarily in the fact, on the initiative of the non-aligned countries, it had adopted, by consensus, decisions laying the foundations of a new, more equitable system of economic international relations and had stressed, in particular, that the Declaration and the Programme of Action on the establishment of a New International Economic Order proceeded from the principles of equal rights, sovereign equality and respect for the interests of other countries — an essential factor for the successful solution of the acute problems confronting the international community.

31. The Declaration embodied elements of vital importance for future relations in the world economy. It rightly emphasized that the remaining vestiges of alien and colonial domination, foreign occupation, racial discrimination, *apartheid* and neo-colonialism in all its forms continued to be among the greatest obstacles to the full emancipation and progress of the developing countries and of all the peoples involved, and that the present international order was in direct conflict with current developments in international political and economic relations and perpetuated inequality. It also rightly stressed the reality of interdependence of all the members of the world community and recognized that the developing world had become a powerful factor that made its influence felt in all fields of international activity and that the irreversible changes in the relationship of forces in the world necessitated the active, full and equal participation of the developing countries in the formulation and application of all decisions concerning the international community.

32. The Declaration and Programme of Action undoubtedly heralded a new period of more equitable international economic co-operation.

33. As a result of the awakening of political consciousness and struggle on the part of numerous peoples and social movements which were unable to live in the old political and social relationships, and of the unprecedented upsurge of productive forces based on modern science and technology, the world was going through a process of deep transformation. Earlier structures and obsolete relationships were irrevocably yielding to new, progressive relationships. The Declaration rightly stressed that the greatest and most significant achievement during the last decades had been the achievement of independence from colonial and alien domination of a large number of peoples and nations.

34. All those profound changes had, however, been attended by many conflicts and contradictory movements and had given rise to numerous problems which the world community, and above all the United Nations, must solve. While interdependence and interrelationships were increasing, so also were disproportions in development, with a widening gap between the developing and developed countries. Trend which were bringing the world closer together were accompanied by tendencies, fostered by colonialism and neo-colonialism in all its forms, to disrupt and divide it.

35. The significance of the sixth special session lay precisely in the fact that the United Nations General Assembly had, for the first time, confronted the entire complex of international economic problems, including all the political implications. The Council's efforts to implement the measures and principles inscribed in the documents adopted should therefore be viewed as part of the general struggle for progress and equality. Mankind had no alternative but to apply the principle of active peaceful co-existence to relations among all countries and peoples and to the solutions of all international problems, including economic problems.

36. At the special session the General Assembly had firmly asserted that it was no longer possible to deny the right of States and peoples to full sovereignty over their natural resources, to sovereign decision-making on the shaping of their destinies and to participation on equal terms in the taking of all decisions that concerned the international community. Efforts must now focus on ensuring the full and consistent exercise of that right in all fields of international co-operation.

37. Those were the essential foundations of the policy and world-wide movement of non-alignment, whose vitality had been clearly demonstrated at the Fourth Conference of Heads of State or Government of Non-Aligned Countries, held in 1973. The General Assembly at its last regular session had endorsed most of the initiatives and recommendations of that Conference in the sphere of economic co-operation and, at its special session, had taken a major stride towards more equitable forms of international co-operation.

38. The *World Economic Survey, 1973* (E/5486, E/5521 and Add.1-3) showed that the period under consideration had been one of the most turbulent in recent economic history. The acute and long-term problems of the developing countries were worsening still further in a system in which it was impossible to solve even the problems plaguing the developed countries. Inflation, which was assuming alarming proportions, afflicted the developing countries in particular. People in many parts of the world, and particularly in the Sudano-Sahelian region and Ethiopia, were suffering hunger, while environmental problems everywhere were growing more acute.

39. In those circumstances, record growths in world production and trade did not inspire confidence. The *Survey* in fact pointed to a tendency towards deceleration in the expansion of the industrial production of the developing countries. With regard to export prices, it was not sufficient to review only a three-year period and global movements. The documents submitted by the Secretary-General to the sixth special session showed that from 1953 to 1973 the prices of primary commodities exported mainly by developing countries had risen less than those exported mainly by developed countries, and that the rise in the average of all primary commodity prices had been only slightly below the increase in the unit value of exports of manufactured goods, so that the average terms of trade between primary commodity prices and manufactured goods had been virtually unchanged in the last quarter of 1973 compared with the average for 1950.

40. It was therefore clearly impossible to speak of an improvement in the terms of trade for developing countries and even more impossible to speak of any lasting prospects in that respect. Not only had there been no increase in recent years in the prices of many of the raw materials exported by developing countries but the latest information showed that some of them had declined. Even where increases had been registered there were already oscillations which threatened a decline.

41. His delegation was concerned about some attempts to use the results of actions justifiably taken by developing countries to recover their own natural resources as an excuse for relegating the fundamental problems of development to the background.

42. The report of CDP on its tenth session (E/5478) showed that there was no coherent reason to justify a weakening of the role that the developed countries should play in the field of trade and aid policies for development, that the short-term dislocation of balance-of-payments positions of the developed countries had not altered the distribution of wealth in favour of developing countries in any fundamental way and that it should not therefore be used as an argument for relenting on international commitments in the flow of assistance to the developing countries. The crisis situation could be overcome only by relying on policies that recognized the reality of interdependence, and not if problems were viewed as matters of unilateral assistance rather than as the common problems of the entire international community.

43. The Declaration and the Programme of Action had been inspired by that kind of approach and only by implementing them would it be possible to achieve durable solutions and radically change the existing situation and the unsatisfactory current trends. It was the Council's responsibility to find its place and role in the performance of the task on the basis of the terms of reference given to it by the General Assembly at the special session. Its primary task at its present session was to secure the implementation of the decisions taken at that special session.

44. It was important not to lose sight of the fact that, in addition to their important economic-technical aspects, all the problems to be dealt with were part of the entire complex of efforts to establish a new economic order and consequently had an even more significant political component. Many positive decisions taken in the past had been lost in the maze of so-called technical discussions and portrayed as inadequate because they had been measured on the basis of the very criteria it had been desired to change.

45. In facing the task of establishing a new system, the Council should organize the work of the entire United Nations machinery in such a way as to prevent a repetition of that situation. It was no doubt precisely for that reason that the special session had decided that, with a view to implementing its decisions, the Council might be convened as necessary in special sessions or, if necessary, might function continuously. The executive bodies of many regional and sub-regional organizations outside the United Nations system had found that the desired changes made it imperative for them to meet at a high political level. The same practice should be applied to the United Nations.

46. It would be impossible to build a new international economic order without the full political will of all Member States to assign a high priority to it in their national policies and to devote the necessary energy and time to it. It was essential that the policies and measures initiated and carried out in organizations outside the United Nations should be consistent with those adopted by the General Assembly.

47. The decisions taken at the sixth special session could not be implemented through action in the United Nations alone. Many of them were capable of being implemented immediately and directly by Member States within the framework of their domestic policies. That essential part of the implementation process should also find its rightful place in the reports to be considered by the Council and an appropriate procedure should be established for the purpose.

48. The General Assembly and the Council should to a greater extent influence and guide the work of all the United Nations bodies engaged in the economic field, including the specialized agencies. Once the special session had decided to work urgently for the establishment of the new economic order, the General Assembly and the Council should become deeply involved in the action, examining, for instance, the problems that had arisen in negotiations to reform the international monetary and trade system. It was difficult to see how a new system could be established if, in such an essential sector as international trade, the multilateral trade negotiations initiated had not yet really begun. It was impossible to achieve a lasting reform of the monetary system when the negotiations carried out so far had produced only partial measures which failed adequately to reflect the interests of the developing countries.

49. The Declaration adopted at the special session stated in effect that the interests of the developed countries and those of the developing countries could no longer be isolated from each other and that the prosperity of the international community as a whole depended upon the prosperity of its constituent parts. It was now necessary to face the consequences of those facts. It should become customary for the Council and other important United Nations forums, especially the General Assembly, to draw attention in good time to all conduct which was inconsistent with the proclaimed policies and objectives of the United Nations. His delegation was concerned about a certain tendency to adopt, in one instance, decisions to work for the establishment of the new system and to ignore that common obligation in another. All the activities pursued by Governments jointly or individually within the framework of different organizations should be in line with the spirit and goals of the United Nations.

50. The Council should perform its role whenever international economic relations were threatened by great difficulties or crises. Just as the special session had been convened to deal with economic problems, the Council should be convened whenever problems seriously affecting the entire international community arose. The United Nations should assert itself in that sphere along lines similar to those in political relations.

51. In the light of all those considerations, his delegation considered that the concept of collective economic security should be developed and applied consistently as an element of growing importance in the establishment of a new international economic order. In that connexion he emphasized the great significance of the Charter of Economic Rights and Duties of States.

52. His delegation attached particular significance of the Special Programme of measures in favour of the hardest-hit developing countries, in which context special account should be taken of the specific problems of the least developed and the land-locked developing countries. While some of the statements made in that connexion were

encouraging, the response to the appeal for assistance had so far not met the expectations expressed at the time of the adoption of the Special Programme.

53. At the special session the General Assembly had been unanimous in its view that the present situation of those countries was the outcome not only of the situation of the moment but also of the unequal and increasingly disadvantaged position of the developing countries in the world economy and the failure to solve the acute and long-range problems of development generally. It was therefore justifiable to expect all developed countries fully to meet their obligations under the Special Programme.

54. The world community had made far-reaching efforts to open up vistas of a world based on principles such as those in the Declaration and should not fail to find ways and means of helping to surmount the difficulties confronting the hardest-hit developing countries, which were certainly no exception to the reality of interdependence of all members of the world community.

55. Despite the fact that it was itself a developing country and that rising prices had caused it considerable hardship, Yugoslavia had decided to extend assistance within the limits of its possibilities. He welcomed the efforts which the Secretary-General had made so far in launching emergency operations and hoped that his action would meet with a greater response.

56. The tasks in respect of the preparations for the special session of the General Assembly scheduled for 1975 did not differ essentially from the tasks faced in implementing the Declaration and the Programme of Action. The Programme of Action rightly stated that all efforts should be so directed as to enable the 1975 special session to make its full contribution to the establishment of the new international economic order. That would ensure that the preparations for that session were linked with the process of reviewing the implementation of the decisions taken at the sixth special session. Those decisions were of particular significance for adjusting the International Development Strategy to new needs and circumstances. The Strategy had from the outset been founded on the principle of continuing efforts within a dynamic concept, but unfortunately it had not only failed to be developed and brought up to date but even the modest targets it had set had not been attained.

57. The results of the sixth special session, however, opened up favourable prospects not only for the implementation of the Strategy but also for its revitalization, to enable it to play its rightful role in international economic co-operation. The mid-term review and appraisal in 1975 would provide the best opportunity for that purpose; it was therefore essential for the Council to make the necessary preparations at the present session.

58. Developments had justified the decision to study the activities of the multinational corporations. His delegation supported the recommendation made by the Group of Eminent Persons in its report for the establishment, within the United Nations, of a body to control and regulate the operations of such corporations and to formulate an international code of conduct for the purpose. The body concerned should be an intergovernmental body working with the assistance and support of experts. Multinational corporations should, in principle, be subject to the sovereignty of the countries in which they operated and all rules should be formulated on that basis. The corporations should not be permitted to become a dominant factor in the countries in which they operated, particularly in developing countries. Vested interests could not serve as a basis for regulating relations with multinational corporations. International action should be directed to assisting developing countries to eliminate the negative activities of multinational corporations, which disregarded national priorities and problems, extracted ever larger profits and interfered in the internal affairs of those countries.

59. After a long period during which the Council had not been ready to adopt and implement the decisions which the present state of international economic relations called for, the time had come for it to meet the challenge and fulfil the role assigned to it by the United Nations Charter. The restablishment of a new international economic order was an undertaking without precedent in the history of the United Nations and the Council could and should assume the greatest part of the responsibility in the process.

60. Mr. GARDINER (Executive Secretary, Economic Commission for Africa) said that African States were facing an unusually serious combination of economic problems. Although there had been substantial gains in export earnings in 1973 owing to high growth rates in developed countries, the over-all economic activity in a number of African countries had been adversely affected by drought conditions. Furthermore, it was likely that inflation and high petroleum prices would bring about low growth rates in the developed countries in 1974.

61. There had been considerable changes in the exchange rates of African currencies during the period under review as speculative pressures had built up in the developed countries; those pressures had also largely contributed to the increases in commodity prices which had occurred up to May 1974. The important question was on what level commodity prices would eventually stabilize. Provisional estimates showed that exports from developing Africa had increased in 1973 by 31 per cent, of which about 17 per cent had been due to price rises and to the fact that most African currencies had appreciated against the dollar in 1973. The balance of trade had in fact shifted slightly against African developing countries owing to a still larger rise in import prices: the dollar value of imports between 1972 and 1973 had increased by 18 per cent without any significant increase in the volume of imports. Large increases over the 1972 figures had been recorded in the export prices of sisal, rubber, cocoa, copper, cotton and zinc. Crude petroleum prices had almost quadrupled by the end of 1973. On the other hand, the price of coffee had increased more slowly and a good deal of sugar had been sold at more stable prices under sugar agreements.

62. The growth rates of GDP in the region in 1973 had varied considerably from a fall in the growth rates for five countries to an increase of over 9 per cent in four other countries. The growth rate for developing Africa as a whole,

at constant prices, had been estimated at 4.5 per cent for 1973 and, for the period 1971 to 1973, the first three years of the Second United Nations Development Decade, at 4.6 per cent, compared with the target growth rate of 6 per cent. For agriculture and associated activities the growth rate was estimated to be only 1 per cent – a fact which limited the over-all growth rate of the economy of developing Africa, although growth rates of between 4 and 6 per cent had been recorded in other economic sectors.

63. African social development, like African economic development in general, was hampered by inadequate resources. Most effort was concentrated on the urban sector, which had been growing at over 5 per cent per year, while the rural sector, which accounted for more than 70 per cent of Africa's population, remained neglected until crisis conditions arose. A number of countries were reviewing their educational systems in order to make them more relevant to their economic and social needs and to spread educational facilities to rural areas. Several countries had invited the ILO to help in formulating policies to deal with increasing unemployment, particularly among school-leavers and migrants to the urban areas. The problems of unemployment were forcing member States to recognize the need for various structural changes. A particularly serious factor affecting social and political harmony was the fact that the consumer price index had risen in a number of countries by as much as 9 per cent in the summer of 1973 and that food prices had risen even more sharply than the general price index.

64. By 1974, increases in the price of petroleum and products had begun to have harmful effects on all oil-importing countries. The major user in African States was the transport industry: increased transport costs would naturally affect domestic prices and the shipping costs of imports and exports, as well as the prices of imports, most of which came from the developed countries. There was little possibility of effecting short-term savings by switching sources of energy, although in the long term the position might greatly change. There was no doubt that the relatively cheap price of petroleum in the past had encouraged capital-intensive industries in developing countries and imports of non-essential goods. There were other less direct ways in which the higher petroleum prices were adversely affecting African economies: for example, the increase in the cost of air travel had begun to hit the tourist trade, and in agriculture the cost of fertilizers had risen substantially. On the assumption that the structure of imports would remain the same as in 1973, it was likely that petroleum imports would represent about 15 per cent by value of the total imports in 1974 as against 5 per cent for 1973. It was probable that the price of imports of basic foodstuffs would increase in 1974 to a similar extent. The least developed among the developing countries of Africa, which already had trade deficits in 1973, would be the hardest hit by the increased petroleum prices. It therefore seemed doubtful that the region as a whole would achieve anything like the growth target of 6 per cent set for the Second Development Decade.

65. The other serious problem facing the African region was that of drought conditions in the Sahara-Sahelian zone, where the grain deficit was continuing to mount rapidly and about one sixth of the total cattle stock had been lost. The countries concerned were poor even by African standards since they had a limited production of minerals and there was little manufacturing industry or tourism except in Senegal. Any failure in rainfall made for a rapid transition from subsistence living to famine. Plans were under review to improve transport in the very large and sparsely populated Sahelian area by building a network of roads and two new rail links. There was also a large-scale reafforestation project to prevent further encroachment by the Sahara. The problems of the Sahelian zone illustrated the difficulties of many African countries where rainfall was uncertain and population and livestock had increased considerably. Recent droughts in Northern Nigeria and Ethiopia as well as in the Sahelian area had given colour to the warnings that Africa might be facing ecological changes north of the 12th parallel. It would seem essential to build up buffer grain stocks against bad harvests and to institute a system of livestock management based on the capacity of the pastures.

66. It was evident that, in order to be effective, United Nations and international assistance required a multi-disciplinary and co-ordinated approach in all sectors. For that reason ECA had instituted joint working arrangements with the specialized agencies and other international bodies and had agreed with UNDP on special areas on which efforts were to be concentrated. The sixth special session of the General Assembly had shed new light on how the problems of the African region related to the new economic order. It was proposed to hold a discussion on that subject at the forthcoming session of the Commission's Committee with a view to re-arranging, if necessary, the Commission's programme of work.

67. Mr. MARAMIS (Executive Secretary, Economic Commission for Asia and the Far East) said that increased demand and production in the developped countries had helped to bring about higher growth rates than in the two previous years in most developing economies in the region. In particular, a number of countries had had relatively high growth rates in the manufacturing sector and agricultural conditions had returned to normal. On the other hand, there had been a decline of nearly 5 per cent in food production *per capita* in 1972 and the continued increase in population exacerbated the problems of unemployment and mass poverty in the region.

68. World-wide inflation had led to considerable domestic inflation in many countries of the region; in some countries, consumer prices of essential commodities and services had increased by more than 50 per cent since 1972 and by 25 per cent since the beginning of 1974. Increased prices for imports of consumer and capital goods and the danger of the developed countries taking deflationary measures which would affect the export industries of developing ECAFE countries, were having adverse effects on their balance of payments and their prospects of economic growth. Although raw material prices had increased in some cases, sharp fluctuations in commodity prices ran counter to the interest of most developing countries and the local processing of raw materials was still hampered by tariff and non-tariff barriers in many developed countries.

69. The ECAFE region had been seriously affected by the recent food crisis, particularly the poorest sectors of the poorer countries in the region. The price increases of petroleum products had affected the supply of fertilizers and some countries not endowed with such natural resources had been brought to the brink of catastrophe. The position underlined the importance of making the best use of natural resources on a world-wide basis.

70. Apart from the specific problems raised by the current crisis, there remained the basic development problem that economic growth did not in itself ensure full employment or satisfactory living conditions. It was difficult for ECAFE to identify common problems or formulate a common policy owing to the very wide differences in natural resources and economic development between the various member States. It had been recognized that the Commission must constantly reassess its role in the light of changing circumstance and must not spread its resources too thinly. At the twenty-ninth session, held in 1973, the Commission had requested the Executive Secretary to review ECAFE's activities with a view to enhancing their effectiveness. The measures taken to that end were referred to in the Commission's annual report (E/5469); they had been endorsed at the recent (thirtieth) session held at Colombo.

71. At that session the participants had adopted the Colombo Declaration (resolution 140 (XXX)), which defined the region's priority areas as those relating to food, energy, raw materials and external financial resources. To solve those problems, there was need both for an integrated approach on the part of the region and for concerted action by the international community. The Commission had adopted resolution 146 (XXX) requesting assistance with regard to the balance of payments and long-term developmental requirements from IMF, IBRD and developed and affluent or exporting countries, as also resolutions on other pressing problems which had been discussed at the sixth special session of the General Assembly. With regard to the establishment of the World Fertilizer Fund, which was the subject of Commission resolution 142 (XXX), he was in consultation with ECAFE member States and specialized agencies with a view to submitting specific proposals to the forthcoming World Food Conference.

72. The revision of the ECAFE programme had been largely directed towards determining priority areas for concerted efforts, rationalizing its conference structure and promoting an integrated and multidisciplinary approach to the major problems confronting the region. An important decision had been taken to collaborate closely with the specialized agencies and other organizations including research institutes both inside and outside the region. The changes demonstrated the Commission's ability to use UNDP and other resources for regional and sub-regional projects. A rapid decentralization to the Commission of all the projects within the region of which the United Nations was at present the executing agent was therefore fully warranted. Since the priority areas identified at the Colombo session were in general accord with the programmes outlined in the Programme of Action adopted at the sixth special session of the General Assembly, it would appear that the activities of the regional commissions would make a major contribution to the successful implementation of that Programme.

The meeting rose at 12.30 p.m.

1906th meeting

Monday, 8 July 1974, at 3.15 p.m.

President: Mr. A. KARHILO (Finland)

E/SR.1906

AGENDA ITEM 3

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

1. Mr. ENNALS (United Kingdom) explained his delegation's position on the following three major issues: the world economic situation, remedial action to be taken, and the sixth special session of the General Assembly. The world economic situation had very aptly been described as "turbulent" in the *World Economic Survey, 1973* (Part two, E/5521 and Add.1-3). The economic problems of the past three years were well known; increasing inflation in industrialized countries; the urgent need for international monetary reform, and, during 1972 and 1973, rapidly rising commodity prices. Not surprisingly therefore, there had been a slackening of growth throughout the world in 1974. To add to all those difficulties, oil prices had quadrupled, with the result that there had been a deterioration in the terms of trade of both developed and developing consumer countries, cost inflation had been aggravated and the danger of world recession increased. The prospect therefore was one of "stagflation", or a depressed level of economic activity combined with increasing inflation.

2. The danger of recession was closely tied up with the question of recycling oil producer surpluses. In principle, so long as the new money which oil producers did not immediately require was released into the world economy, there should be no difficulty in maintaining the necessary level of demand. There was reason to think – as the representative of IMF had informed the Council (1902nd meeting) – that in 1974 the major oil producers would show a surplus of $65,000 million, which they would seek

to invest elsewhere. But the deficit countries would try to avoid taking on additional debt, and might try to improve their balance-of-payments position by restrictive measures. Short-term lending terms and the limited borrowing ability of certain countries would also put a brake on expansion and contribute to recession.

3. The second approach to the situation under survey was concerned with action to be taken to deal with the three sets of economic problems generated by the crisis. First, immediate steps must be taken to deal with the situation of those countries most affected by the extreme rise in the price of raw materials, especially oil. Secondly, consideration must be given to the effects the price rises would have on the world monetary system, and thirdly, attention must be paid to the whole complex of social and economic problems raised by the Declaration and the Programme of Action on the Establishment of a New International Economic Order, adopted by the General Assembly at its sixth special session.

4. All those problems were interrelated, the only difference between them being their relative degree of urgency. The Organization's task had been defined by the General Assembly at its sixth special session, at the close of which it had adopted emergency measures in favour of the countries most seriously affected by the recent economic crisis.

5. In that connexion, he expressed his Government's disappointment at the limited response of countries to the Secretary-General's appeal. The United Kingdom, which had serious economic problems, had, with its partners in EEC, specified the contribution it felt able to make. A sum of up to $500 million was available from the Community for the measures in question, provided other countries assumed their share. It should be noted that the United Kingdom's aid programme was already heavily weighted in favour of the poorest countries and that 32 per cent of its bilateral assistance went to India, Bangladesh and Sri Lanka, the three countries whose economies were suffering the most severely from the crisis. The United Kingdom also contributed substantially to the IDA programme, which concentrated on the poorest countries.

6. The member States of EEC and certain other countries which had already put forward their proposals on emergency measures were now awaiting the reaction of other industrialized countries, and of the oil-producing countries whose revenues had been substantially increased. The United Kingdom had noted with satisfaction that some oil producers had expressed a willingness to make a contribution. The Community had not, of course, been the only body to act: the Committee of Twenty of IMF had made valuable progress in monetary reform and established machinery to continue its work. The Fund had also brought into operation what had come to be known as the "Witteveen" facility, under which it would be possible to provide short-term assistance to many developing countries facing balance-of-payments difficulties. The World Bank for its part had been seeking further borrowing sources. But the problems were far from being solved, and continued vigilance was required.

7. The third approach to the situation related to the sixth special session of the General Assembly, an historic debate the repercussions of which were being felt at the current session of the Council. The work of the special session must now be followed up and its results examined dispassionately. In the first place, it must be admitted that the new international economic order did not yet exist. What the United Nations had was an action programme which reflected the antagonisms of the past and the frustrations of the present more than a general agreement on an order of priorities for the future. Further, the Programme of Action had been adopted by consensus, which was not the same as universal approval.

8. At all events, the United Kingdom Government was resolved to work for the greater effectiveness and influence of the United Nations and its associated organizations. The sixth special session had given the United Nations an opportunity to play a central role in the current crisis and to co-ordinate international assistance.

9. Another encouraging factor for the future was the Charter of Economic Rights and Duties of States prepared on the initiative of President Echeverría of Mexico. The UNCTAD Working Group on the Charter, which had met in Mexico in June 1974, had adjourned after a constructive session.

10. The lesson to be drawn from the sixth special session of the General Assembly was that it was wrong to try to do too much too quickly. That lesson must be borne in mind when preparing for the twenty-ninth session of the General Assembly, the 1975 special session and the fourth session of the United Nations Conference on Trade and Development. His delegation proposed, therefore, that at its current session the Council should decide on an allocation of tasks between the agencies and organs of the United Nations, so that at its next spring session it would be able to make firm recommendations to the 1975 special session of the General Assembly on the issues that the Assembly could resolve and on those which should be considered at the fourth session of the Conference.

11. Another area in which the Council could play a key role and establish order in place of confusion was in the operations of multinational corporations. Only a few weeks previously, Mr. James Callaghan, United Kingdom Secretary of State, had spoken of the common interest of Governments in working out "rules that should control the behaviour" of such corporations. The Group of Eminent Persons convened by the Secretary-General to study the matter had prepared an interesting and constructive report on their impact on development and on international relations (E/5500/Add.1). It was true that some of its recommendations were more readily acceptable to some countries than to others, but his delegation hoped that the Council would welcome the Group's pragmatic and reasoned approach. It considered, for its part, that the establishment of a commission of experts under the Council's aegis might lead to wider knowledge and deeper understanding of the useful role such corporations could play within the economic structures laid down by individual States.

19. In conclusion, he summed up the situation. In the first place, after the sixth special session of the General

Assembly, the strength of the United Nations and its organs, beginning with the Economic and Social Council itself, must be renewed. Secondly, the recent crisis had clearly revealed the interdependence of States and the necessity to work together for collective economic security. Co-operation should also be visible outside the United Nations, between producer and consumer countries, for example. Thirdly, there seemed to be general recognition of the fact that growth at all costs was impossible and that a balance must be found between economic growth and a better distribution of wealth. Fourthly, existing problems would not be solved merely by changing organizational structures. If Governments had the will to make them work, international institutions could achieve far more. The year 1974 marked a turning point for the United Nations. It was the year of major conferences on population, food, and the law of the sea, the year of the special session on raw materials and development. The international community had reached agreement on the key problems; it now remained to set in train the work to solve those problems, and that was the role of the Council.

13. Mr. ENE (Romania), like other representatives, considered that the present session of the Council was of special significance in view of the critical phase through which the world economy was moving – a phase that would enable the maturity and efficiency of the United Nations system to be measured. The sixth special session of the General Assembly had placed the United Nations before a need for "real creativeness in its approach to economic and social affairs", to use the Secretary-General's words (1900th meeting). Those would be the main trends of his delegation's statement.

14. The present economic crisis and the alarming state of relations between the industrialized and the developing countries were the result of a long policy of domination and economic exploitation, aggravated by the instability of the exchanges of raw materials and manufactured goods, price fluctuations and the speculative operations carried out by some multinational companies. The latest statistics showed a constant deterioration in the situation of more than two-thirds of mankind: during the 1953-1963 period, the differential between the highest and the lowest *per capita* GNP had increased by only $750, but it had increased by more than $2,200 in the eight following years (1963-1971).

15. In contrast with this gloomy picture, the consensus adopted by the General Assembly at its sixth special session had struck an encouraging note: it was now recognized that the interests of developed countries and those of developing countries could not be divorced, that there was a close link between the prosperity of developed countries and the growth of developing countries and that international co-operation for development was the common objective and duty of all countries. The 135 Member States had undertaken to take practical measures, bilaterally or within the framework of international organizations, to translate those principles into reality. They had solemnly proclaimed their common determination to work urgently for the establishment of a new international economic order founded on fair play, sovereign equality, interdependence, the common good, and co-operation between all States.

16. The task to which the Economic and Social Council was called upon to contribute within its area of competence could be summarized in those terms. The Programme of Action adopted at the special session of the General Assembly called for a strengthening of the role of the United Nations in international economic co-operation and for an undertaking by all Member States to utilize fully the opportunities offered by the system to implement that Programme. His country had welcomed with great satisfaction the appeal launched by the General Assembly and was convinced that a strengthening of the role of the United Nations and of its organizations would enable peace, security and progress in the world to be consolidated.

17. To carry out the task with which it had been entrusted, the Council should focus its attention on some fundamental features. First, the solution of the acute problems stemming from the differences in economic development between countries demanded in the first place the establishment of principles and guidelines to steer co-operation between States. Fundamental importance should therefore be attached to the definition, adoption and implementation of a whole set of new and universally valid principles which would guarantee equality of rights, respect for national independence and sovereignty, non-interference in the internal affairs of other countries, refraining from the use of force, and a search for mutual benefit in economic and financial relations between all countries. From those principles there followed the right for every nation to be the master of its wealth, raw materials and resources and to decide how to exploit them for the benefit of its own economic and social development so as to consolidate its independence and national sovereignty. Secondly, States lacking natural resources had the right, on a mutually advantageous basis, to benefit from the raw materials necessary for their development.

18. Faithful to the principles which he had just enumerated, his country welcomed the progress made in drafting the Charter of Economic Rights and Duties of States and hoped that at its next session the General Assembly would be in a position to adopt that important international document. The new trend which had appeared in international life should help to establish a fresh form of international economic relations, which in turn would greatly contribute to the consolidation of the international political atmosphere. It was obvious that the establishment of such relationships depended in the last resort on the political will of all States to promote in their relations those new and democratic principles which could ease co-operation in the search for solutions to all economic and social problems.

19. With regard to concrete action, his country stressed the need to eliminate all restrictions and artificial barriers now hampering international economic relations. It was in favour of adopting concrete measures designed to improve the terms of trade of developing countries, to broaden access by those countries to the markets of developed countries, to apply, improve and enlarge the system of generalized preferences in favour of developing countries in all parts of the world. Those were issues to be discussed at the next session of the United Nations Conference on Trade

and Development, as well as in future GATT multilateral trade negotiations.

20. In the context of a search for solutions to development problems, an efficient lever could be provided by wider access for all nations to the advances of modern science and technology. No country could hope to proceed on its own through all stages of development in fields where the assimilation of progress already achieved elsewhere and international co-operation were of special importance for all countries, whatever their level of development. The importance of that question in speeding up the economic development of developing countries had been emphasized in the *World Plan of Action for the Application of Science and Technology to Development.*[1]

21. In that field, the United Nations and its organizations were called on to act more vigorously and more efficiently to stimulate international co-operation in science and technology. In that connexion, the convening of a United Nations conference on science and technology, an action which his country had consistently supported, would be an important event in the life of the United Nations. That conference would highlight the special role of science and technology as instruments of development, while at the same time providing the United Nations with new opportunities to increase its efficiency for the benefit of the economic and social progress of all peoples.

22. Next, it was urgent that all the machinery which the international organizations had at their disposal should be geared to implementing all the measures projected in the *World Plan of Action*, so as to lessen the difficulties of the developing countries, which were facing particularly critical situations. In the context of action on food supplies and agricultural production, in particular, special attention should be given to the drought-stricken African countries.

23. The reality of interdependence in the international community brought out the importance of the concept of collective economic security mentioned by the representative of Brazil (1901st meeting). In that connexion, his delegation was positive that a system of international relations guaranteeing each people the opportunity to develop in freedom, in accordance with its own wishes and interests, without being subjected to any acts of aggression, constraint or pressure, must include an economic component guaranteeing every country the opportunity to carry out its development programme free from any form of economic aggression or pressure or any economic disturbance originating abroad.

24. A policy of that kind was essential for economic security; the two things were mutually complementary and their interaction reciprocal. The political independence of a State could be assured and strengthened only if it was accompanied by independent economic development. To live in peace and security, a people must be able to rely on other countries' respecting not only its national personality, territorial integrity and political independence, but also its economic independence and its right to participate in international economic co-operation activities. Collective economic security necessarily assumed, *inter alia*, that all States, whatever their size, their potential, their stage of development or their social and political system, could participate directly and on a footing of equality in the examination and solution of the principal international economic problems. It was essential that every State and every international organization, especially the economic organizations, should act according to those principles.

25. Every people should be permitted by its own labour to develop the material and human resources at its disposal. It was vital for every developing country, in particular, to orient its efforts and utilize its resources to develop its industry, its agriculture and other branches of its economy, to provide for the training of its managerial personnel, to make efficient use of its labour force and to create all the conditions necessary for growth in the productive capacity of its national assets.

26. Romania knew by experience that to solve the problem of development called for an effort by the whole nation and the mobilization of all its strength and energy. Romania's high rate of development, duly recorded in the *Economic Survey of Europe in 1973* (E/5479) had been achieved through the hard work of the whole Romanian nation, which in recent years had devoted more than a third of its national income to its economic and social development, so that it could emerge as quickly as possible from the stage of being a developing country and approach the developed countries' level.

27. Relationships of international co-operation in turn had their part to play in facilitating and supporting the national effort of every people towards progress and development. Bilateral co-operation agreements, for example, based on the new and democratic principles in inter-State relations, represented, for the countries taking part, a vital factor in social and economic progress.

28. The Romanian Government was contributing to the establishment of broad and equitable co-operation between States, for apart from the links it had with other socialist countries, it was developing relations with all other countries on the basis of equality and mutual respect. The President of the Socialist Republic of Romania had in recent years signed more than 25 treaties of friendship and co-operation or solemn joint declarations with States in Asia, Africa, Latin America, North America and Europe. The most recent of those documents was the Solemn Declaration signed with the President of the Arab Republic of Egypt. Other agreements on specific subjects constituted a firm foundation for mutually beneficial multilateral co-operation, opening up prospects for development and facilitating a relationship of friendship and co-operation between the Romanian people and the other peoples concerned.

29. With regard to the role in its implementation assigned by the Programme of Action to the Economic and Social Council, his delegation was convinced that the United Nations system had the capacity and the machinery to carry out that task. The key must be looked for in the orientation of each organization's activities towards

[1] United Nations publication, Sales No. E.71.II.A.18.

tackling the major problems of practical concern to all member States, with special attention to the needs of the developing countries and to the mobilization of States' human and material resources for supplementing the means of prompt and effective action at the organizations' disposal. In that connexion, an end to the arms race and the reduction of military budgets would release substantial resources which could be used to support the developing countries' own efforts and to promote the economic and social advancement of all the peoples of the world. Of course, successful progress along those lines implied that every country which considered itself concerned should be able to participate, on a basis of equality, in the identification and elaboration of objectives and new forms of activity, and that the decisions arrived at should take into consideration the interests of all.

30. In that context, Romania welcomed the progress the international organizations had already made towards universality. That progress would be helped by the big international discussions which were to take place at the World population Conference, the World Food Conference and the next special session of the General Assembly. There were also good prospects for more fruitful co-operation regionally. He had in mind especially the regional economic commissions, and particularly ECE, which he hoped would more and more respond to the new spirit of co-operation which was awakening in that region. It must be pointed out, however, that the occasional tendency in some organizations to talk about limiting the participation of member States in the taking of important decisions was not calculated to strengthen the international organizations' effectiveness. That was not how Romania visualized the institutional strengthening of the organizations of the United Nations system.

31. His delegation had been instructed by its Government to make a constructive contribution to every effort the Council might undertake towards the solution of world economic and social problems, in the interests of all countries, and of the developing countries in particular.

32. Mr. ROUGET (Federal Republic of Germany) expressed his delegation's appreciation of the new method adopted by the Council, that of concentrating on action-oriented items and the elaboration of forward-looking ideas and proposals instead of analysing the past.

33. His Government was a confirmed advocate of the social market economy, a system which had proved its value ever since the foundation of the Federal Republic of Germany and had the full support of its people. That policy had enabled his country to assume a leading role in the field of development policy, and his Government intended to continue its involvement and make its contribution to constructive international economic co-operation, being guided so far as possible by the resolutions adopted at the sixth special session of the General Assembly. That policy, however, also limited the Federal Republic's freedom of action, and he recalled in that connexion the discussion at the sixth special session on the question of producer cartels. The delegation of the Federal Republic had entered a reservation on that point; the economic system prevailing in his country in principle rejected cartels because they made for dependencies and could be detrimental to unhampered trade.

34. In the present debate a number of specific questions would be considered, and an effort would be made to determine landmarks of importance to the work of the Council in the light of the decisions taken by the General Assembly at the sixth special session.

35. At its fifty-sixth session, the Council had decided to give priority to some specific subjects, including the concept of collective economic security, originally introduced by the representative of Brazil. Admittedly, it had not yet been possible to give a precise definition of that concept, but the Council should consider there and then how to tackle in practice the problems that would arise from its application.

36. In studying the concept of collective economic security more closely, account should be taken of the fact that greater integration between national economies increased their interdependence, so that economic decisions taken by one country had both positive and negative repercussions not only on its own economy but also on the economies of other countries. Integration also created problems and even conflicts of interests among partner States. That was an unavoidable consequence of economic integration, and it was in the interests of all to try to avoid such conflicts or, if necessary, find ways of resolving them.

37. Collective economic security offered a good basis in that respect. While not constituting a compact system of binding rules governing international economic relations, it served as a guideline for the work of the Council and its subsidiary bodies. The Governments of Member States, too, should heed that concept when taking decisions on economic matters.

38. As to the definition of the term, to say that economic security was "collective" was tantamount to accepting the interdependence of national economies, which meant that nations should act according to the principle that they were responsible not only for their own sphere but also for developments at the world level. That also meant that the assumption of responsibility and obligations applied to all countries and not to just a few, since in each case there had to be a proper balance between a nation's rights and its obligations.

39. In order to make collective economic security a reality, one of the essential tasks would be to reduce the growing gap which technological developments had made between the developed and the developing countries. In that respect it was important to improve and develop the partnership between developing and industrialized countries so that the international economic order would be capable of meeting both present and future demands.

40. In the new concept in question, the word "security" meant that any decision taken by a country affected the international community as a whole. The system set up was bound to be a dynamic one. As a matter of fact, there would already be a large measure of security for all countries if individual States were to recognize the inter-

dependence of national economies and allowed it to guide their economic, trade and development policies. Experience in the twentieth century had shown that a return to national economic policies was harmful to international trade. Security would be assured not by isolationism but by fruitful co-operation.

41. Discussions within the United Nations had produced the idea of giving the Council authority to take steps to resolve economic crises coming within the scope of collective economic security, a course which would tend to strengthen the preventive element in the Council's work. Consideration had been given in that connexion to the idea that the Council should become a permanent institution like the Security Council, in which case it could be called upon to meet at any time. It should be remembered, however, that economic crises did not arise overnight; the Council could therefore quite easily take emergency measures at its regular sessions. Moreover, the Council's rules of procedure enabled it to convene special sessions in cases of emergency. His Government therefore felt that no institutional consequences should be drawn from the concept of collective economic security.

42. So far as concerned the impact of multinational corporations on the development process and on international relations, his delegation was glad that the Group of Eminent Persons convened to study the matter had now submitted its report. His country had from the beginning played an active part in the study of such corporations' activities, and, as it was one of the main capital-exporting countries, it wished to participate in exchanges of views on the subject and thus to contribute to an objective international discussion leading to fruitful results.

43. Like the preliminary report[2] the new report examined at length the criticism that had been levelled at multinational corporations and which stemmed to some extent from a shortage of information; the information gap would have to be closed if the Council was to assess the corporations' activities fairly. That would be the principal task of the information and research centre which the Group proposed.

44. Those two reports showed, in addition, that there were a number of problems connected with the activities of multinational corporations which needed to be solved in both the industrialized and the developing countries. His Government would like the developing countries to receive fuller information and advice so that they could look after their own interests adequately in their relations with foreign investors. It would support United Nations efforts to ensure that multinational corporations revealed their business activities to a greater extent than in the past, particularly those in the third world, and that investments were made on the basis of partnership arrangements which could be fitted into the development plans of the countries concerned.

45. His Government had always kept an open mind on the subject of foreign investment, which it regarded as an essential contribution to the international division of labour. It was encouraged in that attitude by the fact that the overwhelming majority of the developing countries were requesting it to continue to promote German investment.

46. Part III of the Group's report, containing the comments of individual members, had only now become available, so his Government was not yet in a position to make a final appraisal of the report. It could already, however, support the proposal that the Council, as an intergovernmental body, should discuss matters concerning the activities of multinational corporations every year; and also the recommendation that a commission on multinational corporations should be set up under the Council (E/500/Add.1 (part I), chap. III), although the question of the commission's membership required further consideration.

47. His Government also welcomed the Group's recommendation that host countries should elaborate clear guidelines for the activities of foreign investors. The lack of such provisions had in the past repeatedly created problems between the parties concerned. It was particularly important in that connexion that the Governments of host countries and of capital-providing countries should coordinate their policies, since conflcits in that field had frequently produced difficulties for foreign investors. In particular, in establishing the framework for private investment, Governments should give extremely clear directions.

48. The Group's report had revealed a growing trend to play down the importance of international law. Admittedly, every country had a sovereign right to determine economic policy in its own territory and to issue appropriate regulations. Nevertheless, it should not be forgotten that international law was the link between States and that every State had to observe the obligations deriving from it. Obviously, the foreign investor must observe the laws of the host country, and to that extent the Government of the sending country had no right to interfere in the host country's affairs; but it must be allowed that the sending State could continue protecting the interests of is nationals if they were receiving discriminatory treatment in the host country.

49. On the whole, the Group's report contained valuable conclusions and recommendations, and his Government hoped that they would be the subject of an objective discussion leading to fruitful results in the near future.

50. Referring to the Programme of Action on the Establishment of a New International Economic Order, he recalled the statement made on 1 May 1974 at the sixth special session of the General Assembly by the present Minister for Foreign Affairs (2229th plenary meeting) who had affirmed the Federal Republic's unreserved support for the initiative taken by the General Assembly to promote economic and social progress throughout the world and better standards of living for all peoples. His delegation's position had not changed: it would participate in the follow-up work for the Programme of Action. The special session of the General Assembly marked an important step in the history of the United Nations, for the resolutions adopted on that occasion outlined the work to be done in

[2] *Multinational Corporations in World Development* (United Nations publication, Sales No. E.73.II.A.11).

the future. The achievement of the targets set by the General Assembly placed upon the members of the Council a historic responsibility, opening the way to new paths and methods.

51. Although his delegation agreed with the aims of the resolutions in question it did not approve of all the means proposed for achieving them, and, like many other delegations, had made reservations on individual points of the Declaration and of the Programme of Action.

52. The interdependence of developing and industrialized countries required that the necessary reforms of the world economic system should be pursued by way of co-operation. In that connexion, he recalled the statement made at the sixth special session of the General Assembly by the former Minister for Foreign Affairs and present President of the Federal Republic of Germany (2209th plenary meeting).

53. The task entrusted to the Council by the General Assembly at its sixth special session was defined in section IX, paragraph 3, of the Programme of Action. In the past, the Council had often been criticized for not being sufficiently action-oriented. To avoid such criticism, it would have to concentrate on fixing priorities for the implementation of the Programme.

54. The aim of the Programme of Action was to improve the world economic order and to institute an economic balance between developing and developed countries. It would take time to achieve that aim, and first priority should be given to those tasks on the need for whose execution there had been full agreement at the special session. But the remaining substantive questions would also have to be considered, and he recalled in that connexion the reservations his delegation had made (2229th meeting) when the relevant draft resolutions were adopted.

55. His Government had noted with interest the Secretary-General's report on preparations for the mid-term review and appraisal of the International Development Strategy (E/5530 and Add.1). It had made known its views concerning those preparations in its reply to the Secretary-General's *note verbale* of 29 January 1974. His delegation did not intend to repeat what it had said in that reply, but the Secretary-General's report, which had been prepared on the basis of the replies from 13 Governments, called for a few supplementary comments.

56. His Government welcomed the preparations and plans made by the United Nations Secretariat to ensure the comprehensive and appropriate implementation of the mid-term review. It attached special importance to the greater involvement of United Nations institutions at the regional and sectoral levels referred to in the document. On the other hand, it felt that country-level participation would have to be considerably more intensive than during the first over-all review, carried out in 1973, if the mid-term review was to emerge as a balanced appraisal of progress achieved in developing and developed countries during the Second Development Decade. On the whole, his delegation supported the time-table proposed in the report. It also supported the proposal that the Committee on Review and Appraisal should hold its third session in May/June 1975, with the first five or ten working days set aside for a general debate on the technical and empirical material before it.

57. With regard to the relationship between the International Development Strategy and the Programme of Action, the report rightly stated that the Programme largely reiterated – and often in the very same terms – the aims embodied in the Strategy. It also contained, however, a number of proposals which went beyond the Strategy.

58. The Programme of Action, in section IX, paragraph 8, recommended that the implementation of the Programme should be taken into account at the time of the mid-term review. In view of the large degree of congruence between the Strategy and the Programme of Action, it would be useful to include the review of the Programme's implementation in the mid-term review. That would be a concrete example of how the Council's work could be rationalized and duplication avoided – two points on which improvement had often been called for within the United Nations.

59. Mr. WINQWIST (International Chamber of Commerce), speaking at the invitation of the President, said that, when he had addressed the Economic and Social Council the previous year (1871st meeting), he had stressed that international economic relations were passing through a critical phase and had pointed out that the international business community expected Governments to take concerted action without delay to avoid a disruption of the multilateral system of payments and trade. The situation remained critical, however, and no real programme had been adopted by Governments to cope with it.

60. In the first place, most developed and developing countries were facing serious deficits in their balance of payments as a result of sharp increases in the prices of energy and raw materials. The long-term reform of the international payments system had been postponed and the measures adopted under the auspices of the Committee of Twenty of IMF were not sufficient to guarantee a regular flow of goods and capital in the near future or to combat rampant inflation. With regard to trade, some progress had been achieved; the Governments of the OECD countries had agreed to refrain for one year from taking any unilateral action to meet their balance of trade deficits, and EEC and the United States had come to terms on compensation for the trade effects of the Community's enlargement. On the other hand, some countries had had to slow down their imports, and the main GATT multilateral trade negotiations were unlikely to begin before the autumn of 1974.

61. As a result of those factors, the situation of most developing countries had seriously deteriorated, and their rate of development had been jeopardized. Unless Governments took effective measures to check inflation and put the international payments system on a sound and durable basis, they would have to face the extremely serious political and social consequences of the present disorder.

62. International business had submitted to Governments and intergovernmental organizations many technical suggestions on trade, money, energy and raw materials, and those

suggestions might serve as a basis for the framing of solutions acceptable to all concerned. Clearly, such measures would remain inoperative so long as Governments were not determined to support them with all the political power at their disposal and to adopt a programme of concerted action for their implementation. Indeed, the economic interdependence of nations was such that the major problems of to-day's world could be solved only through close co-operation among all Governments and between Governments and the business community, and there the international organizations, and the Economic and Social Council in particular, had an increasingly important part to play. The interdependence to which he referred was particularly apparent in the case of those among the developing countries which lacked the support of exports of oil or other commodities in great demand for financing their development, and hence should be able to tap all the sources of financing available to them. In view of the uncertainty of official aid, it was necessary to encourage the flow of private capital to the developing countries through concerted action by governmental organizations, Governments and the business community. The international business community feared, however, that the repeated criticisms of the activities of multinational corporations, which were, after all, the main source of foreign investment in the least developed countries, would strengthen the already existing reluctance of the business community to invest in those countries. In that connexion, he referred to the document containing ICC's views on the report of the Group of Eminent Persons on the role of multinational corporations.[3]

63. The business community considered that, instead of confining itself to the activities of multinational corporations in developing countries, the Group should have determined the over-all impact of the activities of those corporations. It was also to be noted that, in many cases, the Group's criticism of multinational corporations did not apply to those corporations as such, but to any form of industrial activity in foreign countries.

64. ICC nevertheless accepted the Group's proposal that a commission on multinational corporations should be established, and it was prepared to take part in any future action which the United Nations might decide to undertake along the lines of the Group's recommendations, for it was convinced that there would eventually be recognition of the fact that the multinational corporations and foreign investment in general contributed substantially to the harmonious economic growth of developing countries and to the transfer to those countries of technology and private capital.

65. He was of the opinion that, in that area, the United Nations should take into consideration the following three principles: first, information concerning the activities and policies of foreign investors should be based on realities and not on assumptions; second, a code of conduct of a non-mandatory nature – similar in many respects to the ICC guidelines for international investment – should recognize the principle of equitable relations between investors and host countries; and, third, any commission on multinational corporations established under the authority of the Economic and Social Council could discharge its functions credibly only if it sought the assistance of members having first-hand knowledge of the working of corporations operating abroad.

66. It was necessary to broaden co-operation between the public and private sectors because only by concerted action could world-wide economic growth be achieved. ICC was increasingly dovetailing its own priorities with those of the United Nations and the agencies of the United Nations family, in order to promote even closer co-operation between intergovernmental organizations and the business community.

67. Mr. AL-ATTAR (Executive Secretary, Economic Commission for Western Asia), observing that he was addressing the Economic and Social Council for the first time, said he proposed to review recent developments in a region of the world for which the Council had set up a new institution the previous year – an institution which had been established as from 1 January 1974 and which had held its first session at Beirut early in June 1974.

68. In his inaugural speech at that session, the Secretary-General of the United Nations had emphasized the profound significance of the establishment of the ECWA. He had stressed the timeliness of that development now that, as a result of recent international economic and social events, certain countries in the region which had been thrust to the forefront of current events had to be recognized as protagonists to be reckoned with in efforts to improve the living conditions of millions of human beings and to introduce a greater degree of equity into international relations.

69. The spectacular change which had occurred in less than one year in the situation of many developing countries had led to a better understanding of the interdependence governing international economic relations as a whole, and the States of Western Asia, in particular, had already taken steps to give practical effect to the solidarity which such interdependence entailed.

70. One of the most notable aspects of that development had been a conceptual change complicating the traditional antithesis between the developing and the developed countries, the rich and the poor countries, that had been the prevailing pattern for some decades. That pattern no longer corresponded to the present situation in Western Asia, where the distribution of resources among States was characterized by marked and growing disparities between three groups of countries: a group of countries with earnings from petroleum, which had an unprecedented volume of resources at their disposal (an average *per capita* income of as much as $3,000 in some countries) but which were still experiencing considerable development problems in mobilizing human resources and establishing modern institutions; at the other extreme, a second group of countries which were among the most disadvantaged of the developing countries (an average annual *per capita* income of less than $100) and whose position had been exacerbated still further by recent developments in the prices of

[3] ICC document No. 191/81.

raw materials, energy and capital equipment; between the two lay a middle group of States (average annual *per capita* income of $400) which had no earnings from petroleum, but which had nevertheless succeeded in developing at a rate corresponding to the initial objectives of the Second Development Decade.

71. The gap between those three groups of countries was tending to widen, but the concept of interdependence and solidarity, which was being more and more clearly grasped, had recently produced, if not progress towards formal integration, at any rate a very appreciable growth in the transfer of resources from surplus to deficit countries, even if the volume and form of those transfers were not fully adequate and were not sufficiently development-oriented. However, the establishment of development agencies and funds in Kuwait and the Arab Emirates and the setting up of the Arab Fund for Economic and Social Development were steps in the right direction and were being matched by national planning efforts which would strengthen the absorptive capacity of the States in the region.

72. That solidarity had reached a point where it went beyond regional boundaries, and the rapidly expanding co-operation between Western Asia and other regions, particularly Africa, would undoubtedly be consolidated in the future, in keeping with the recommendations concerning co-operation among developing countries made in the General Assembly's resolution on the Programme of Action.

73. The States of Western Asia pinned great faith in industrialization as a means of increasing their absorptive capacity. The industrial sector had expanded rapidly during recent years, but as yet accounted for only 8 per cent of GNP and was basically geared to meeting domestic market requirements. However, far-reaching projects were contemplated, and the new, predominantly petroleum-based industries constituted an enormous investment and should be export-oriented – a process which would, of course, present western Asia with the problem of diversifying production.

74. That region, which had accounted for 26.5 per cent of world petroleum production in 1973, had accumulated vast financial resources. According to a number of estimates, the region's petroleum revenues would amount to $40 million in 1974. The States concerned were aware of the difficulties involved in utilizing that mass of capital for development purposes and were cognizant of the fact that, well before the growth in petroleum income, the world economy had been experiencing a period of monetary crisis and unprecedented inflation.

75. The States of Western Asia wished to participate in any efforts to devise over-all solutions for the closely inter-woven economic problems of the modern world and had followed with great interest the discussions at the sixth special session of the General Assembly, which had in fact attempted to link those problems in an effort to work out a short- and, more particularly, long-term response to them.

76. While all aspects of the Programme of Action were of great interest to the Western Asian countries, they were mainly concerned by the question of the food shortage. Although the agricultural sector in the region had gradually declined in importance in recent years, it still accounted for an average of 20 per cent of GDP and represented the major source of employment. However, the inadequacy of water resources was hampering agricultural development and, since no attempt had yet been made to increase those resources at the regional level, Western Asia would soon be faced with a serious problem with regard to the supply of water for human, industrial and agricultural use. Agricultural production had declined in 1973 because of the drought which had affected the region and other parts of the world in the same latitude, and the food shortage, which had steadily grown more acute during the previous decade, had suddenly assumed alarming proportions. That crisis would doubtless have served to draw the attention of Governments – which had in fact already begun to appreciate the gravity of the problem – to the need for rapid corrective action, which would entail a special effort to expand fertilizer production. The countries of the region were resolved to make a positive contribution to the World Food Conference to be held at Rome in the autumn of the current year and were also bent on playing their full role in the new international co-operation, an area in which the present redistribution of economic power increased their responsibilities to a very marked degree.

The meeting rose at 5.10 p.m.

1907th meeting

Tuesday, 9 July 1974, at 10.20 a.m.

President: Mr. A. KARHILO (Finland)

E/SR.1907

AGENDA ITEM 3

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

1. Mr. MWANGAGUHUNGA (Uganda) said that the sixth special session of the General Assembly, devoted exclusively to economic matters, had been a recognition of the failure of the old economic order. The present session of the Economic and Social Council had the important task of working out proposals to implement the Programme of

Action on the Establishment of a New International Economic Order adopted by the General Assembly at the special session in an attempt to inaugurate a new era. Hitherto, despite the efforts of UNCTAD and other bodies, the developed countries had made only token concessions towards the liberalization of trade. Uganda was dependent upon exports of raw materials such as coffee and cotton, the prices of which had for many years been depressed owing to collusion between the developed countries. Faced with the failure of the world economic order to produce a commodity agreement that would guarantee an adequate price, Uganda had joined other producers to form a coffee producers' club to protect their interests. Uganda had always been in favour of international commodity agreements and hoped that the relevant United Nations bodies, particularly the United Nations Conference on Trade and Development at its fourth session, to be held in 1976, would, with the co-operation of the developed countries, work within the spirit of the Declaration and the Programme of Action with regard to commodities. Developed countries which had expressed reservations about those resolutions should not consider that they had thereby acquired the right to veto the establishment of a new economic order.

2. His delegation was concerned about the world food shortage and the fact that food production had not kept pace with the increase in world population. The current food crisis in the drought-stricken areas of Africa was a sad reminder of the world's inability to cope with food emergencies and famine. Uganda therefore whole-heartedly supported the convening of the World Food Conference and looked forward to the co-operation of the developed countries in increasing world food production and in the transfer of relevant technology.

3. It was disheartening to observe that, at a time when his country was endeavouring to increase food production and implement other development projects, some developed countries had withdrawn their development aid and technical assistance because they disagreed with some aspects of the Ugandan Government's policies. His country had also experienced difficulties with some international financial organizations, which had succumbed to political pressure from their more influential members, although developing countries, including his own, were contributors to the funds of such organizations.

4. Uganda strongly believed in co-operation and dynamic relationships among all nations without any discrimination, which was the basis of the new economic order. It attached particular importance to sovereignty over its natural resources and its economic and social development. It was for that reason that it had decided to put its economy into the hands of indigenous Ugandans, who had for a long time been exploited by non-Ugandans.

5. With regard to the Programme of Action, the Economic and Social Council had not only to put forward specific proposals with regard to its implementation, but also to re-examine the methods of working by committee in the United Nations agencies with a view to curtailing discussions, redeploying personnel and avoiding duplication so that they could more effectively meet the new challenges. In view of the additional duties assigned to the Council by the General Assembly at the sixth special session, it might prove necessary for the Council to remain in continuous session, as suggested in the Programme of Action.

6. His delegation welcomed the offers of assistance already received from some countries for the short-term measures in favour of developing countries which had been hard hit in the recent economic crisis and appealed for contributions from countries which had not yet responded. His delegation hoped that if such emergency assistance was channelled through the World Bank rather than through regional institutions, it would be disbursed generously and without regard to political considerations.

7. The Council should be undertaking preparatory work, including that of drawing up a concise agenda, for the next special session of the General Assembly to be devoted to development and international economic co-operation. The conclusions of the World Food Conference and the World Population Conference would prove valuable, since problems of economic development could not be considered in isolation. His delegation trusted that, if decisions at the next special session were adopted by consensus, the developed countries would not make reservations which nullified their effectiveness.

8. There had been much discussion in the Council on the subject of collective economic security; consideration should now be given to setting up a body, on the lines of a United Nations task force which could intervene when economic catastrophe befell a Member State. It had to be emphasized, however, that it would be impossible to attain collective economic security without the establishment of a new economic order.

9. Although multinational corporations had made a significant contribution towards world economic development, their political and other activities had caused concern, particularly in the less wealthy developing countries. His delegation appreciated the work done by the Group of Eminent Persons convened to study the role of those corporations on development and on international relations and trusted that, on the basis of its report (E/5500/Add.1), the Council would be able to formulate an international code of conduct to regulate the activities of multinational corporations and take action to set up the institutional machinery recommended by the Group.

10. His delegation considered that due preparation should be made for the evaluation of the Second United Nations Development Decade which was due to take place in 1975. It appeared that the targets for the Decade were unlikely to be achieved unless a substantial contribution was made by the establishment of the new ecoonomic order. In particular, very little real assistance had been afforded to the least developed and land-locked countries, such as Uganda. Under its new mandate, the Council should devote special attention to the following matters: the establishment of an equitable relationship between the prices of raw materials from developing countries and manufactured goods imported by them from developed countries; free access to markets in developed countries for all exports of developing countries; the removal of all trade barriers, including tariff

and non-tariff barriers; the elimination of all restrictive trade practices; special measures to increase the export capacity of the least developed countries; improvement in the transfer of technology to the developing countries; the formulation of a code of international conduct to regulate the activities of multinational corporations; the strengthening of the United Nations and all its agencies to meet the challenges of the new economic order; the establishment of a World Food Bank; and the development of a sliding index to minimize the effects of inflation on the developing countries.

11. Mr. KEGEL (German Democratic Republic) said that the continuation of the *détente* had produced a climate favourable to the extension of international economic relations. The principle of peaceful co-existence between States with different social systems, based on mutual respect for their independence and sovereignty, was an essential prerequisite for large-scale economic, scientific and technical co-operation. Such co-operation was in its turn an essential factor in the further political stabilization of international relations. His delegation reiterated its call to all Member States to unite their efforts for the implementation of General Assembly resolution 3093 (XXVIII), which proposed a reduction of 10 per cent in the military budgets of the permanent members of the Security Council in order to devote some of the resources thus freed to the assistance of the developing countries. Such a step would ensure that there was no possibility of reversing the political *détente*.

12. The completion of the second phase of the Conference on Security and Co-operation in Europe and the accelerated achievement of its third and final phase would constitute an essential element for the attainment of the goals set out in the Declaration and Programme of Action adopted at the sixth special session of the General Assembly. The results of the recent conversations between the USSR and the United States of America were of great importance in reducing the danger of war and promoting *détente*.

13. The *Economic Survey of Europe in 1973* (E/5479) and the *World Economic Survey, 1973*, Part Two (E/5521 and Add.1-3) showed the continued and accelerated economic growth and the constant expansion of the foreign trade of the socialist countries of Europe. The national income of those countries had increased much more rapidly in 1973 than in the previous year, despite the state of permanent crisis which had developed in the world capitalist markets in 1973. The German Democratic Republic had followed the general pattern: the proportion of its national income devoted to raising material and cultural levels of living was now six times greater than in 1948. Industry contributed 81 per cent of the national income and agriculture 14 per cent. The dynamic and stable development of the national economy of the German Democratic Republic was based on the common ownership of the means of production and a planned socialist economy in close co-operation with the USSR and other members of CMEA.

14. The Secretariat's studies on recent economic trends confirmed the fact that CMEA was the most stable and dynamic of the international economic associations. In the developed industrialized capitalist States the trend was towards the stagnation of industrial production and other crisis phenomena which, as in the past, could not fail to worsen the position of workers in those countries and to aggravate the economic and social difficulties of less developed countries. It was noteworthy that whereas the recent economic crisis had caused considerable financial damage to a large number of developing countries, it had resulted in record profits for the multinational corporations and other capitalist monopolies. It was important that responsibility for the present situation of many developing countries should be clearly established. It was unrealistic to imagine that there could be any fundamental changes in the present structure of world capitalism and the resultant economic relations if the power of multinational corporations and the influence of neo-colonialism continued in the developing countries.

15. His delegation considered that the report submitted by the Group of Eminent Persons on the role of multinational corporations was an important contribution to the analysis of the negative effects of international monopolies in developing countries. It constituted a useful starting point for effective international measures against such neo-colonialist practices, which served only to widen the gap between the industrialized capitalist countries and developing countries. One of the prerequisites for a country's real economic and social progress was the power to dispose freely of its natural resources, a power which was often hampered by monopolistic capitalist policies. His delegation would collaborate in working out measures to ensure that States could make full use of their natural resources to attain accelerated economic development. It also supported measures to eliminate the negative effects of the current crisis and appealed particularly to the imperialist Powers responsible for the situation to support those measures.

16. In considering the draft resolutions which would be submitted to the Council on various agenda items, his delegation would have regard to the extent to which the proposals furthered the ultimate restructuring of the international situation and the organization of equitable and mutually advantageous forms of co-operation.

17. At its sixth special session, the General Assembly had reaffirmed its recognition of those principles and the need to apply them. The principles embodied in the resolutions adopted at that session could serve as a basis for the normalization and expansion of international economic relations between States with different social systems. The Council should not only be guided by those principles, but should use them as a means of contributing more effectively to the promotion of economic co-operation and development. The application of those principles would also contribute to the process of *détente*. His country's foreign economic relations were in conformity with the democratic, anti-imperialist and anti-colonialist principles and objectives laid down in the resolutions in question. His Government had studied the texts with a view to assisting the developing countries most seriously affected by the crises in the capitalist economic system. It was still considering what action to take. As his country's Minister for Foreign Affairs had stated at the special session (2212th

plenary meeting), the German Democratic Republic intended to extend its commercial, scientific and technical relations with developing countries, for it considered mutually-beneficial long-term co-operation to be the most effective way of helping the developing countries to overcome their economic difficulties. It would continue to develop the forms of co-operation it had extended to African, Asian and Latin American countries. Such methods had proved satisfactory in practice and ensured respect for the sovereignty and right to self-determination of all the participating countries.

18. His country had nothing to gain by preserving the economic and social backwardness which had been imposed on certain developing countries. It was in favour of radical social and economic reforms that would enable the developing countries to make full use of their material and human resources and develop an independent national economy.

19. Believing that long-term trade and co-operation agreements provided a proper basis for stable, mutually beneficial relations, the German Democratic Republic had concluded trade agreements with 31 developing countries, payments agreements with 12 countries, economic and technical co-operation agreements with 12 countries and scientific and technical co-operation agreements with 19 countries. It regarded equality and mutual benefit as essential principles in its trade relations and was prepared to engage in balanced trade with developing countries provided that the national economies of those countries and of the German Democratic Republic made such trade possible. His Government's foreign policy with regard to the developing countries was designed to sustain their economic development through increasing imports of manufactured and semi-manufactured goods, as well as primary commodities, from those countries. Imports from developing countries were not subject to customs duty or other tariff charges.

20. In fixing targets for its long-term economic plans, the German Democratic Republic would continue to take into account the commercial needs of developing countries, especially their production and export potential, with a view to increasing its trade with them in the future. It intended to continue its scientific and technical relations with those countries on the basis of governmental agreements and to extend them as much as possible. It would send more advisers, experts and vocational training instructors to those countries and would accept their nationals for training in its own institutions and enterprises. It would continue to establish, equip and man training and research centres in those countries.

21. The problem appearing on the Council's agenda and the urgent economic and technical co-operation problems mentioned during the general discussion showed clearly that the Council's effectiveness and authority needed to be increased. It had shown its ability to deal with the tasks entrusted to it by the United Nations Charter, but the experience of previous years indicated that it was time to consider and to implement the USSR's proposals for improving the organization of the Council's work. The German Democratic Republic was prepared to co-operate fully in that important task.

22. Mr. LONGERSTAEY (Belgium) said that the *World Economic Survey, 1973* revealed the gravity and urgency of the economic problems facing the international community. The Declaration on the Establishment of a New International Economic Order adopted at the sixth special session of the General Assembly and the Charter of Economic Rights and Duties of States drafted by UNCTAD would be of great importance in meeting that challenge. Nevertheless, the present course of events should not deter the Council from giving due priority to the consideration of ideas and principles.

23. The concept of collective economic security was most important, in his opinion, and should be included among the primary objectives of international co-operation. The report of the Secretary-General on the subject (E/5529) seemed at first sight inconclusive and sometimes vague, although more careful perusal showed that the rather complex subject had been approached with commendable caution. It brought into question certain basic aspects of State practice, such as the exercise of sovereignty and the limitation of sovereignty that all countries would do well to accept. The concept of collective economic security brought out the importance of equality among nations and the solidarity which should unite them, as opposed to the pursuit of purely national gain, which resulted in a maze of national policies operating at cross purposes without increasing the independence of individual States. The report represented a preliminary attempt to clear the ground and made certain points which might later be developed into useful principles.

24. Paragraph 13, for example, made the interesting point that the increasing importance of economic power did not necessarily herald a return to balance-of-power politics and that Governments were more concerned with the improvement of internal conditions than with competition with other countries for the sake of status and autonomy. That would seem to diminish the importance that should be attached to the disparity between national incomes which was so often cited as if it was the central problem and its reduction a major objective. The crux of the problem of collective economic security was how to reconcile national sovereignty with economic interdependence. Such interdependence should not be regarded as involving a loss of status but should be based on equality and mutual respect for vital interests, which were to a large extent common interests. Indeed there appeared to be no alternative to interdependence, since the choice lay between greater solidarity and confrontation. The degree of interdependence accepted by a country would have to be in accordance with its economic welfare priorities and would therefore vary from country to country. The report wisely recommended a gradual approach to such interdependence through consultation and discussion between countries, with a view to the development of appropriate methods and rules. Such a process would be more productive than any attempt to establish the whole system at once, even on the basis of past discussions and recommendations. Basic rules and codes of conduct would undoubtedly be necessary, as indicated in paragraph 32, but it would be unwise to try to lay down detailed and unduly restrictive rules. The essential subject for negotiation would be guarantees of mutual good faith and effective procedures enabling the international

community to avoid being faced with a *fait accompli* by individual States seeking to solve their own problems to the detriment of other States. Procedures would also have to be developed for speedily resolving differences between States. Paragrah 33 did not, unfortunately, specify what measures could ensure that gains in economic welfare reached all countries and all levels of society. It was indeed difficult to see how to ensure that more or less equal progress was made throughout the world, or to persuade Governments to arrange for a more equitable internal distribution of the gains of economic progress if they did not wish to.

25. In his opinion, environment should have been included among the current problems mentioned at the end of the report, since it had a direct bearing on future collective security. He was also surprised that no mention was made of population growth, which could constitute a threat to economic security. Multinational corporations had quite rightly been mentioned, although the study of that problem was still in the preliminary stage and the recommendations made by the study group and the Secretary-General (E/5500) had yet to be examined in detail.

26. The principle enunciated in paragraph 37 of the Secretary-General's report on collective economic security that, in raw material supply and demand, economic issues should be isolated from political complications was of much more general application. It should be interpreted, however, not as denying the political character of economic decisions but as requiring economic problems and the decisions needed to solve them to be considered without prejudice and without the introduction of ideological or other extraneous factors. In the case of raw materials, application of that rule should lead to the replacement of narrowly national policies on the part of both producers and consumers by policies based on convergence of interests. Security of supply would then be combined with security of demand and become a matter of concern for both producers and consumers. Abrupt changes in the flow or prices of raw materials could have detrimental effects on economic welfare and ultimately benefited practically no one.

27. If countries were prepared to go beyond the narrow concept of national sovereignty and enter into a more realistic economic interdependence, international organizations would certainly have a role to play in the commodity field. That role should be tailored to needs, and the most obvious need was to prevent crises and to remedy those which could not be prevented. That would only be possible if systematic action was taken in regard to all factors affecting the balance between supply and demand. Producers and consumers of commodities must jointly study the quantitative and qualitative data for the major commodities at all stages, from production to consumption. Equity lay not so much in demands or concessions as in the trading of supply policies for price and access policies. Only the regular supply of markets with raw materials priced at levels conducive to social, economic and financial development could promote the general welfare. Conflicting policies, even if they brought temporary gains for some, could lead only to confrontation, protective and retaliatory measures and greater autarchy – the opposite of collective economic security.

28. As was pointed out in the section dealing with food scarcity, international institutions could do more, with the assistance of Governments, through better assessments and forecasts of the food situation. The later the alarm was given, the costlier and less effective the remedies would be. He hoped that progress would be made in that respect at the World Food Conference and in FAO in general. Security of food supply was a vital challenge and a problem which could be overcome. The international organizations had an important part to play in fostering the will to act speedily and effectively. In that field, as in all other sectors of economic interdependence, progress was only possible in so far as Governments desired it.

29. Mr. PU Ming (China) said that the current session of the Council was entrusted with the task of implementing the Declaration and Programme of Action adopted at the sixth special session of the General Assembly. In essence, that meant changing the system of international economic relations based on super-Power bullying, control and plunder of other countries, and establishing a new, fair and reasonable international economic order.

30. Since the Council's fifty-fifth session, the international situation had become increasingly favourable for the people of all countries. The countries of the third world were playing an ever greater role in international affairs and were the force combating colonialism, imperialism and hegemonism. The peoples of the Arab countries had broken away from the control of the super-Powers and had won a victory against Zionism. Their use of oil as a weapon against imperialism had inspired the peoples of the third world. The African people were winning victories against imperialism, colonialism, neo-colonialism and racism. The Latin-American peoples had made further progress in their efforts to safeguard their sovereignty, national resources and maritime rights. The Asian peoples, particularly in Indo-China, were triumphing against aggression, interference and hegemonism.

31. The efforts of the peoples of the third world to strengthen their unity, win and safeguard national independence and develop their national economies had acquired new impetus. The two super-Powers, the biggest international exploiters and oppressors, endangered the security of all countries of the world. They constantly subjected the third world and other countries to aggression, subversion, control, interference and plunder. At the same time they were bitter rivals. While talking of disarmament, they were expanding their arms production. While talking of *détente*, they created tension. Their actions were widely condemned throughout the world. The sixth special session of the General Assembly had demostrated the unity of the third-world countries in their victorious struggle against hegemonism. They were growing in strength, while the super-Powers were becoming increasingly isolated and were declining.

32. The third world had realized from first-hand experience that political independence was inseparable from, and the first prerequisite for, economic independence. Without economic independence, a country's independence was incomplete and insecure. The wealth of the developed countries and the poverty of the developing countries were the result of the colonialist and imperialist policy of

plunder. Under the present economic order, based on coercion, control and plunder by the imperialists, especially the super-Powers, the gap between the poor and rich countries continued to widen. Through monopolistic organizations such as transnational corporations and joint enterprises, the super-Powers were plundering the resources and controlling the economic life-lines of other countries, interfering in their affairs, and organizing subversion in them. They applied unfair rates of exchange and charged exorbitant interest. Taking advantage of its special position in international finance, one of the super-Powers was transferring its economic and monetary crises to other countries.

33. The other super-Power, which claimed to be a socialist country, plundered and exploited others even more viciously. It acted as the overlord in its so-called "family" and imposed a so-called "international division of labour" and "integration" on other countries, turning them into its processing plants, sources of raw materials and suppliers of commodities. It used its so-called "aid" to extort privileges and to subject other countries to its control. Using coercion, it sold obsolete and low-quality equipment to "recipient countries" at high prices and made them supply large quantities of raw materials and finished products at low prices in repayment of debts. It made large profits by obtaining raw materials and manufactures from developing countries cheaply and selling them at high prices on the international market. It was socialist in word and imperialist in deed.

34. The present economic order was unjust and outdated and the developing countries were rightly demanding a fair new international economic order. The super-Powers, however, were doing their utmost to preserve the old order, which served their interests. They were trying to sow dissension among the developing countries to undermine their unity. The super-Power which claimed to be the natural and surest ally of the developing countries openly opposed the establishment of a new international economic order. At the sixth special session of the General Assembly, however, the third world countries had overcome the opposition of the super-Powers and had obtained the adoption of the Declaration and Programme of Action, which laid down fundamental principles for the establishment of new international economic relations based on equality and respect for sovereignty. Those principles would have a profound impact on the efforts of peoples in many countries to win and safeguard their national independence, defend their national resources and develop their economies.

35. China, as a developing socialist country, belonged to the third world and resolutely supported the other third world countries against the power politics, hegemonism and economic monopoly of the super-Powers. It supported the developing countries' efforts to defend their national independence and permanent sovereignty over their national resources. They were entitled to bring all foreign capital, and especially transnational corporations, under their control and management, and in fact to nationalize them. China supported the developing countries' efforts to establish organizations of raw-material producers and to improve their terms of trade by obtaining a fair relationship between the prices of their exports to and imports from developed countries. It supported their demand for reform of the international monetary and financial system; they should be entitled to participate in all decision-making in such matters with equal status. They should be allowed to develop their economies in accordance with their circumstances, on the basis of individual or collective self-reliance. The developing countries would never allow their economies to be reduced to dependence on or subordination to any other country. Economic aid to them must strictly respect their sovereignty and must not be accompanied by political or military conditions, or the extortion of special privileges. Loans to developing countries should be interest-free or carry low interest, with provision for delayed repayment of principal and interest in cases of necessity.

36. The difficulties of developing countries most seriously affected by economic crises or natural calamities and the special problems of the least-developed, land-locked and island developing countries should be the common concern of the world community. China was in favour of urgent and effective action to help those countries to overcome their difficulties. In accordance with the Programme of Action, the developed countries should cancel or defer the repayment of those countries' debts and should contribute a major share of the Special Fund to provide them with assistance. The developing countries themselves could enter into mutual assistance and co-operation arrangements on a voluntary basis. The Chinese Government and people would continue to give all the assistance they could through appropriate channels.

37. The Programme of Action made the Council responsible for defining the policy framework and co-ordinating the activities of all organizations in the United Nations systems implementing the Programme. The Council's discussions on all the agenda items at the present session should therefore be guided by the purposes and principles embodied in the Programme of Action and the Declaration. The Chinese delegation would work with the other delegations in carrying out the task entrusted to the Council.

38. Mr. HÉLOU (International Association of French-Speaking Parliamentarians), speaking at the invitation of the President, said that he wished first to express his faith in the virtue of dialogue, which made it possible to bring human beings closer together and to synthesize ideas. He also wished to affirm the urgent need for action to secure the well-being of all.

39. The establishment of a new international economic order, which had been entrusted to the Council by the General Assembly at its sixth special session, was an immense task. It was not, nor could it be, an impossible mission, since the fate of humanity depended on it.

40. The main theme of the present session of the Council accorded with the aspirations of the peoples of the world, which IAFP was called upon to express and to satisfy. As parliamentarians, its members were the representatives and guides of public opinion in their respective countries, elected to direct assemblies and Governments towards that progress which the Council itself was seeking.

41. The application of Council resolutions, which had no force of law but which were usually the result of a consensus, called for the mobilization of good will across national frontiers, to which IAFP could contribute. The fact of his attending the Council's session would give the Association's branches in all parts of the world the feeling of a more effective participation in the Council's work.

42. Spread as it was over the five continents, the Association belonged to developed and developing countries alike and furnished a proof and an example of co-operation without frontiers. It would continue to make its contribution, both in information and in action, as it was already doing in connexion with the tragic drought which was decimating the Sudano-Sahelian population. It had transmitted to the Council at its fifty-fifth session the first conclusions of a parliamentary mission to that area and had heard from the Secretary-General that its message had been read out at one of the Council's public meetings. It intended to organize a seminar on the same subject, for which it would appreciate any suggestions or co-operation the Council was able to offer.

43. It would be able and willing to go even further in its very varied fields of competence. The Council could, if it so desired, associate itself more closely with the Association's assemblies, requesting it to study any questions which it considered particularly important or proposing any methods for making its collaboration closer and more effective.

44. As French-speaking parliamentarians, the Association's members believed that cultures were able to complement each other in achieving an integral humanism. The exchanges throughout the centuries among French and Arab cultures, for example, had been such that he, a Lebanese, was now able to preside over the French-speaking Association, proud of Lebanon's participation in the Arab renaissance and desirous to safeguard and propagate the values which French culture exemplified and defended.

45. The initiative for the present discussion had largely been taken by Arab countries, particularly Algeria, in co-ordination with the non-aligned countries. The values of liberty, equality, fraternity and justice were inseparable from the physical needs for food, housing, health and well-being. The solution of economic problems could not be a mere question of figures, of addition, division or distribution, since it presupposed sentiments of interdependence and solidarity and a desire for loyal co-operation at both the national and the international level. Efforts to promote development and a new economic order should be made on behalf of all mankind. Economy comprised not only economics but a policy of *détente*, peace and, above all, justice, since peace itself was a work of justice.

46. Only such a policy could replace the evils of antagonism and confrontation by the benefits of understanding or make it possible to devote an increasing share of the resources and efforts at present devoted to war and armaments to the attainment of well-being and development. Only such a policy would enable countries to meet and reach agreement in order to survive and to raise the level and quality of life. That was affirmed decisively in the General Assembly's Declaration on the Establishment of a New International Economic Order.

47. The General Assembly had entrusted the Council with a mission of public salvation, a programme whose ways and means were as imperative as its objectives. In the prevailing climate of anxiety and enthusiasm, it was not only a misfortune but also a privilege to have to confront the great perils together and to know that they could not be eliminated by force or flight but only by the honest and rigorous application of the principles which the General Assembly had solemnly proclaimed and that since prosperity, like peace, was indivisible, since economic security was one of the forms of general security, there was no choice at the economic level, any more than at the political or military level, between fraternity and death.

48. For a number of years, the world had been witnessing the progressive disintegration of the old economic régime characterized by monetary stability and expansion of international trade. The collapse of the Bretton Woods system had undoubtedly been the first symptom and one of the causes of the tremors which in recent years had constantly disturbed and undermined international relations. Growing inflation, the movement of immense masses of capital for speculation or for purely conservative transfers, the rising price of commodities naturally followed by the increased price of oil, the difficulties experienced by developing countries which lacked important natural resources, the dramatic change in the balance-of-payments position of the industrialized countries and market irregularity had served to aggravate the existing disorder, compounded of irregularities and growing injustice, which, for two thirds of humanity, meant malnutrition and disease of all kinds.

49. In the face of those crises, the action which had been taken in various parts of the world by national, regional and international organizations should be continued and strengthened with a view to containing as far as possible the fluctuations in monetary parities, developing machinery for readjusting balances of payments, consolidating the role of SDRs and throwing more light on the multinational corporations which could represent the contribution of the private sector to the search for the necessary solutions.

50. The growing difficulties of understanding the true nature of certain phenomena and of distinguishing between national and international phenomena was contributing to the confusion in all areas. The difference between the growth of phenomena and the stagnation of structures, and between the reality of international life and the methods and approaches of Governments, parliaments and certain international organizations, based on outmoded ideas, was increasing.

51. All that was taking place under the increasing pressure of technical progress, mass media, population renewal and the access of new countries and new social classes to the benefits of material progress and education. It was therefore not surprising that the traditional economic régime had been subjected to such trials or that the developing countries which, already weighed down by debt, had to face new and more serious problems, had been the most affected. In the complexity of problems and solutions, attention and sympathy should naturally go first and foremost to the least privileged peoples.

52. The action to be undertaken should be not only reformist but truly creative of a new order. The General Assembly had entrusted to the Council the immense task of defining the conceptual structure and co-ordinating the activities of all the organizations, institutions and subsidiary bodies responsible for applying the Programme of Action. The concern for speed, control and effectiveness could not but inspire confidence.

53. Among all the measures envisaged, the one with which his Association was most concerned was that of the education of mankind, since man was the beginning and end of development. Stress had long been placed on the importance of human investment and present-day planners were unanimous in their conviction that that form of investment yielded high returns. International assistance in education was therefore called upon to play a considerable role in the developing countries. Consideration should also be given to the problem of the outflow of trained personnel to the developed economies, for, if it continued, education would become merely the royal road to individual comfort and satisfaction instead of being a factor of development and the initiation of the individual into his responsibilities to society. It would mean that progress would continue to depend on borrowed time, techniques, advice and expertise, would undermine the doctrine of UNESCO of endogenous development and would lead to a growing dependence of the developing countries, obliging them to accept foreign aid for an indefinite period and serving to widen the gap between the levels of development of the different countries.

54. Training should be designed to produce men capable of transforming the vision of their leaders into reality. They should understand what was meant by development and should be taught to distinguish between public and private assistance, between aid to development and aid for armaments, and to recognize exploitation as the antithesis of aid.

55. It was also necessary to overcome a number of myths and prejudices, including the Malthusian theory that the population explosion was the main cause of underdevelopment. It was becoming increasingly evident that, on the contrary, it was underdevelopment that was responsible for the population explosion and that family planning programmes could only be carried out above a certain level of development. The green revolution had shown that it was not impossible to provide for mankind's subsistence needs; it was in fact the threat of famine which had led to the green revolution. Food production had never been limited by the lack of cultivable land or of the necessary techniques but rather by the lack of adequate economic organization. What was needed was a change in the world economic and financial system.

56. Another myth to be destroyed was that of the *status quo* and zero growth, backed up by arguments about the environment and technical impossibilities. While the lack of resources and the question of pollution were real enough, those realities justified neither over-generalization nor the errors arising out of it.

57. Twelve years after the adoption of General Assembly resolution 1837 (XVII) on the conversion to peaceful needs of the resources released by disarmament, ways and means of putting it into effect were still being discussed. If the discussion continued for another two decades, the amount devoted to armaments would exceed the value of the total production of goods and services. He hoped that the resolutions adopted at the sixth special session would not meet the same fate as that resolution and many others which had remained no more than pious wishes.

58. Possibly for the first time in history, the United Nations was establishing and speeding up the execution of a comprehensive plan and taking a number of exceptional steps such as that enabling the Council to meet, if necessary, on a permanent basis. Such measures, together with the international conferences taking place in various parts of the world, showed the urgent response of the United Nations to world problems. For the first time in history, the breath of panic had spared neither the rich nor the powerful and for the first time the international community had found real evidence of the fact that the salvation of each of its members depended on the salvation of all.

59. His Association hoped to go still further. It might be wondered why the great scientific achievements of recent decades had been accompanied by so slow an advance along the road to mutual understanding which was the essential condition for human progress. All must work together to build the future.

60. Mr. de ANGELI (World Federation of Trade Unions), speaking at the invitation of the President, said that the topics on the agenda of the Council's present session brought into relief some of the major economic, financial, social and political problems faced by the international community in preparing for the 1975 review and appraisal of the International Development Strategy. Continued inflation in the capitalist economies, problems of international economic relations, contradictions between accelerated demographic growth and the utilization of natural resources and energy, and the serious developments resulting from the activities of multilateral corporations were all at the centre of the struggles and concerns of hundreds of millions of workers.

61. The World Federation shared the view of the United Nations Secretary-General on the need to deal with economic and social questions in a truly innovating spirit and considered that a new method of analysis for economic and social development as an integrated concept of development was required. In particular, it considered that the social indicators should be better evaluated, and that consideration should be given not only to growth in production and *per capita* income but also to the terms of economic dynamics and the development of other parameters. He hoped that the annual study would go beyond quantitative comparisons to furnish social statistics which would make it possible to understand the role of democratic social measures in the acceleration of social progress and hence of the satisfaction of the growing needs of the broad masses of the people in the various countries.

62. Such an approach should form the basis of the discussion which it was hoped would take place at the twenty-ninth session of the General Assembly on the

realization of social and economic transformation for the achievement of social progress.

63. The eighth World Trade Union Congress, held in 1973, had adopted a Charter of rights of trade unions and claims of workers which defined thorough structural reforms as a means of ensuring social progress and economic development. The measures in question included agrarian reform in which all forms of colonial and feudal property would be eliminated, industrialization directed towards the expansion of domestic markets and the raising of the standard of living of the population, full employment, democratic tax systems directed towards the redistribution of income in society, and guarantees for the maintenance and improvement of the purchasing power of the workers.

64. The study on the present economic situation described the capitalist economy in 1973 as having been subjected to constraints which had brought about increasingly unacceptable anomalies and injustices. The World Federation had declared on a number of occasions that analysis of the problems of inflation should be undertaken in the worldwide framework of contradictions of the capitalist system. The continuing inflation of the 1970s affected all countries of the system. It resisted classical deflationary policies, went hand in hand with unemployment and economic deceleration and encouraged State economic intervention in favour of monopolies and owners. It continued to bring about the redistribution of income in favour of the rich, whose profits increased while the conditions of the workers and the purchasing power of wages continued to worsen.

65. The World Federation denounced the attempts to present the increase in the price of commodities and in wages as the causes of the present inflation when that increase was the direct consequence of inflationary tendencies for which the developed capitalist countries were largely responsible. Energy problems, and consequently those of sustained economic growth, called for the establishment of a democratic policy for the development of national energy resources of all kinds in order to ensure full employment and improved living conditions for the workers. Steps should be taken to end the domination of that sector by the large petroleum companies and monopolies, which were acting exclusively in their own interests. The steps taken by the oil-producing countries had been no more than the expression of their right to use their own resources and their desire to establish new relations on an equal footing. The World Federation reaffirmed its determination to stand shoulder to shoulder with the workers who desired to consolidate their independence through economic freedom in relation to the present international division of labour and the world capitalist system.

66. The eighth World Trade Union Congress had reaffirmed the need to establish a new international economic order which would end the present distorted and unbalanced structure of world economic and trade relations and ensure that all countries could benefit from the advantages offered by the international division of labour and international trade. The Statement submitted by the World Federation (E/NGO/16) set forth the principles of the action programme for the establishment of a new international economic order which should determine the basis of concerted world action to counteract the activities of the multinational corporations which were undermining the very foundations of international economic co-operation. The World Federation, which had drawn the attention of the Council at its fifty-fifth session to the economic, social, political and human rights problems to which such activities gave rise, welcomed the work carried out by the Group of Eminent Persons on the subject, despite the fact that the multinational corporations had hindered its work on a number of points. A better use of trade union sources would have made it possible to give a fuller account of a whole series of subversive activities carried out by the multinational corporations in various countries. The report of the Group of Eminent Persons had nevertheless placed the question of the multinational corporations in its true context, foreign private investment being one of the greatest threats to the developing countries. Some of its recommendations, such as those on trade union freedom, collective bargaining, national sovereignty, nationalization and application of national legislation, coincided with the main lines of action adopted by the eighth World Trade Union Congress and inscribed in the Charter he had mentioned, the text of which would be made available to members of the Council.

67. The World Federation supported the Secretary-General's proposals for the establishment of a commission and a research centre on multinational corporations. The international trade union movement could usefully participate in that activity.

68. With regard to the social aspects of economic development, the World Federation had already explained in documents it had submitted to the Council, its position on the question of non-interference in the choice of economic and social structures of countries. At the last session of the International Labour Conference, it had submitted a draft resolution concerning energy and commodities, employment, inflation, the redistribution of income and the convening of a world conference on social progress and international economic relations. The united action of international trade union organizations had secured the adoption of a resolution calling for the convening of a tripartite conference on employment, income distribution, social progress and the international division of labour.

69. The development of the concept of collective economic security could not be dissociated from the conditions of social and democratic progress without which there would be no such collective security. The experience of workers in socialist countries and of the people in the countries which were building a more just society after overthrowing imperialism and colonialism, and the action of the workers of the capitalist countries and their trade unions, showed the impossibility of achieving social and economic development while there was a widening gap between classes within countries and continued minority privilege. The World Federation hoped that the discussion on the question of collective economic security would take into account the social and democratic aspect. To fail to do so would be to betray the hungry, the unemployed, the sick, and the illiterate who were fighting for peace, social progress and democracy.

The meeting rose at 12.45 p.m.

1908th meeting

Tuesday, 9 July 1974, at 3.10 p.m.

President: Mr. A. KARHILO (Finland)

E/SR.1908

AGENDA ITEM 3

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

1. Mr. SRIVASTAVA (Secretary-General, Inter-Governmental Maritime Consultative Organization) said he first wished to express his organization's thanks for the encouragement and guidance it had received from the Council when, at its fifty-fifth session, it had examined in depth the Organization's annual report for 1972-1973.[1]

2. The composition and structure of IMCO had recently undergone certain changes. At present it had 87 members; that figure was constantly increasing and the organization would probably have more than 100 members in the near future. About two-thirds of the present members were developing countries of Africa, Asia and Latin America; IMCO was thus a genuine world maritime organization, serving the world community in the highly specialized field of shipping.

3. All members of IMCO could sit on its various committees – the Legal Committee, the Maritime Traffic Facilitation Committee, the Committee on Technical Co-operation and the Marine Environment Protection Committee – with the sole exception of the Maritime Safety Committee, which was at present restricted to 16 members elected by the IMCO Assembly. However, a working group appointed by the IMCO Assembly had already proposed that the Maritime Safety Committee should also be open to all the members of the organization. The same working group had also recommended that the membership of the IMCO Council should be enlarged with a view to providing increased representation of the developing countries. The IMCO Assembly would hold an extraordinary session in October 1974 to consider those recommendations.

4. With regard to IMCO's activities, the organization's first and foremost concern was the promotion of maritime safety by the adoption of internationally agreed and universally applicable safety standards. For that purpose, it was essential to ensure that the design, construction and equipment of vessels of all types conformed to agreed international standards. Secondly, internationally agreed regulations were necessary in regard to the loading and stowage of cargoes. Thirdly, rules for international maritime navigation had to be formulated and kept up to date to prevent collisions at sea. Fourthly, a great deal of attention had to be given to the technical training and certification of maritime personnel.

5. The organization had sought to achieve those objectives over the years by the adoption of a number of international maritime conventions, the most important amongst them, from the safety point of view, being the International Convention for the Safety of Life at Sea adopted in 1960 and amended later from time to time. A further revision of that Convention would be undertaken by an international conference to be convened by IMCO towards the end of 1974. With regard to the loading of vessels, IMCO had adopted the 1966 International Convention on Load Lines, which again was being brought up to date from time to time. Regulations had been adopted for the prevention of collisions at sea and several traffic separation schemes for areas of high traffic density had also been implemented. In consultation with the ILO, IMCO was considering in detail the question of appropriate international standards for the training of navigators, engineers and other categories of seafarers. The organization was thus making constant efforts to ensure the safety and efficiency of navigation, which had a significant impact on the development of shipping services and hence of international trade.

6. Where the prevention of marine pollution was concerned, IMCO was the depositary of the International Convention for the Prevention of Pollution of the Sea by Oil, adopted in 1954. In 1962, 1969 and 1971 several new provisions had been included in that Convention and in 1973 it had been incorporated in the International Convention on the Prevention of Pollution from Ships which contained extensive provisions on numerous aspects of that important question; those provisions required, *inter alia,* that vessels should have additional tank capacity and special equipment so that likely pollutants could be retained on board and discharged at the end of a voyage into suitable reception facilities.

7. Furthermore, in association with the Inter-Agency Joint Group of Experts on the Scientific Aspects of Marine Pollution, IMCO had made recommendations, *inter alia,* on salvage of oil from stricken ships, physical and chemical means of dealing with oil at sea and on beaches, and the co-ordination of the efforts of developing countries where incidents posed pollution threats to more than one State. The 1969 International Convention relating to Intervention on the High Seas in Cases of Oil Pollution Casualties and its 1973 Protocol, as also the International Convention on the Establishment of an International Fund for Compensation for Oil Pollution Damage, provided States with other means of protecting themselves against pollution and for payment of compensation for any damage resulting from it.

8. The problems of marine pollution from ships were intertwined with those of ship design and construction and general maritime safety. IMCO was dealing with those

[1] E/5320.

problems in an integrated manner. In particular, in its activities relating to the prevention of marine pollution, IMCO maintained close contact with UNEP.

9. With regard to the role which IMCO could play in the inplementation of the Programme of Action on the Establishment of a New International Economic Order, adopted by the General Assembly at its sixth special session, the Programme and the accompanying Declaration would be considered by the IMCO Council in October 1974. In the meantime, he would give some indication of IMCO's possible role. Firstly, it could be foreseen that the Conference on the Law of the Sea would lead to a new upsurge in maritime activities. To be able to participate equitably in those activities, the developing countries would need to strengthen their maritime sector, particularly maritime expertise. In that connexion, the IMCO Council and Assembly would make every effort to provide technical assistance to the developing countries in the field of shipping, particularly for the establishment of merchant navy training institutions at the national, subregional or regional levels. In that field, IMCO's technical assistance programme, launched on a modest scale with financial assistance from UNDP, currently comprised many projects, some of which were large-scale projects being implemented in the developing countries of Africa, Asia and Latin America. To give some examples, a training institution set up in Brazil was providing the technical personnel for that country's merchant marine and a large regional marine academy was being set up at Alexandria. At the present time, regional and subregional institutions would be the best solution for most of the developing countries; IMCO would use its experience and expertise to support that effort, in full collaboration with the ILO and UNCTAD. He had had very useful discussions with the Administrator of UNDP on that subject. Financial assistance from that body for the establishment of subregional and regional merchant navy training institutes should be increased. Moreover, an agreement among Governments of a given subregion or region in favour of an institution to serve their composite requirements would help greatly in the timely planning and implementation of projects in that field.

10. In conclusion, he expressed the hope that IMCO's role in the specialized maritime sector would contribute to the attainment of the great goals of mankind, particularly those of the developing world.

11. Mr. HOVEYDA (Iran) said that it was perhaps inappropriate to revert to the discussions that had taken place in the General Assembly only two months before at its sixth special session, but he wished to refute certain comments made by specialized circles and in the Press in the interim and, in that connexion, to draw attention to certain facts which he hoped would help to enlighten the Council in its work.

12. Admittedly, the state of the world economy had been unsatisfactory for some years past. The galloping inflation in the industrialized countries had also affected the developing countries. In that situation, unjustified accusations were being levelled against the oil-producing countries. Yet the representatives of those countries at the sixth special session of the Assembly had explained the real reasons for the present state of affairs. They had shown that the price of oil was still well below its true value in comparison with other sources of energy. He was glad that, despite the erroneous assertions to which he had just referred, the Assembly had examined the true causes of the current economic crisis at the special session. In his view, it had demonstrated a readiness for change in considering solutions to the economic and social issues facing the United Nations system.

13. The Declaration and the Programme of Action set out in the two resolutions adopted by the General Assembly had decisively altered the world economic scene. Although there were no grounds for excessive optimism at present, since the Programme of Action was merely an indicative document and there was a long way to go before a genuine reform of international economic relations would be achieved, there were no grounds for excessive pessimism either, because signs of change had been discernible for several years. Moreover, the sixth special session had made no real innovation; it had served as a melting-pot for a number of existing facts and ideas. For instance, in February 1974 the Shahanshah of Iran had put forward a revolutionary plan for aid to developing countries,[2] which, in his (Mr. Hoveyda's) view, for the first time envisaged a genuine transfer of resources; unfortunately that proposal had not been given serious consideration by the *Ad hoc* Committee on the Special Programme. Furthermore, in his message to the General Assembly on the opening of its sixth special session (2209th plenary meeting), the Shahanshah, after deploring the fact that the availability of an abundant supply of cheap raw materials from the developing countries should have incited the rich nations to unbridled waste, had said that those raw materials should retain a constant and real value in relation to the prices of imports from the industrialized countries. He was glad that the decisions taken at the sixth special session had been in line with the wishes expressed by the Shahanshah in his message. That session had shown that the developing countries were now assuming a more important role in international life and that they should participate fully, on a footing of equality, in the settlement of world economic problems.

14. However, the economic imbalance persisting in relations between developing and developed countries was so serious and the gap between the two groups of countries so great that action could no longer be confined, as in the past, to corrective or *ad hoc* measures. Genuine structural changes were needed in the system of international economic relations.

15. At the sixth special session of the General Assembly, the member countries of the Group of 77 had sought co-operation and not confrontation. That explained why the negotiations had been held in a relaxed atmosphere. Admittedly, the unofficial discussions which had led to the resolutions adopted by consensus had been long and sometimes arduous, but the consensus reached made it possible to look beyond differences of opinion towards real prospects for fruitful co-operation.

---

[2] A/9548.

16. The decisions set out in the Programme of Action were not all immediately applicable. More often than not, the Programme merely indicated desirable targets which countries would have to try to achieve through the necessary studies and discussions. Only in the case of the Special Programme did it seek to solve problems arising from the present economic situation. In that respect, the meagre results of the session of the *Ad hoc* Committee on the Special Programme were disappointing. The Council's present task was to ensure the continuity of the efforts made at the sixth special session of the General Assembly, and in that connexion it was faced with a very difficult task of co-ordination. In particular, it would have to establish the necessary links between the Programme of Action and the results of the World Food Conference and the World Population Conference. It would also have to bear in mind the special session of the General Assembly to be held in 1975. For those reasons, it should make an initial assessment without further delay of what had been done and what remained to be done. It might perhaps be useful to set up a preparatory committee to ensure the success of the next special session; the Council might make a recommendation to that effect to the General Assembly with a view to such a committee being established as early as October 1974.

17. The developing countries which had the means to do so should assume their share of responsibility for solving the serious current economic problems, together with the industrialized countries. His own country was fully aware of the need to help other developing countries. Among other things, it had concluded bilateral agreements involving a total amount of $2,500 million with more than eleven countries for the purpose of helping those countries to overcome their balance-of-payments difficulties and carry out their development projects. Those credits had been granted on favourable terms in the form of long-term loans at very low interest rates. At the international level, Iran had offered a loan of $200 million to IBRD and announced that it was prepared to offer it another of $150 million. It was also willing to make a sum of $700 million available to IMF. Thus, excluding its contributions to various United Nations programmes, Iran's total multilateral aid already amounted to $1,050 million. Negotiations were also in progress with UNDP with a view to increasing and diversifying the assistance which Iran was supplying to the developing countries through that body, to which it had become a net contributor. His Government had further decided on the early repayment of loans totalling $1,500 million from various industrial countries, which would consequently have more resources to devote to the developing countries. Bearing in mind also other recent agreements concluded with both developed and developing countries, Iran's development assistance effort amounted to over $6,000 million.

18. The Special Programme was, in his view, no more than a palliative. The special fund already proposed by his country should be set up without delay: it should be free of political conditions and there should be equal representation of industrialized countries, oil producers and other developing countries. While some delegations had expressed the opinion that no useful purpose would be served by setting up such a special fund, his Government considered it would in fact be far more valuable than certain other proposals submitted to the Council. In many event, his country was prepared to support the Special Programme, provided that the developed countries, particularly those of EEC, and the oil-producing countries, contributed to it.

19. Lastly, the circumstances were ripe for a genuine revolution in concepts of development. The Economic and Social Council had a very important part to play in that respect for it had to propose to the General Assembly the bold solutions demanded by the new situation.

20. Mr. DAVIES (Secretary-General, World Meteorological Organization) reviewed the activities of WMO during the previous year, which had marked the centenary of the first International Meteorological Congress, held in Vienna in 1873. There had been various celebrations in connexion with the centenary, including a ceremony and a scientific conference organized in Vienna, followed by similar events in Geneva a few days later.

21. He proposed, however, to look to the future rather than to the past. The decisions of the sixth special session of the United Nations General Assembly and the recent discussions in the Joint Meetings of CPC and ACC showed the urgent necessity to look to the future, for otherwise it might be a bleak one. He had carefully studied the Declaration on the Establishment of a New International Economic Order and the corresponding Programme of Action; he was sure that the governing bodies of WMO would fully support them, and that WMO would give every possible assistance within its terms of reference and within the limits of its resources. At the Joint Meetings of CPC and ACC, many representatives had requested that heads of agencies should come forward with suggestions as to what their respective organizations could do to meet the objectives laid down in the Declaration and Programme of Action. Until the governing bodies of WMO had considered the two resolutions, a detailed response to the request was not formally possible, but some useful information could be given immediately.

22. The Programme of Action referred to many aspects of economic progress on which, directly or indirectly, WMO activities had a bearing. They included, for example, the relevance of weather and climate to agriculture, the importance of water resources for virtually all human activities, the need for weather advice for transportation by air, sea and land, the devastation caused each year by tropical cyclones and typhoons and by shortage of rainfall or floods, and the relevance of meteorology in matters relating to atmospheric pollution and ecology. He would briefly recount what WMO had done to meet those various needs, and what it could do in the future.

23. As noted in its report (E/5526), WMO had recently reorganized its activities to group them into four main areas: the operational programme called World Weather Watch; the research programme, including in particular the Global Atmospheric Research Programme, which was being undertaken jointly with the International Council of Scientific Unions; the meteorological applications programme; and the technical co-operation programme. It remained to be seen to what extent those programmes

would need to be adjusted and possibly expanded to meet the aims and objectives set by the sixth special session. It seemed likely, however, that the changes to be made would be in the form of progressive expansion of the present programmes, rather than drastic revisions.

24. For instance, in response to a proposal made by Mr. Kissinger, the United States Secretary of State, at the sixth special session of the General Assembly (2214th plenary meeting), action had been taken to give greater emphasis to studies on possible climatic changes and their effects on world food production. Other proposals for adjustments to the WMO programmes were contained in the programme and budget document to be considered by the WMO Congress the following year; for example, it was proposed that hydrology and water resources should become a separate programme because of the increasing importance of that area of work, and that the technical co-operation programme should be more closely related to the training activities so vital to the developing countries.

25. As an indication of the flexibility WMO was adopting, two of its programmes might be cited as examples: the World Weather Watch and the Global Atmospheric Research Programme. World Weather Watch was a co-ordinated global plan to enable all countries, developed and developing, to derive benefit from the use of satellites, computers and telecommunication systems. World Weather Watch had already done much to help countries improve their national services. In the next few years, the global meteorology satellite system would be further improved by a system of five geostationary satellites. So far, the United States of America and the USSR had been the only satellite-launching countries, but they would soon be joined by Japan and the Western European countries. The satellites supplied information to every country having the necessary read-out equipment, and nearly all countries had installed such equipment, many of them with the help of WMO technical assistance. The WMO satellite programme was an excellent example of modern technology being applied to help the developing countries.

26. The second programme given as an example was the Global Atmospheric Research Programme, for research was one of the points mentioned in the Programme of Action. The Programme was a truly international research endeavour from which all countries would benefit. At present the tropical experiment of the research programme was taking place in the Atlantic Ocean, and considerable numbers of personnel and appreciable technical facilities were involved; some 40 scientific research vessels from 10 countries were making scientific observations, and were thus the largest international fleet ever assembled for peaceful purposes.

27. In addition, specially equipped aircraft were flying the Atlantic skies as part of the same programme, while satellites were also playing a role. Some 3,000 scientists, technicians, sailors and airmen were taking part in that vast enterprise. The equipment was for the most part provided by the developed countries, but the developing countries of tropical Africa, South America and Central America were also playing an important role. The operational centre for the great experiment was at Dakar, and he would like to take the opportunity of thanking the Government of Senegal for the active support which it had given the experiment and which had been one of the main contributions to its success. From the experiment, much more would be known about the atmospheric processes in the tropical regions of the world, and many developing countries were bound to benefit from that. The two examples mentioned showed that WMO was already conforming to the requirements specified in the Programme of Action.

28. He was confident that WMO would be as responsive to the new Declaration and the new Programme of Action, as it had been to previous proposals and initiatives of the General Assembly and the Council.

29. With reference to the changes which the Programme of Action might entail in the United Nations system as a whole, he said that while recognizing that the present unprecedented economic situation called for a fresh approach, he too, would like to stress the need for avoiding the creation of further agencies or bodies. WMO tried to co-ordinate its activities as effectively as possible with those of the other agencies and United Nations bodies and to co-operate with them, but the process of co-ordination placed a strain upon WMO which it would not like to see increased.

30. Referring to WMO's action in connexion with the disastrous drought in the Sahel region, he said that in reporting to the Council the previous year (1864th meeting), he had mentioned the ways in which WMO was planning to respond to the needs of the countries affected. He was happy to report that good progress had been made. On the basis of a preliminary report by a WMO consultant, a mission led by WMO was at present visiting the seven countries belonging to the Permanent Inter-State Committee on Drought Control in the Sahel. The Mission, which was being conducted jointly with FAO and financed by UNDP – and he would like to take the opportunity of acknowledging the prompt and effective manner in which those two organizations had acted – would present detailed proposals within the next few weeks. The matter was, moreover, being pursued with a sense of urgency, and on the previous day he had had discussions with the Head of the African Regional Bureau of UNDP on further action.

31. The WMO consultant had made several suggestions for climatological, agrometeorological and hydrological studies relating to the drought. They had been endorsed at a meeting held under the auspices of the Permanent Inter-State Committee and steps were now being taken for the necessary follow-up action.

32. The results of those studies should be of great value in economic planning, especially from the point of view of optimum land use, and in developing an improved early warning system of crop failure due to drought. The studies should also serve as models for similar work in other parts of the world which might be affected by widespread and prolonged drought. WMO had worked closely with the United Nations Special Sahelian Office under the leadership of Mr. Morse.

33. It had been suggested that the recent drought in the Sahel might be associated with a change in climate, and

questions were being asked about whether such changes were likely to continue or to occur in other parts of the world, with the risks that would imply for global food production. WMO had already taken certain steps pursuant to Mr. Kissinger's proposals at the sixth special session. The subject was also receiving attention within the research programme previously mentioned, and an international conference dealing with it, for which UNEP was providing valuable financial support, was to be held at Stockholm at the end of the month.

34. Other studies were being made on the probability of occurrence of significant phenomena such as prolonged drought, to help in the application of current weather data in estimating the regional and global yields of major crops, such as wheat. It was therefore only natural that WMO should be helping in the preparation of the documentation for the World Food Conference to be held in Rome in 1974. WMO would also have an important role in the follow-up action after that Conference.

35. As in the past, therefore, WMO, within its field of responsibility and within the limits of its resources, had shown itself responsive to the wishes and proposals of the General Assembly and the Council; it was anxious to respond in a no less full and effective manner to the proposal which had emanated from the sixth special session of the General Assembly, on the establishment of a new economic order.

36. Mr. DUGERSUREN (Mongolia), outlining his delegation's thinking on the international situation, said that it was gratified by the prevailing climate of *détente* and mutual understanding. Mongolia particularly welcomed the recent USSR-United States summit meeting, whose final *communiqué* represented a major advance towards peaceful co-existence and reflected a desire to abandon the arms race. Mongolia was also convinced that the Conference on Security and Co-operation in Europe, which was about to enter its final phase, would lay solid foundations for peace. In addition, an encouraging trend towards normalization was to be noted in Laos, the Hindustan sub-continent and the Middle East.

37. The United Nations should play its role in strengthening the international *détente*. The Economic and Social Council, as one of the principal organs of the United Nations, should duly reflect in its activities the close relationship between the problems of peace and security and the problems of economic and social development. The Council's prestige, and more especially the viability of its decisions, depended on how accurately it grasped the main trends of the contemporary development of mankind. The most important question to be considered related to the international economic situation, which, according to the relevant chapter of the *World Economic Survey, 1973* (E/5486, E/5521 and Add.1-3), was not brilliant in the market-economy countries: crises, inflation, disturbances in the monetary and financial market, unemployment, energy crises and social conflicts were the chronic scourges of the capitalist world. The system was proving incapable of solving the vital problems of economic and social development.

38. The situation in the developing countries had deteriorated. United Nations statistics showed that those countries, which accounted for 70 per cent of the world's population, produced 30 per cent of the world's income and that their share of the world's exports, which had been 28.3 per cent in 1955, had fallen to 18.9 per cent in 1972. Their external debt had also increased and they were among those regions of the world where more than 1,000 million human beings suffered from malnutrition and 800 million were illiterate. In short, the gap between developing and other countries continued to widen.

39. As a result of the profoundly unjust character of the capitalist international division of labour and the consequences of colonialization, the developing countries bore the brunt of the crisis which had occurred in the market-economy countries. That fact, noted by the Heads of State or Government of the non-aligned countries at Algiers, was also referred to in the Declaration adopted by the General Assembly at its sixth special session and which stated that the remaining vestiges of colonial domination, racial discrimination, *apartheid* and neo-colonialism continued to be among the greatest obstacles to the full emancipation of the peoples.

40. His delegation thought that the multinational corporations were at the root of that state of affairs; indeed, the Economic and Social Council had been requested to investigate the activities of the enterprises of those monopolies whose principal purpose was to derive maximum profits from exploiting the developing countries. They had extracted between $14,000 and $15,000 million in gross profits from those countries, apart from their earnings from the credit terms imposed and the investments made in those countries. They did not hesitate to interfere in the domestic affairs of States through plots, *coups d'état,* threats and blackmail in order to continue to exploit the countries in which they had established themselves.

41. His delegation urged that immediate measures should be taken to put an end to the activities of those enterprises and commended the Group of Eminent Persons convened to study the role of multinational corporations on development and on international relations for the preparation of a report (E/5500/Add.1) describing their pernicious attitude. It hoped that the Council would study the report thoroughly. There was one point on which his Government took a very firm position, namely the permanent sovereignty of States over their natural resources and their right to nationalize monopoly enterprises.

42. In the Declaration on the Establishment of a New International Economic Order, the General Assembly, in effect, had stressed the need to strengthen the economic independence of the third world and to promote better co-operation among the developing countries. The Economic and Social Council must endeavour to assist those countries in that process. To ensure accelerated socio-economic progress it was imperative fundamentally to transform the existing economic relations; i.e. to adopt effective measures against imperialistic and neo-colonialistic exploitation.

43. The countries of the socialist world, for their part, continued to advance in stability. CMEA, which was now a quarter of a century old, had enabled its members to make considerable progress by applying the principles of mutual respect and fraternal assistance. The industrial production of CMEA members was now 12 times what it had been 25 years earlier; there had been a more than five-fold increase in their GNP and they were producing 25 per cent of the world's income.

44. The relations between the socialist and the developing countries had recently been referred to in the resolution of the jubilee session of CMEA, where it was stated that, in the framework of the general process of alignment between the socialist world and the national liberation movement, the socialist countries would continue to strengthen their co-operation with the developing countries and render assistance in their struggle against imperialism and neo-colonialism. At present, the trade and economic relations between the countries having different economic systems were being developed and broadened. That process, important in itself, was necessary for the creation of a healthy international political climate and for *detente*.

45. The year 1974 was an important one for Mongolia, because it was the fiftieth anniversary of the declaration establishing the Mongolian People's Republic, three years after the triumph of the revolution of 1921. The Mongolian people had succeeded in liberating their country from the feudal and colonialist yoke and in starting out on the road of social and economic development. Formerly a backward country, Mongolia had undertaken a radical transformation of its society, by first liquidating the aftermath of colonialism. Thanks to its people's devotion and toil and to the aid of the socialist countries, Mongolia had been able to introduce far-reaching changes: a new system for the distribution of wealth, the creation of public sectors in the economy, the introduction of a planning system, the expulsion of foreign exploitative capital and the training of skilled personnel. In that undertaking, Mongolia had been able to rely on the aid of the USSR and had rapidly embarked on its socialist development without passing through the capitalist stage. The country was now on the road to industrialization. In 1973, total national output had risen by 7.6 per cent as compared with 1972, national income by 7.7 per cent, the gross volume of agricultural production by 13 per cent and that of industrial production by 8.3 per cent. Thanks to technical assistance from the Soviet Union, Mongolia had established more than 150 enterprises or factories of national importance, and many other enterprises had been set up with assistance from the CMEA countries.

46. In conclusion, his delegation hoped that the Economic and Social Council, in its search for solutions to the important problems before it, would be able to take into account the link between the economic and the political aspects of the problems, together with all the implications of that link.

47. Mr. COREA (Secretary-General, United Nations Conference on Trade and Development) said that the essential concern of the Council at its present session was to follow up the decisions taken by the General Assembly at its sixth special session.

48. The Declaration and the Programme of Action adopted by the General Assembly, as also the draft Charter of Economic Rights and Duties of States, reflected the profound changes which were taking place in the international community, particularly in the third world, and were a response to those changes, which in a sense were occurring in parallel, at the national and international levels. Just as, in the countries of the third world, the people were seeking more participation in national life, in which they had so far held only a marginal position, so on the international level the countries of the third world were not content any more to remain on the periphery of the world economy. The socialist countries were no longer in a state of isolation. All were seeking to play a new role, not only in the decision-making process but also in the very systems in which the tempo and direction of world events were determined.

49. At both the national and the international level, those changes called for adjustment and accommodation on the part of those who were privileged and well established. Such adaptation in the developed countries had to take place in the context of complex internal problems, but failure to understand the changes and to anticipate the responses needed could only result in frustration, tension and conflict.

50. In the field of international economic relations, there were at least four areas in which structural accommodation was needed. The first was that of trade in primary commodities the pattern of which reflected the historical imperatives of an earlier period. For the bulk of their external trade the developing countries still depended on primary commodities, the income from which barely ensured a subsistence wage for the workers producing them, and on forms of market organization carried over from the past. That situation had to change, for it was inconsistent with the direction of change, and particularly with the growing presence of the third world in the global economy.

51. The tendency so far had been to see the commodity problem largely as a problem of instability. The problem, however, went beyond simple question of cyclical variation. It was one of how to modernize and rationalize the whole field of commodity production and trade so as to ensure an adequate and a rising standard of living for its participants, and particularly for the workers. That was why the solution to be sought should encompass not only the stabilization of the commodity market but also problems of marketing, processing, investment and financing.

52. The new approach should not be seen as exploiting the consumer by making him pay exorbitant prices. Fears had been expressed about the formation of producer cartels which would fix prices. On many markets, however, there was already a high degree of concentration on the buyers' side, and a better balance of forces would be assured if producers collaborated to counteract that concentration. The outcome could well be a more equitable price, rather than a monopolistic price, and a better organization of markets.

53. In that new context, commodity agreements as envisaged in the past would no longer suffice. In addition to measures for export regulation, appropriate provision would have to be made for the creation of multi-commodity buffer stocks, for the overhauling of marketing systems, for long-term bilateral and multilateral contracts, for programmes of commodity diversification and processing and, to the extent to which those measures proved to be inadequate, for schemes of compensatory financing.

54. The prices of some commodities had recently reached high levels, often under the effects of short-term, ephemeral forces. Many products had not shared in those increases. The prices of a number of commodities had already begun to fall because of a slackening in the tempo of expansion of the developed countries. Unless timely action was taken, therefore, countries dependent on the sale of commodities might experience serious difficulties, including those which depended on the products whose prices had risen.

55. Moreover, because of the inflationary process prevailing in the industrialized countries, the developing countries might see a steady erosion of the purchasing power of their exports. There was at present no built-in mechanism to safeguard the terms of trade of primary producing countries in the face of that inflationary process. The establishment of such safeguards should be part of any new approach.

56. To the extent that the present world food situation called for programmes of stock-building and price stabilization, such programmes could form an integral part of a new commodity policy.

57. Lastly, there was the concern of consumers over the volume and regularity of supplies. Rationalization in that field would make it possible to achieve a convergence of interests between producers and consumers. In the industrialized countries, schemes of self-sufficiency and withdrawal from markets were costly solutions compared with the results of a rational commodity policy based on international co-operation.

58. The second potential area of change was that of economic co-operation among developing countries, which should be strengthened. In the long run, the new economic order would certainly not maintain and intensify the largely "bi-polar" relations now prevailing between the third world and the developed countries. Trade between the developing and the developed countries admittedly needed to be strengthened and transformed, but new relationships among the countries of the third world as their consumption expanded and their production capacity grew should also be expected. Indeed, the evolution of those relationships was an important aspect of the concept of collective self-reliance. Moreover, the scope of those relationships could well extend beyond the limits of regional co-operation schemes. Trading and other exchanges might be established on a much wider canvas, but they would require a new institutional framework and new facilities.

59. The broadening of those relationships might extend beyond the field of trade. For example, the oil-exporting countries of the third world were for the first time in possession of substantial financial resources which needed secure and attractive investment outlets. For the present, such outlets were largely available only in the developed countries, but it was possible to envisage the establishment in the third world itself of investment outlets which went beyond the concept of aid and emergency assistance and provided the security and returns expected from such operations. The financing of commodity stocks was one possibility in that realm, but there were others. The investment of those new resources in the developing countries could result in a new pattern of trade in which the trade deficits of the industrialized countries with the oil-exporting countries could be matched by surpluses in the trade of the industrialized countries with the rest of the third world.

60. The establishment of new relationships amongst the developing countries should not weaken the urgent need for the expansion of their trade with the developed countries. The scale and pattern of that trade needed to be transformed, with a growing emphasis on the export of manufactures and of processed primary products from the developing countries. Those questions should naturally loom large in the forthcoming multilateral trade negotiations.

61. The third area of change was that of technology. The developing countries needed to have access to the immense storehouse of technological knowledge and to acquire, adapt aid to and utilize such knowledge. To do so, however, they had to surmount considerable obstacles because of restrictive practices, high costs and unequal relationships. The market for technology was extremely concentrated and highly imperfect. According to UNCTAD estimates, the direct cost of technological transfer to the developing countries in 1968 had been around $1,500 million, or about three-fifths of the annual flow of direct private foreign investment, including reinvestment. That cost was expected to reach about $9,000 million at 1968 prices by the end of the 1970s if the targets of the Second United Nations Development Decade were to be attained. The indirect costs were even higher. The transfer of technology was likely to become even more important in the period ahead, and much remained to be done in that field. UNCTAD had already tackled the revision of the national and international patents system and the establishment of an international code of conduct on the transfer of technology. Although that problem and the question of restrictive business practices went beyond the subject of transnational corporations, they were closely linked with it. He hoped that UNCTAD work in that field would be of continued value in the context of any new arrangements for dealing with the subject of transnational corporations.

62. The fourth area referred to the monetary and financial sector. As had long been urged in UNCTAD, the developing countries were now taking a growing part in decisions on the reform of the international monetary system and positive results in that direction had already been achieved, but much remained to be done. Final agreement had not yet been reached on the establishment of a link between SDRs and additional development assistance. Moreover, major reforms in the international monetary system had yet to be agreed upon. It was

important to ensure that those reforms were not introduced in a piecemeal fashion, that they led to a universal system, and that the fullest attention was given at all times to the requirements of the developing countries in the international monetary order.

63. Another major problem was that of external indebtedness, aggravated for a number of developing countries by the current economic crisis and for them at least remedial measures had become a matter of the greatest urgency. The possibility of adopting new approaches in that respect was now being studied by a group of governmental experts convened under UNCTAD auspices. The concepts and mechanisms of development assistance were also likely to change in the period ahead.

64. Meanwhile, the problem of emergency assistance for countries at present in acute difficulty had arisen. As required by the Special Programme adopted by the General Assembly, UNCTAD was collaborating in the emergency operations being carried out in that field under United Nations auspices.

65. UNCTAD had for long been concerned in the various areas to which he had referred. The Programme of Action adopted by the General Assembly had given a new impetus and a new sense of direction to UNCTAD work, UNCTAD would, as requested by the General Assembly, play its full part in implementing those parts of the Programme that fell within its responsibility, several of which strengthened the objectives which UNCTAD was already pursuing. Others included fresh elements on which new work needed to be done.

66. In August 1974 the Trade and Development Board was to examine the implications of the Programme of Action for UNCTAD activities. It would give special attention to the elaboration of an integrated approach to commodity problems and to the strengthening of UNCTAD activities, including data collection and monitoring, in the following fields: the development of international trade in raw materials, the indexation of the prices of primary products to the prices of manufactures, the code of conduct on the transfer of technology and the general issue of the interdependence of problems and policies in such areas as money, trade and development.

67. He was confident that, in carrying out its task of co-ordination and of laying down a policy framework, as envisaged in the Programme of Action, the Economic and Social Council would thereby succeed also in strengthening the political will to secure results. The momentum generated by the sixth special session of the General Assembly would thus be continued and accelerated at the current Council session up to the crucial meetings of the General Assembly in 1975. Those events could pave the way for a constructive and creative fourth session of the United Nations Conference on Trade and Development in 1976.

68. Mr. CORKERY (Australia) stressed the exceptional urgency of the economic problems arising from changes in the balance of payments of many countries, the scale of world-wide inflation and changes in the international monetary situation. The United Nations were rightly concerned with the implications for the less prosperous and the developing countries.

69. The Australian Minister for Foreign Affairs had recently identified several areas which he thought should be the priorities for Australia in the 1970s. The first was the need to develop a system of collective economic security. His delegation supported the essentially dynamic view of such a system expressed by the representative of Brazil (1901st meeting). True security could not be found unless there was significant progress in the material and social well-being of the peoples of the developing countries.

70. One of the main factors determining Australian foreign policy was the need to establish machinery which would make possible an acceptable restructuring of the world economic order. In that connexion, the Australian Minister for Foreign Affairs had called for a re-appraisal and re-orientation of development aid, stressing that the developing countries wanted attention focused primarily on the terms of trade and on the working out of a system which provided for a more equitable relationship between their income from raw materials and other resources and what they had to pay for manufactured imports.

71. The concept of collective economic security reflected the interdependence of the international community, which was more evident than ever in the world economy. That interdependence was already clear from the fact that all countries were producers and consumers, and exchanged between themselves goods and technology, services and experience. Interdependence was now considered in a broader framework, however: in conformity with the spirit of the United Nations Charter and in the interests of the various countries, it involved seeking ways of taking into account in national policies the effects of the policies and the interests of other countries.

72. In the view of his delegation, there were four principal issues before the Council at its current session, namely on-going tasks and activities arising out of the consensus at the sixth special session of the General Assembly; the draft resolutions introduced at that session which had been referred to the Council for further consideration; multinational corporations; and preparation for the special session of the General Assembly to be held in 1975. Those questions could be more appropriately considered in committee.

73. The Australian Government regarded the sixth special session of the General Assembly as an important event in international relations and as a step towards defining a new relationship between the developed and developing countries. It was true that Australia had expressed reservations about some aspects of the Programme of Action, but that did not imply that Australia had any reservations regarding the central purpose of the Declaration and Programme of Action – the establishment of a new international economic order. The two documents were an expression of s desire for change and a recognition that such change was overdue. As such, they were of major political significance. It was now for the States Members of the United Nations to translate them into economic reality. A good start had been

made in that respect with the Charter of Economic Rights and Duties of States.

74. The sixth special session of the General Assembly had also revealed the need for a wider range of consultation between Member States on common economic problems. The new international economic order would have to take into account the special problems and attitudes of all countries. Care must be taken to avoid the danger of adopting resolutions which over-simplified problems and which were unlikely to fit the circumstances of all Member States.

75. In recent years, the international community had been transformed, largely through the emergence of newly independent nations, but it had shown some inertia in adjusting international economic relations to the new situation thus created.

76. The task of implementation and co-ordination entrusted to the Council demanded energy, innovation and clear-headedness, for it was a matter of ensuring that the United Nations had the operational capacity to give effect to the will of the international community as expressed at the sixth special session of the General Assembly. His delegation agreed with the United States representative (1901st meeting) that the existing machinery of the United Nations required a complete re-examination.

77. The Council was responsible for preparing the way for the 1975 special session of the General Assembly. That session, taken together with the sixth special session, the review of the International Development Strategy and the work of the Council, should not only serve to promote the international economic co-operation provided for in the United Nations Charter but also give clear guidance on practical measures.

78. The report of the Group of Eminent Persons dealt with a subject to which the Australian Government attached great importance, for Australia was both the home and the host country of transnational corporations. The report required much deeper study than had been possible in the brief period during which it had been available. At first sight, it appeared to be a valuable contribution to a study of the activities of transnational corporations. His delegation hoped that it would be only the first step in a comprehensive programme to be undertaken over the years to come.

79. The Group proposed the establishment of additional institutions and machinery for dealing with the complicated questions which it had been asked to study. Such proposals required careful examination. There was unquestionably a need for further information and research on transnational corporations, but the matter should be dealt with one step at a time, and some reflection was required before final decisions were made on the machinery to be established. Above all, it was important that relationships should be established between countries and multinational corporations for the purpose of facilitating the access of countries to the capital, skills and technology which they required. A most important consideration was the terms of such access. In Australia's view, the terms must give full recognition to the rights and interests of the host country.

80. Lastly, Australia considered that all States had the obligation to act responsibly to preserve the environment for future generations; that was one of the more obvious fields for manifestation of the interdependence of nations. His delegation therefore wished to express the concern and regret of the Australian Government over the nuclear tests in the atmosphere and underground which had been conducted by Governments with which it wished to have only the closest relations. The Australian Prime Minister had reaffirmed on 25 June 1974 that the Australian Government was opposed to nuclear weapon testing by any country in any environment. Australia continued to urge the nuclear Powers to devote the maximum efforts to the achievement of a comprehensive test ban treaty.

81. It was Australia's firm belief that every effort must be made to strengthen the Treaty on the Non-Proliferation of Nuclear Weapons. All countries which were not yet parties to the Treaty should take immediate steps to ratify or accede to it. The Australian Government earnestly hoped that negotiations among the great Powers and agreement in the international community would lead to an over-all reduction in nuclear and other armaments and would also reduce the use for defence purposes of valuable resources which could be employed in tackling the urgent economic problems before the Council at its current session.

82. The circumstances in which the developing countries currently found themselves and which they could not change solely through their own efforts severely limited their area for choice in many ways. Australia was unwilling to accept such a situation. Faced with the major issues which confronted the world of to-day, it was resolved to pursue practical policies designed to bring about the necessary and desired changes.

83. Mr. PATHMARAJAH (Observer for Sri Lanka), speaking at the invitation of the President, said his country was in a serious plight because of the tremendous increase in the prices of the essential goods it had to import, such as foodstuffs, fuel and fertilizers, while the prices of its exports – mainly tea – had not increased to anything like the same extent; in fact, Sri Lanka's export earnings were static or even declining, while its import costs had quadrupled or quintupled. The country was thus prevented from importing sufficient quantities of non-essential goods, such as materials needed for its industrial development. Because of its carefully planned distribution network there was no starvation or immobility, but the country was on the verge of crisis. It could hardly be otherwise, since the gap between import costs and export earnings which in 1973 had been 287.5 million rupees, had reached 1,636.7 million rupees in 1974. Essential goods (flour, fertilizers, rice and crude oil), which in 1973 had represented 53 per cent of total imports, accounted for 73 per cent in 1974. That was because between 1973 and 1974 the price of rice had increased by 160 per cent, that of flour by 170 per cent, and in the same period that of crude oil by 300 per cent, which meant that expenditure on the purchase of rice and flour had been about the same as the cost of crude oil purchases.

84. At its sixth special session, the General Assembly had recognized that situation, common to many developing countries, and had suggested the adoption of a Special Programme, contingent upon the resources being made available to the Special Fund to be established for the purpose. Unfortunately, those resources were slow in materializing, but the firm pledge by the Netherlands delegation to contribute $30 million to the Special Fund was most commendable. The EEC had promised to contribute $500 million if other countries were prepared to play their part. There was a deplorable reticence on the part of countries in a position to contribute to the Special Fund, whereas a little timely help would improve the lot of people in such countries as Sri Lanka, which were seeking only sufficient food and fuel for survival.

85. The Executive Secretary of ECAFE (1905th meeting) had referred to the Colombo Declaration adopted by the Commission at its thirtieth session which specified certain urgent priority requirements, such as food, energy, raw materials, and external financial resources. In view of the set-back suffered by the "green revolution" in Asia due to the high price of fertilizers, the Prime Minister of Sri Lanka had suggested, at the opening of that session, the creation of a world fertilizer fund; that proposal had been embodied in ECAFE resolution 142 (XXX). Subsequently, at the sixth special session of the General Assembly, New Zealand had co-sponsored with Sri Lanka the proposal for a fertilizer pool which had been adopted by the Council at its spring session in resolution 1836 (LVI). The two proposals were complementary.

86. After receiving a favourable report from the expert group appointed to advise him on the subject, the Executive Secretary of ECAFE had fully supported the proposal to set up an independent world fertilizer fund, emphasizing that, because of its size and complexity, the fertilizer problem necessitated a separate approach.

87. The Executive Secretary of ECWA had in turn pointed out that that entire region urgently needed water and fertilizer for food production and agricultural development. In his delegation's opinion, the Council should ensure the early establishment of the proposed fund.

88. At its eighth session, the Industrial Development Board had adopted a resolution regarding the implementation of the decisions of the sixth special session of the General Assembly (E/5545), requesting that UNIDO should provide assistance within the limits of its competence, to the emergency measures to be undertaken under the Special Programme for improving the economic situation of the developing countries most seriously affected, in order to reduce to a minimum their dependence on industrial products such as fertilizers which they had to import at high cost to ensure adequate food production.

89. It remained for the world community to show the necessary political will to permit early action of the various proposals concerning fertilizers, and it was to be hoped that the Council of FAO, which was to take up that question at its forthcoming special session, would take the necessary speedy action.

90. It should nevertheless be borne in mind that, although those were urgent, priority matters, it was still necessary to consider the long-term problem of industrial development, whether based on agriculture or on non-agricultural raw materials. It was surprising that during the general discussion in the Council no mention had been made of UNIDO's work, of the action taken at the eighth session of the Industrial Development Board, or of the recent discussions in the Committee for Development Planning concerning the industrialization of developing countries. A new, just and rational international division of labour offered an appropriate answer to the problem of industrial development; it would be feasible only if all countries, developed and developing, recognized that they were part of a whole and that any country's poverty was a threat to prosperity everywhere. However, as stated in the report of CDP (E/5478), industrialization was not an end in itself, but only a means of achieving other, more basic objectives. Ultimately, it was a question of solving the problems of mass poverty, unemployment and general backwardness. That would be an appropriate development strategy for the years ahead.

91. The ILO, to which the Council had assigned a catalytic role in the efforts of the United Nations system to deal with the problem of mass poverty and unemployment, had unanimously adopted a resolution calling for worldwide action to tackle the problem of unemployment, which was the root cause of mass poverty and general backwardness. It was to be hoped that the ILO would be encouraged to take such action.

92. For countries such as Sri Lanka, where employment had been affected by the high cost of essential imports, there were obvious links between employment and development, and between earned or transferred resources and employment and development.

93. He hoped that the Secretary-General's appeal would be heeded. The international community should enter into positive commitments if it wished to avoid a permanent division between rich and poor countries. That was what the entire United Nations system should strive for, and the Council had an important role in that endeavour.

The meeting rose at 5.50 p.m.

1909th meeting

Wednesday, 10 July 1974, at 10.10 a.m.

President: Mr. A. KARHILO (Finland)

E/SR.1909

AGENDA ITEM 3

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

1. Mr. BLANCHARD (Director-General, International Labour Office), introducing his organization's report (E/5553), said that the Council's recent in-depth study of the activities of the ILO should make the information in that report all the clearer. He would refer essentially to three problems which had claimed the attention of the Council at its recent sessions: problems of employment and migration and the activities of the multinational corporations.

2. His comments on employment problems would necessarily touch on the complex questions related to the establishment of a new international economic order. The economic phenomena which had developed in recent years and months showed how urgent and timely it had been for the United Nations system to give a social dimension to the International Development Strategy for the Second United Nations Development Decade and for the ILO to launch its World Employment Programme in 1969.

3. Population growth, unemployment, inflation, increased commodity costs and the breakdown of the international payments system continued to press hard upon the world employment situation. Council resolution 1808 (LV) on the problem of mass poverty and unemployment in developing countries not only remained topical but called for renewed efforts on the part of the United Nations system. In that resolution, the ILO was urged to continue its work in the field of employment planning and promotion, pursuing its catalytic action as far as the entire United Nations system was concerned, and other specialized agencies and organs were urged to continue their co-operation in the World Employment Programme and to give close attention in their short-term and medium-term plans to the promotion of concerted and meaningful action-oriented programmes and projects with respect to employment policy.

4. The figures he was about to quote should be used with caution as orders of magnitude only, since it was impossible to give precise figures.

5. Between 1960 and 1970, the total population of the developing countries of Africa, Asia (excluding China) and Latin America had increased from some 1,400 million to 1,800 million, corresponding to an annual population growth of the order of 2.5 per cent, or double that of the industrialized countries. That rapid population increase had naturally been accompanied by an increase in the number of persons entering the labour market, amounting to 123 million persons over the decade in question, of whom about 110 million had found more or less productive employment, the remaining 13 million having been added to the mass of unemployed which was now estimated at 50 million. That enormous figure was equivalent to the active population of France and the Federal Republic of Germany combined. Moreover, it did not take into account the number of under-employed, which could be estimated at between 200 and 300 million. It could therefore be considered that in many developing countries roughly one in every two persons of working age was either unemployed or under-employed.

6. That situation had serious consequences in terms of income and it was not surprising that the average *per capita* income in 1970 had still been only in the region of $190 compared with $150 in 1960. The most striking fact, however, was that since 1960 the rate of unemployment had risen in all areas. In 1970, the first year of the Second United Nations Development Decade, it had approached 10 per cent in Africa, 6 per cent in Latin America and 7 per cent in Asia.

7. That deterioration in the employment situation was largely due to the acceleration of urban migration. In 1970 less than 60 per cent of the labour force had been employed in the agricultural sector as against more than two-thirds ten years earlier. The situation was also due to the small absorption of labour by the industrial sector, which, in 1970 as in 1960, employed barely 10 per cent of the labour force.

8. If that development continued, the situation in 1980 could be explosive. The world population was expected to increase by some 830 million between 1970 and 1980 and the active population by nearly 300 million, of whom 175 million would be in the developing countries. If present employment rates were to be maintained, unemployment would increase by 35 million, bringing the total number of unemployed in the developing countries to 85 million in 1980.

9. Another factor influencing the situation was the increased cost of energy and raw materials. It was still too early to gauge precisely what the consequences might be. While the transfer of resources resulting from that phenomenon could accelerate the development of producing countries, the employment situation in low-income countries lacking in energy resources would have deteriorated sharply by the end of the decade. It was possible, however, that the severe pressure of that situation on the balance of payments of those countries would encourage them to resort to a greater extent than previously to techniques employing more labour and less capital. The ILO, which

advocated that course, had drawn up a number of practical suggestions based on various research activities.

10. In the face of the alarming situation to which he had referred, it should be pointed out that, while the development of modern sectors was an essential factor for economic expansion, the importance of developing sectors which had hitherto been neglected should also be emphasized. The time taken for the economy to respond to development efforts devoted exclusively to modern and well-structured activities in urban areas had often been underestimated while the benefits which the poor and under-employed masses of the population could draw from them had been over-estimated.

11. It was encouraging to note that a growing number of countries were endeavouring to direct their economic and social policy towards greater development of the rural areas. The comprehensive employment strategy missions sent by the ILO to a number of African, Asian and Latin American countries had enabled it to make complete diagnoses and to propose measures that were in accord with the changed ideas of various countries with regard to employment policy.

12. The progress made, however, had been sparse and isolated. The International Labour Conference at its recent (fifty-ninth) session had adopted a resolution which gave the central place in development activities to unemployment problems, thus echoing the Declaration and Programme of Action on the Establishment of a New International Economic Order, drawn up by the sixth special session of the General Assembly. In that resolution, the Conference invited the Governing Body to instruct the International Labour Office to convene as early as possible a world tripartite conference on employment, distribution of income, social progress and the international division of labour as a specific contribution of the ILO to the review and appraisal of the International Development Strategy. The resolution also urged the Governing Body to arrange for the preparation of a report on the repercussions of inflation on the security and distribution of income, on guaranteed employment for workers and on the basic objectives of the ILO. It set forth two basic principles which should guide the ILO in carrying out that vast project. The first was to intensify its co-operation with the competent organizations of the United Nations system. The ILO would have no difficulty in following that principle; the programmes it had carried out in Latin America, Asia and Africa together with other members of the United Nations system had shown how the various agencies could co-operate in tackling problems. The second principle was to encourage the full participation of workers' and employers' organizations in the various activities. If a world employment conference was to be organized, it should be on a tripartite basis, since the solution of the problems of unemployment and under-employment obviously required the direct participation of employers and workers.

13. It would rest with the Governing Body to determine the conditions in which the resolution should be applied and, in particular, the conditions in which a world tripartite conference on employment might be convened as soon as possible. The Governing Body would, of course, take note of the Council's wishes and conclusions with regard to the application of General Assembly resolutions 3201 (S-VI) and 3202 (S-VI). He had submitted a complete report on the sixth special session of the General Assembly to the Governing Body in May 1974. The ILO would spare no effort to participate in the vast enterprise of establishing a new economic and social order, the more so in that it was already working along those lines. A study for defining the shape of a new international division of labour, the objective of which would be to reduce the level of unemployment in the developing countries while maintaining the level of employment attained by the industrialized countries, was already well advanced. Such a difficult and complex study was indispensable for a thorough knowledge of employment policy problems.

14. A decisive factor for the realization of good employment policies was the development of human resources. The recent session of the International Labour Conference had outlined two international instruments to which it was to give further study in 1975 and which were designed to regulate vocational training in the light of present-day requirements.

15. The Conference had also closely studied the question of migrant workers and had begun to draw up texts designed to make illicit or clandestine traffic in labour an international crime and to ensure its suppression, and to give migrant workers full equality of opportunity and wages in the countries in which they were employed. The Conference would proceed with the second reading of those texts in 1975 and would, he was sure, adopt instruments designed not only to end the reprehensible practices in question but also to ensure that that category of workers obtained a fair share of the prosperity which they were helping to create.

16. The ILO had for some time been studying the social aspects of the activities of multinational corporations. In 1972 it had held a meeting of experts on the subject. A first work of synthesis had been undertaken and a report,[1] which he would make available to members of the Council, had been drawn up. As a result, the ILO Governing Body had requested his Office to undertake various research activities, which were now in progress. The first step was to study the effects of the activities of those corporations on employment in the broadest sense, particularly in the developing countries but also in the industrialized countries; to consider, by reference to country studies, whether or not the firms in question were using labour-intensive techniques, and to develop appropriate ways and means of encouraging them to do so both in their own interests and in the interests of the countries concerned.

17. Secondly, comparative studies limited to certain branches of activity were being carried out on the practices of the multinational corporations with regard to general working conditions, wages, working hours and paid holidays. The question of the transfer of technology by the multinational corporations and its effet on the labour force

[1] International Labour Office, *Multinational Enterprises and Social Policy* (Studies and Reports, New Series, No. 79).

in the receiving countries was also being studied and should yield useful information for future training activities.

18. Lastly, the ILO was endeavouring to analyse the way in which collective negotiations were conducted in the new groupings and the problems they raised for the labour inspection services.

19. The report of the Group of Eminent Persons convened to study the role of multinational corporations on development and on international relations (E/5500/Add.1), in section VII dealing with questions of employment and labour, was sketchy and its conclusions on job security based on the ILO studies were premature. The report proposed the establishment of a commission on multinational corporations assisted by an information and research centre, but failed to stipulate the conditions in which the activities of the specialized agencies would be related to those of the commission, to which they would be invited to submit reports. For all those reasons, which applied equally to the suggestion for the drafting of a code of conduct, it was essential, in the face of the complex problem of the activities of multinational corporations, to make an effort first to establish the facts and secondly to distribute the specific responsibilities among the international organizations which could contribute to a better understanding of the problems and to a search for solutions. The ILO was among those with a close interest in the subject. Unwarranted condemnation or undue praise of the corporations in question should be avoided.

20. The ILO was aware of the need to go further in its efforts. It was endeavouring to do so by taking full account of the steps taken by the Council to raise international co-operation to the necessary level to meet the needs of a world still marked by poverty and misery. The joint task was a vast and ambitious one and the need for adequate resources should be constantly kept in mind. The international organizations were experiencing difficulties brought about by inflation and currency fluctuations and were finding it increasingly difficult to deploy their resources as would be desirable if they were to deal adequately with the increasingly urgent tasks confronting them. That comment was made in the conviction that the joint effort would be based both on generosity and on realism.

21. Mr. VEJVODA (Czechoslovakia) said that world problems of economic and social development such as the supply of raw materials and energy and the attainment of a just social system were gaining increasing importance and the present international situation made it possible to pay more attention to them. There was no longer a threat of immediate armed conflict or of a new major crisis which could divert the resources and attention of nations from the task of securing their peaceful development. The lessening of international tension created favourable conditions for achieving the basic goals of the United Nations Charter. It was encouraging to see a growing appreciation of the need to develop international co-operation still further so that the lessening of tension in international relations could continue and ensure peaceful development for present and future generations. The steps recently taken to achieve a political settlement of the Middle East situation, the results of the Paris Conference on Viet-Nam and the negotiations taking place between the new Portuguese Government and the representatives of the people of the dependent African territories demonstrated the importance of solving urgent international problems by negotiation, without detriment to the just struggle of the nations for independence, democracy and progress.

22. His delegation attached special importance to the work of the second stage of the Conference on Security and Co-operation in Europe, which should contribute towards the creation of new relations among all European States on the basis of agreement on specific measures. Broad economic co-operation should foster the strengthening of peace and security in Europe and the economic and social progress of all nations. His delegation was confident that the implementation of a number of the specific measures adopted by the General Assembly at its sixth special session would make a significant contribution to the further strengthening of co-operation among nations for the preservation of world peace.

23. A number of bilateral and multilateral agreements recently concluded with a view to solving the remaining problems of the Second World War, as also the efforts to settle disputes by peaceful means, likewise indicated a growing conviction that the attainment of a just and lasting peace corresponding to the interests of all nations was coming to the forefront of the efforts of the majority of nations.

24. His delegation was glad to note that under present conditions war could not be considered a means for the settlement of major disputes. That, however, was not enough: what was needed was the promotion of active economic, scientific, technological, cultural and other co-operation among nations, without discrimination and without interference in the internal affairs of sovereign States. Only such a fruitful co-existence could ensure the establishment of relations among States which would make it possible to utilize to the full the natural resources of countries and the economic potential created by their labour and to influence the solution of the most important international problems. His delegation was convinced that only in that way could all States, and first and foremost the developing nations, decide freely their own destiny, without fear of outside interference, and devote their strength and means to securing social and economic progress and improved standards of living for the broad masses of their people.

25. The fact that the sixth special session of the General Assembly had been held on the initiative of the developing, and particularly the non-aligned, countries testified to the timeliness of the present international situation for the settlement of commodity and development questions and to the changing position and important role of the non-aligned countries in international economic relations. In evaluating the results of the sixth special session of the General Assembly, stress should first be placed on its contribution to the just struggle of the developing countries for their national independence and economic and social progress. In the resolutions it had adopted at its special session, the General Assembly had stressed the need to

secure the necessary financial and material resources for initiating a number of measures for the benefit of developing countries. In that connexion, the importance of compliance with General Assembly resolution 3093 (XXVIII) which recommended the five permanent members of the Security Council to reduce their military budgets by 10 per cent and to utilize part of the funds thus released to provide assistance to developing countries, should not be overlooked. His delegation firmly believed that world disarmament should become the material force of world development and it saw in the results of the sixth special session of the General Assembly a contribution to the development of economic and trade co-operation among countries with different social systems. Various principles of the Declaration on the Establishment of a New International Economic Order, particularly the principle of sovereign equality and equal co-operation, strengthened the tendency for the principle of the most-favoured-nation clause to become the generally recognized principle of economic relations among those groups of States. Such development would be one of the significant prerequisites for the speedy attainment of an irrevocable lessening of world tension.

26. In General Assembly resolution 3172 (XXVIII), the Council had been requested to discuss the preparatory work for the 1975 special session of the General Assembly. Disparities in economic development both between individual States and between the developing countries and the rest of the world continued to increase. Although the imperialist colonialist world had been crushed, economic decolonization had not been completed and imperialism, particularly through multinational monopolies, continued to use its economic superiority to exploit the developing countries. Such monopolies controlled more than one half of the world commodity markets and continued to export profits from the mining of raw materials to the same developed countries whose colonies the developing countries concerned had been. The international division of labour was still keeping developing countries in a state of economic dependence. The Declaration and the Programme of Action adopted at the sixth special session of the General Assembly provided a good basis for the fundamental solution of international economic problems. Czechoslovakia had always promoted, at all international levels, the principles of the sovereign equality of States, international co-operation on the basis of equality, equal participation of all countries in the solution of international problems and the right of every country to permanent sovereignty over its natural resources and freely to choose its economic and social system.

27. His country had had experience in solving the problem of ensuring a balanced economic development of the various national regions, in which long-term economic planning played a decisive role. The economies of many developing countries still bore the signs of former colonial dependence, since their development was still oriented towards dependence on the former metropolitan Power. In his view, the main task of planned development was to obliterate such traces of the past by introducing economic and social structural changes, embarking upon the rational utilization of natural resources, mobilizing human and material resources for development and attaining economic independence.

28. Co-operatives could play an important part in ensuring food supplies. The increase of agricultural production by means of agrarian reforms and mass production methods, together with improvements in soil and water economy, was a prequisite for effecting a permanent improvement in nutritional standards in the developing countries.

29. His country's experience proved that industrialization based on planning and the rational utilization of domestic resources was a significant factor in social and economic development. It was, however, important that the State should play a part in specific activities aimed at broadening the industrial base, such as training of local cadres, measures to control foreign investments, the mobilization of national resources and the development of regional and sub-regional co-operation.

30. Czechoslovakia had actively participated from the beginning in UNIDO, whose activities were important in that connexion. His delegation considered that UNDP, too, was an important forum for developing multilateral economic co-operation and rendering technical assistance to developing countries. Attention should be given to formulating UNDP assistance programmes which supported national industrialization policies and favoured the introduction of progressive changes in the economic and social structure of developing countries.

31. Under the United Nations Charter, the Council had the task of dealing with world economic and social problems and promoting international economic co-operation. With its increased membership the Council had become a representative body fully competent to deal with those tasks. His delegation considered that the adoption at the forthcoming session of the General Assembly of the Charter of Economic Rights and Duties of States would help, in conjunction with the resolutions adopted at the sixth special session of the General Assembly, towards the establishment of a new international economic order which would solve the main problems of readjusting economic relations among all States irrespective of their social systems. The Charter of Economic Rights and Duties of States would provide the necessary prerequisite for equitable economic co-operation between States and reaffirm the principle of co-operation based on mutual benefit in the economic, commercial, scientific and technological fields, the principle of the most-favoured-nation treatment and the right of all countries to choose the social and economic system which best fitted their interests, without any external interference. The Charter would promote the development of international trade on the basis of sovereign equality and help to remove obstacles to the development of international economic co-operation.

32. Positive results had already been achieved through the adoption of a more realistic attitude on the part of a number of capitalist States towards economic co-operation with socialist States. The volume of trade between the States members of CMEA and the advanced capitalist States had tripled in 1973 as compared with 1960. It was

important to realize that policies of discrimination and the imposition of quantitative and credit restrictions on trade had not achieved their purpose. The Contracting Parties to GATT were in the habit of modifying its principles for their own political ends, but increasing mutual co-operation among member States had confirmed that no purpose was served by such a policy. In his opinion, the world was at the beginning of a new era in international relations; continued *détente* created favourable conditions for the liquidation of all the discriminatory practices which had hitherto been applied by certain States.

33. Since its establishment 25 years previously, CMEA had become an important factor in the development of the national economy of the individual member States and of the socialist community as a whole. It had contributed significantly to a gradual diminution in the disparities in economic levels inherited from the past, to increased productivity and to a planned and permanent improvement in the living standards of the population. Its member States had practised mutual co-operation without upheavals or crises. Its strength lay in the fact that it secured the harmonization of national and international interests by making it possible to serve the legitimate national interests of individual member States subject to the principle of respect for the interests of other members and collective management of economic co-operation and integration.

34. It was not the aim of CMEA economic policies to create a closed economic group; on the contrary, socialist economic integration made it possible to develop economic, scientific and technological contacts on the basis of equality and mutual benefit even with States having different social systems. That fact had been proved by the expansion of economic co-operation between States members of CMEA and the developing countries. The foreign trade of the CMEA countries had more than quadrupled in 1972 as compared with 1960 and over half the trade was based on long-term agreements at fixed prices. States members of CMEA had broad economic, scientific and technological contacts with over 80 developing countries, thus contributing to the development of their economic potential. In order, however, to accelerate the pace of their economic development and social progress, the developing countries should adopt the requisite politico-economic measures such as the introduction of development planning, the implementation of progressive social and economic reforms, the building up of important sectors of the national economy and the general subordination of development to the national interest.

35. The positive solution of the serious economic and social problems before the Economic and Social Council would undoubtedly improve international economic co-operation. His country had always actively supported the concept of international co-operation and was developing its economic contacts in conformity with the principles of its peaceful foreign policy. His delegation was prepared to contribute to the achievement of positive results at the current session.

36. Mr. PHAN VAN PHI (Observer for the European Economic Community), speaking at the invitation of the President, said that the international economic climate had profoundly changed since the fifty-fifth session of the Council. All countries, developed and developing, both exporters and importers of raw materials, were facing serious economic difficulties. The imbalance which had become apparent in recent months, both within different countries and internationally, and of which the energy crisis was but one example, had profoundly affected national economies, although it was as yet difficult to measure the impact. The crisis had been accompanied by a rapid increase in the prices of certain raw materials which was currently posing problems to which no solution had yet been found.

37. The main elements of the current problems were simultaneous economic developments in most countries, which had caused an overheating of the world economy; uncertainty and instability in the world monetary system; continued difficulties with regard to supplies; and the appearance of fresh shortages in the fields of energy, industrial raw materials and foodstuffs.

38. In the case of EEC, for which processing constituted one of the principal means of increasing the foreign trade of developing countries, the crisis was liable to act as a brake on economic expansion and make the fight against inflation more difficult. The competitiveness of the Community, which was heavily dependent on imports of a large number of raw materials, had been seriously undermined by the increase in commodity prices. It had been estimated that in 1974 it would have an adverse balance of payments of $15,000 million as compared with a surplus of $7,000 million in 1973. That was a measure of the impact of the present crisis on the Community's economy.

39. The Community had nvertheless repeatedly expressed its readiness to support solutions based on closer international co-operation and not to have recourse to protectionist measures which in the long run would only aggravate the present difficulties. The Community considered that it was essential to maintain an international economic system based on the liberalization of trade and that valid long-term solutions to balance-of-payments problems could only be found at the economic and monetary level and not through measures of trade policy. It was convinced that it was not sufficient to maintain the *status quo* since such a supine attitude not only would put at risk what had already been achieved but was inadequate to solve the development problems of the third world and particularly the difficulties of the developing countries which had been most seriously affected by the present crisis. It was in that light that the measures as adopted by the Community should be judged.

40. At the recent ministerial meeting of the Council of OECD, a Declaration[2] had been adopted affirming the determination of member States to refrain for a period of one year from imposing new trade restrictions or artificially stimulating their exports; such a declaration could not fail to have beneficial effects on world trade and particularly for exports from the developing countries. Furthermore, the Community attached great importance to the multilateral trade negotiations initiated in 1973, which should

[2] For the text, see OECD Press Release of 30 May, 1974.

induce participating countries to seek solutions to their economic problems within the framework of increased liberalization of international trade.

41. The Community also attached great importance to the adoption of a system of compulsory convertibility of all currencies, which would guarantee equality between national currencies with regard to rights and obligations, and to the adoption of a system based on multiple intervention of currencies which would tend to correct previous imbalances.

42. The States members of the Community had actively participated in the deliberations of the sixth special session of the General Assembly and had affirmed their readiness to associate themselves with the emergency special measures in favour of the most seriously affected countries. Subject to the other members of the world community which had been asked to participate contributing their quotas, the Community had decided upon a target contribution of one-sixth of the total amount up to a sum of $500 million. It would make a contribution as soon as agreement had been reached on the ways and means of granting emergency assistance and on the criteria for selecting the recipient countries.

43. Acting on the principle of international solidarity, EEC and its member States would endeavour to maintain and expand their bilateral development assistance and their contributions to multilateral institutions, in spite of their own urgent economic problems. The Community would continue to assist the countries associated with it under the second Yaoundé Convention.[3] At the end of its third year of operation, the third European Development Fund had committed about 631 units of account, which was over two-thirds of its total resources. The Community was currently negotiating with 43 countries agreements of association in which financial and technical co-operation would play an important part. It had confirmed its intention of guaranteeing to all associate States benefits equivalent to those they already enjoyed and of putting new associate States on an equal footing.

44. At their meeting in October 1972, the Heads of State or Government had invited the institutions of the Community and its member States to put into operation progressively a policy of co-operation on a world scale. To that end the Council of the Community had adopted a series of resolutions, in one of which member States undertook to reach as soon as possible the target contribution of 0.7 per cent of their GNP in official aid, as proposed in the International Development Strategy. Furthermore, member States would endeavour, particularly within the framework of the Community, to achieve greater harmony in their terms of aid, especially to the poorer countries, and had declared themselves ready to give aid to the 25 least-developed countries in the shape of grants and loans on very favourable terms. Member States would also endeavour to increase the proportion of grants in their programmes and in appropriate cases to apply the procedure of "two-tier" loans.

45. During 1973, the Community had contributed foodstuffs to the value of 120 million units of account and had provided 173 million units of account of assistance to a number of developing countries; in particular it had provided emergency assistance to famine-stricken countries such as Bangladesh, the Sudano-Sahelian countries, Ethiopia and Pakistan.

46. The Community's imports from the developing countries as a whole had continued to increase during 1973, assisted by the implementation and expansion of the EEC, generalized system of preferences. The Council of the European Community had decided to conduct another review of measures to improve the EEC generalized system of preferences when the Community regulations for 1975 were drawn up. With regard to industrial goods, other than textiles, coming under chapters 25-99 of the BTN, it would endeavour to reduce the list of products subject to quotas and tariff barriers after an examination of each group. With regard to goods coming under chapters 1-24 of the BTN, it proposed to consider, again on the basis of each group, ways and means of improving preferences by increasing both the number of products covered and the preference margins, taking into particular account the interests of the least-developed countries. At the same session of the Council, the States members of the Community had once again confirmed their interest and support in appropriate cases for international commodity agreements in order to stabilize markets and increase exports from developing countries. They had expressed their readiness to adopt a common attitude in order to improve the functioning of existing agreements, facilitate their renewal and make it possible in appropriate cases to conclude new agreements.

47. The Community had taken an active part in the negotiations within GATT leading to the Arrangement regarding International Trade in Textiles; the agreement in question was of considerable importance since it provided a general framework for an orderly reduction of restrictions on trade while ensuring appropriate measures to safeguard industry and trade. In the absence of such an agreement, there would be a danger of individual measures being adopted which would inhibit the orderly development of the textile trade. The Council of the Community would shortly adhere formally to the Arrangement. The Community had also concluded trade agreements with a number of developing countries which provided practical proof of its readiness to develop relations with the countries of the third world.

48. Mr. MAINA (Kenya) said that the Council was meeting at a time when the economic problems created by inflation and the oil crisis had not yet been resolved, when the increase in world population was outstripping food production and when raw materials were becoming increasingly scarce. His delegation was firmly resolved to co-operate with all members of the Council in the hope of achieving successful solutions to the problems on its agenda.

---

[3] Convention of Association between the European Economic Community and the African and Malagasy States associated with that Community, signed at Yaoundé on 29 July 1969.

49. There was no need for him to point out that the social and economic policies taken by individual Governments to deal with domestic problems soon precipitated problems elsewhere and that a concerted effort was required if the interdependence of nations was to have any practical value. There was also an urgent need to review priorities in order to ensure progress along the desired path.

50. Many developed countries had demonstrated a lack of effort in fulfilling their undertakings to the developing countries. Not enough progress had been made towards achieving the target for the flow of capital resources which had been set in the International Development Strategy. It was disheartening to note that in 1971 the net flow of financial resources, including official development assistance, had been substantially less, as a percentage of the GNP of developed countries, than the annual levels recorded ten years previously.

51. Whereas the economies of the developed countries had been sufficiently strong to absorb the impact of the energy crisis, Kenya, like other non-oil-producing developing countries, had had to divert its scarce resources from development projects in order to meet the bill for oil imports. The adverse effects of the oil crisis were very grave, since Kenya's agriculture and a number of its manufactures were heavily dependent on oil and oil-based raw materials.

52. Apart from the prolonged economic instability of the previous three years, which had been brought about by monetary crises, inflation and, more recently, the energy crisis, there was the threat of a major world food shortage and a deficiency in raw materials, which was symptomatic of probable future problems. Another gloomy portent was the current problem of encroachment by the desert in the Sudano-Sahelian zone; in that connexion science and technology might play an important role. The developing countries had been the most seriously affected by the world-wide problems of inflation and rising prices because they were heavily dependent on imports of agricultural machinery and essential agricultural inputs, the increased prices of which accelerated their already high rates of domestic inflation which was further aggravated by the rising prices of imported manufactures, while the prices for their own agricultural products continued to fall. Such trends increased their balance-of-payments problems, which had already been intensified by the current monetary instability.

53. It was well known that the share of developing countries in trade was not expanding as fast as that of the developed countries because, although there had recently been substantial price increases in some commodities, other commodities were still facing serious difficulties. It was therefore essential that commodity prices should be reviewed with the object of maintaining them at renumerative levels. His delegation also hoped that there would be a rapid response to the appeal for liberalization of trade, since the current restrictive trade practices nullified the efforts of developing countries to diversify their economies through industrialization. Those countries were unable to sell their manufactures and semi-manufactures in the lucrative markets of the developed countries. They should not suffer losses through preferential arrangements among developed countries. The generalized system of preferences for manufactures and semi-manufactures from developing countries should be implemented by the developed countries which had not yet done so and the scheme already in operation should be improved.

54. He welcomed the Secretary-General's prompt appeal for emergency relief measures to assist the countries in the Sudano-Sahelian zone and Zambia and Ethiopia. His delegation appreciated the quick response to that appeal by certain developed countries.

55. He hoped that the Council's co-ordinating role in the economic and social field would be strengthened and that the Council would recognize the need for re-organizaing existing institutions and the means they used, in order to remedy inconsistencies and weaknesses in the United Nations systems. Science and technology, for example, could offer solutions to most development problems, yet little progress had been made in certain sectors of that field because of inter-agency rivalry. Time and scarce resources were wasted as a result of disputes over competence. Efforts should be made to review the structure of certain United Nations institutions in order to eliminate the overlapping of functions.

56. The African Regional Plan for the application of science and technology to development and the recent Conference of Ministers of African member States responsible for the application of science and technology to development had helped African countries to identify priority problems for which new techniques needed to be developed or tested in pilot projects. It was time for the United Nations to assume a more practical role in that crucial field.

57. His delegation had raised that issue at the Council's fifty-fifth session and had subsequently announced that it would submit a draft resolution on the subject at the present session (E/AC.6/L.550). The opposition in some quarters to action in that field led him to surmise that the purpose of Kenya's proposal had been misunderstood. The proposal was not for the creation of a new United Nations body or agency, but basically for the re-organization of existing United Nations bodies concerned with science and technology, whose mandates at present overlapped. They should be brought under a central authority to ensure that United Nations efforts in that field would be harmonized and consequently more effective. Nothing should be allowed to obstruct the immediate and systematic application of science and technology to development. As the Under-Secretary-General for Economic and Social Affairs had pointed out at the last session of the Committee on Science and Technology for Development, United Nations action in that field would not be plausible until there was a nucleus of stimulation and initiative with resources which would enable an intensive effort to be made to mobilize the necessary external co-operation. It was illogical for the United Nations to proclaim the crucial importance of science and technology in its resolutions and yet be unwilling to establish more effective institutional machinery than the present inconsistent and unsatisfactory arrangements. He was sure that any doubts about the proposed re-organization would be dispelled by the study which was being prepared.

58. Mr. ARIM (Turkey) said that, while the policy of *détente* appeared to be leading to an era of peace, for the developing countries real peace would come when the present imbalances in international economic relations were redressed. The Declaration and Programme of Action adopted at the sixth special session of the General Assembly, itself a landmark in United Nations efforts to deal with the problems of raw materials and development, laid down principles for a just world economic order and would influence international economic relations. The emergency which had prompted the convening of that session still dominated the economic scene and, unless urgent action was taken, the situation might get out of control. The whole world was undergoing a profound transformation, due to the constantly evolving rules of economics and changing political and social values. The dimensions of the economic crisis placed it beyond the capacity of individual countries to control and required concerted action by the world community as a whole. The concept of collective economic security, as presented for the Council's consideration, appropriately expressed the need for such a global approach to common economic problems. It also underlined the insecurity felt by everyone in the present-day world.

59. Isolationism was now an outdated concept; interdependence and interrelationships had become the dominant factors. Despite the close relationships now linking all nations, the gap between the poor and the rich, the developed and the developing countries, was widening. That tragic pattern must be corrected without delay. The peoples of Asia, Africa, Latin America and some parts of Europe were fighting for their economic and social development. An equitable division of labour, fair prices for exports, and development assistance on favourable terms would, in the long run, bring about that development. The co-operation and understanding of the developed countries was essential for the process. The monetary crisis and the steep rise in oil prices had hurt all countries, but the developing countries were more vulnerable. The United Nations was the only institution that could effectively help to preserve the dignity of mankind in the face of the present global threat. Collectively and individually, countries must respond to the urgent needs of the developing world, while developed and developing countries alike must strive to establish a new, just economic order. The developing countries should participate in all decisions affecting international relations and their special needs should be taken into account in the reform of the international monetary system and in the multilateral trade negotiations.

60. The forthcoming World Population Conference and World Food Conference were signs of the new awareness of the need for a global approach to the world's problems. Some parts of the world were already faced with the threat of starvation and recent increases in the prices of fertilizers and pesticides had lowered subsistence levels. His delegation had supported Council resolution 1836 (LVI) concerning, *inter alia* the establishment of a fertilizer pool.

61. The complex nature of the problems facing the world also required concerted action by the various organs of the United Nations system. The Council had an effective role to play in that process. The vast number of problems in international economic relations should not make countries lose sight of the basic objectives.

62. Mr. MILLS (Jamaica) said that the economic events of the past two or three years were the product of circumstances rooted in the very nature of the present economic system, which was geared to the interests of the rich and technologically advanced countries and would lead to increasing frustration for the poorer countries and ever greater disparities in wealth and opportunity. Those events had brought into question the capacity of international institutions to comprehend and deal with the issues and problems involved. The commendable if qualified achievements at the international political level represented a sharp contrast. In recent years, developing countries had come to realize that real progress could be achieved and a viable system of international co-operation and security established only by fundamentally restructuring the international economic system. That realization had been dramatically expressed at the sixth special session of the General Assembly. The Council had been assigned a special role in the implementation of the Programme of Action adopted at that session and should lay down guidelines at its present session for ensuring that the implementation of that Programme would be the dominant factor in the work of the United Nations system in the years ahead.

63. At the recent session of the Governing Council of UNDP, many countries had acknowledged the significance of the General Assembly's sixth special session and its implications for the future role of UNDP. Nevertheless the magnitude of the effort needed in the field of technical co-operation was not yet fully appreciated, although some developed countries seemed ready to endorse the general objectives and conclusions adopted at the sixth special session of the Assembly and recognized the inevitability of a new economic order. Meanwhile, in view of the increasing hardship in many developing countries, he urged that the United Nations should take prompt and effective action to implement the special emergency measures provided for in the Programme of Action and hoped that member countries would respond generously to the Secretary-General's appeal for funds.

64. Some countries clearly did not recognize the need for a new economic order. He wondered how they envisaged the future world, with its vastly increased population concentrated in the poorer countries, if no fundamental change was made in an economic system which favoured the rich countries and would make them richer. Many developed countries had already set a good example in responding to the Secretary-General's appeal for funds to finance the special emergency measures on behalf of the countries most seriously affected by recent economic events, but such emergency action must not be regarded as a substitute for the main and ultimate objective of changing the system itself. The inevitable result of such an error would be a gradual deterioration in international relationships and increasing recourse to expedients serving the interests of particular countries or groups of countries. It would also lead to the rejection of United Nations institutions as a possible means of effecting real change. The Netherlands representative (1901st meeting) had rightly pointed out that, while emergency operations could

relieve suffering, nothing fundamental could be achieved unless real changes were made in the distribution of power, income and property. Such a change would require the good will, ingenuity and unstinting efforts of all countries. He hoped that the discussions in the Council and elsewhere would lead to full acceptance of the need for a new economic order and give an indication of its probable nature.

65. In the past 25 years, much had been learned about the economic, social and political systems of countries and about development. Increasingly detailed statistical information was becoming available and international organizations had the services of highly competent economists and other experts to analyse it. There was a dangerous tendency, however, to oversimplify some of the factors and problems of development and to allow wishful thinking to influence the approach to certain issues. An institutional system such as the United Nations inevitably suffered even more than national institutions from fragmentation, compartmentalization, inadequate co-ordination and a propensity for snap diagnoses and solutions. There was often the implicit assumption, for example, that a particular package of economic and social measures – technical assistance, industrial and agricultural development, promotion of education, etc. – would eventually get a developing country out of its difficulties and that emergency programmes and increased aid of the conventional kind would save the really poor countries. While many countries, including his own, had benefited from such international action, it was not in itself the key to development problems and the development gap, nor was it the means by which fundamental economic change could be effected. One cherished oversimplification was the division of countries into development categories. The division of the world into developed and developing countries had an obvious practical basis, but it tended to exclude effective contact and exchanges of ideas between developing countries and the poorer regions of many so-called developed countries. Authorities trying to establish a new economic order for the benefit of the poor regions of a country would have a better understanding of the problems of developing countries and would be able to provide them with useful information. There could in fact be a useful two-way exchange of ideas. The very persistence of poverty in some of the rich countries was a salutary reminder of the complexity of development problems.

66. Developing countries were also divided into sub-categories based on degree of poverty and lack of resources, again with some justification. He was entirely in favour of devoting special attention and a significant part of the available resources of the assistance of the countries in greatest need. However, there was now a tendency to apply arithmetical tests of development and viability based on one or two indicators, especially *per capita* income. He knew from experience that any Government which equated in simple terms the growth of *per capita* income with the real social and economic condition of the mass of its people would be taking a grave political risk. Development was more complex than that. The persistence of mass poverty and mass unemployment in many countries with creditable improvements in *per capita* GNP was a measure of the failure of generally accepted techniques to affect significantly the lives of a large part of the population. That fact had been mentioned in reports on Latin America, and especially in the 1973 annual report of the Administrator of UNDP.[4] The Swedish representative's reference (1904th meeting) to development processes which generated poverty while bringing benefits to a few was very cogent.

67. Countries like Jamaica had been trying for a long time to find new approaches to development which would provide a tolerable way of life for the mass of their people, in the face of all the usual problems of under-development. They recognized that the result would depend to a large extent on their own efforts, but they looked to the international community and to the United Nations system for assistance in finding new ways, not only of relieving poverty, but of using the potential of the mass of the people who did not know how to help themselves. The growing tendency to make comparisons among developing countries in order to measure progress or viability should be discouraged, since no purpose was served by measuring development from the bottom. The purpose of the new economic order should not be to narrow the gap between various developing countries, but to change the relationship between all countries and in particular to narrow the gap between the rich and the poor countries. What the Council did at its present session would show whether or not its members had the will, the courage and the vision to move towards the creation of a better world.

The meeting rose at 12.10 p.m.

---

[4] DP/48.

1910th meeting

Wednesday, 10 July 1974, at 3.15. p.m.

President: Mr. A. KARHILO (Finland)

E/SR.1910

AGENDA ITEM 3

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

1. Mr. HEYER (International Confederation of Free Trade Unions), speaking at the invitation of the President, said that the world today was confronted with a chaotic economic system characterized by rampant inflation which could bring about a general depression if Governments reacted by adopting protectionist policies. The developing countries were in a desperate situation, which presented the international community with its greatest moral obligation.

2. In view of that situation, the call by the General Assembly, at its sixth special session, for a new world economic order was like a touch of new life. The International Confederation had always supported the United Nations and particularly the Economic and Social Council in demanding the establishment of a fairer international economic order and a more equitable distribution of wealth among nations. In fact, even prior to that special session on the problems of raw materials and development, ICFTU had issued a statement which, among other things, suggested the creation of an international solidarity fund to help the countries which were worst hit by the rise in oil prices. It unreservedly supported the creation of a $4,000 million special Fund, as proposed by the General Assembly, moreover, the Executive Board of ICFTU, at its meeting held in Brussels in May 1974, had unanimously adopted a resolution to that effect.

3. In the view of his organization, the OPEC countries and the industrialized countries had a role to play in the world rescue operation envisaged by the General Assembly. It was necessary to find a way of recycling the funds created by increased oil revenues, within the framework of IMF; and the struggle for a new world economic order should not in any way distract from the fundamental obligation of the industrialized nations to help the developing countries by allocating 1 per cent of their GNP to them. But the fact that development assistance was constantly decreasing in terms of real value was a source of grave concern to ICFTU.

4. Dismay must also be expressed at the lack of real progress in reforming the world monetary system. The Committee of Twenty of IMF which was to be congratulated on establishing new guidelines concerning floating exchange rates, had again postponed the crucial question of establishing a direct link between the allocation of SDRs and development assistance.

5. Also, there had been no effective challenge to the power of the transnational corporations, at a time when the profits of the major oil companies were achieving unprecedented levels. It was only now that countries were beginning to question the notion that the oil crisis had been entirely initiated by the OPEC countries, a notion which the free trade union movement had always rejected.

6. In his view, Governments had been complacent about the causes of inflation, one of which, it was said, was trade union wage claims. It was only now that public opinion, enlightened by the role of transnational corporations during the oil crisis, was becoming aware of some of the real, more subtle, reasons for inflation.

7. It was no good complaining about higher oil prices, which had previously been manifestly too low. An attempt must be made to offset the serious inflationary effects which the new prices were having and, in the view of his organization, the industrialized countries – or at least the more powerful among them – should take a joint initiative and promote a co-ordinated counter-inflationary programme.

8. The International Confederation was pleased that the Council would be discussing collective economic security, although it regretted that the succinct report by the Secretary-General on the matter (E/5529) did not sufficiently stress the role of trade unions, which had always been in the forefront of the struggle for world economic reform. More thought obviously had to be given to the idea of collective economic security; but it was generally in line with the Confederation's own thinking on international co-operation. Close international co-operation was essential if there was to be any solution to world problems, protection of employment, improvement of standards of living and assurance of a more equitable distribution of income and wealth. That was why ICFTU was urging its affiliated organizations to exert all possible pressure to ensure that the industrialized countries did not lapse into trade restrictions or thoughtless exchange-rate manipulations, which might lead to a major world slump on the scale of that of the 1930s. It was firmly hoped that the Economic and Social Council would support that call, which was an appeal for economic sense as well as for moral reflection.

9. In view of the gravity of the situation, ICFTU proposed closer international consultation on policies and greater world-wide solidarity. It wished to make three specific proposals. First, that price controls and surveillance should be introduced at the national and international levels to prevent companies from abusing their oligopolistic powers and forcing up prices in order to reap record profits.

Secondly, that revenue from particular commodity sales should return to the producing countries and that an attempt should be made to prevent the multinational companies from engaging in commodity speculation, which brought no benefit either to producer or to consumer countries. Thirdly, international rules should be established to prevent massive speculation which, in the past, had threatened domestic stabilization policy.

10. The International Confederation also called on the United Nations and its specialized agencies to make long-term forecasts and analyses of energy and raw material supplies with a view to promoting rational investment policies designed to ensure an optimum use of the World's resources. That was one of the most pressing tasks on which action would have to be taken if a truly new international economic order was to be established.

11. In that task, the role of the United Nations, and in particular that of the Economic and Social Council, was of vital importance, and equally Governments, trade unions and employers must be aware of their responsibilities. For its part, the free trade union movement, as represented by ICFTU, had a proud record. It was among the first to promote the idea of a link between GNP and development aid; in the field of world monetary reform it had for long advocated the creation of a direct link between SDRs and development assistance, with regard to trade policy it had championed the need for tariff concessions to the third world, and it was now determined to raise the banner of world economic reform and fight for a system of collective economic security.

12. The International Confederation believed, however, that no international economic reform could be achieved without the full association of workers in the conception, implementation and follow-up of all projects; the workers should also reap some of the benefits. The tripartite structure of the ILO was showing how Governments and both sides of industry could meet and take action on some of the great problems facing the world; and tripartite structures should be introduced into the United Nations system. Meanwhile, ICFTU earnestly hoped that ways would be found to ensure, at both the national and the international levels, the full participation of representatives of the working people – that is, of the free trade union movement.

13. Mr. G. O. MARTÍNEZ (Argentina) thanked the delegations present for the deep sympathy they had expressed at the death of Mr. Perón, President of Argentina.

14. He emphasized the vastness and complexity of the problems which the international community had to face at a time when the over-all economic situation was particularly critical and when it called, more than ever before, for the practical application of the concepts of co-operation, solidarity and interdependence between developing and developed countries. At the sixth special session of the General Assembly, the Argentine delegation had declared its willingness to contribute to the establishment of a just and equitable new economic order.

15. In the early 1960s, the accelerated process of decolonization had obliged the international community rapidly to modify its structures in order to avoid the emergence of tensions and imbalances which would subsequently become uncontrollable. Nevertheless, the importance of the political problem caused by the birth of what later came to be called the third world was no excuse for overlooking the magnitude of the economic problem which had gone hand in hand with it. While not claiming that the political problem had been fully solved, he felt that the basic transformations which should have been introduced in the currents and mechanisms of the world economy, in order to keep pace with the political changes, were far from having been carried out. It was that imbalance between political progress and economic progress which the third world countries could not accept.

16. It was not enough to prepare or approve declarations or resolutions aimed at establishing a concerted strategy for development or a programme of action, if the developed countries and the international institutions were not truly and firmly determined to implement a comprehensive series of specific measures and policies for the establishment of the new economic order. Such policies and measures must, moreover, be kept continually up-to-date and strengthened, and periodic studies and evaluations made, in order to correct possible distortions and ensure maximum efficiency. His delegation would like to believe that, even though the first evaluation of the International Development Strategy for the Second United Nations Development Decade had shown that the efforts made by the developing countries had not been sufficiently bolstered by co-operation from the developed countries, that was not to be regarded as showing a trend. The evaluation scheduled for the middle of the current Development Decade would throw light on that question. The 1975 special session of the General Assembly, to be convened in accordance with resolution 3172 (XXVIII), would provide a good opportunity to assess what had been done by then and to decide on positive action for coping with what would still be left undone.

17. In connexion with the Declaration and the Programme of Action on the Establishment of a New International Economic Order and the Special Programme for the countries most seriously affected by the economic crisis, it was in the interests of all developing countries to give their first attention to measures for removing the structural barriers to their economic growth, without underestimating the priority which, for the least-developed countries, should be given to resolving, with the assistance of the international community, the problems caused by the present economic situation.

18. As the results of the sixth special session of the General Assembly showed, the world seemed to be coming out of an era of international confrontation and entering one of negotiation and concerted action based on interdependence. That seemed to give proof of a political will to overcome the constraints of the present world economic system, which was a brake on the sustained growth of the developing countries. The time had come to face an unstable and constantly evolving situation with dynamic and progressive action.

19. His Government believed that high priority must be given to the implementation of the Declaration and the Programme of Action. It was to be hoped that the various agencies, especially IAEA, would show awareness of the urgent need to identify those aspects of General Assembly resolutions 3201 (S-VI) and 3202 (S-VI) which fell within their respective fields of competence, and that they would be able to submit proposals concerning the required machinery at the next session of the Council. His delegation attached particular importance to the role of the regional economic commissions in implementing those resolutions, and intended to submit a draft resolution on that subject during the present session.

20. Turning to the subject of collective economic security, he observed that the approach to that essential principle adopted in the relevant report of the Secretary-General (E/5529) showed a certain lack of imagination. Apart from the idea of interdependence, as analysed in the report, collective economic security embraced many concepts, including the sovereign equality of States, economic independence, non-intervention, self-determination, the prevention of coercion, and the need to maintain equality and equity in economic relations between States. Those various principles should be distilled into an internationally accepted text, giving particular attention to the needs of the developing countries and leading to the creation of a system of collective economic security for development which must be one of the pillars of the new international order to which all aspired.

21. As for the principle of the full, permanent and inalienable sovereignty of States over their natural resources, that principle had been enunciated and recognized by the international community 20 years previously, but no solution had been found to the problem of applying it. In view of its great complexity, that principle should be elaborated in depth in such a way as to highlight all the problems involved and to enable developing countries to exercise their full sovereignty freely and totally. In that connexion, the report of the Secretary-General on permanent sovereignty over natural resources (E/5425 and Corr.1 and Add.1) analysed the right of nationalization, the priorities required by national development and the possible effect of foreign investment and multinational corporations on the exercise of full national sovereignty over natural resources. In his delegation's opinion, the report should be adjusted and expanded in the light of the resolutions adopted at the sixth special session of the General Assembly. For instance, paragraph 4 *(e)* of the Declaration on the Establishment of a New International Economic Order should encourage the Secretariat to prepare a new report which would include studies of each of the problems which might hamper the developing countries in the exercise of their full sovereignty over their natural resources, and suggest solutions for those problems. In line with Argentina's stand as a sponsor of General Assembly resolution 3171 (XXVIII) on the same question, his delegation had already requested a revision of the kind at the sixth special session (2208th plenary meeting); it therefore considered that an expanded report meeting the considerations he had mentioned should be prepared for submission to the General Assembly at its next regular session.

22. His delegation had read with great interest the report (E/5500/Add.1) of the Group of Eminent Persons convened to study the role of multinational corporations on development and on international relations, and considered that the Group's recommendations should be thoroughly analysed by the Council. His country wished to state its solidarity with those developing countries which had to cope with such corporations seeking to infringe their sovereignty and violate the principles of non-interference and self-determination. His country had endeavoured to regulate foreign investment and tailor the activities of transnational corporations to the national interest. In 1948 and 1953 it had adopted measures which, while favouring foreign investment, directed it as a function of the national development policy. In June 1973 the Argentine Government had adopted a new foreign investment law which, while promoting foreign investment where a positive effect on national development would be exercised, did not limit the decision-making power of the country or entail an onerous repayment burden. The report of the Group of Eminent Persons covered an aggregate of aspects relating to the activities of multinational corporations, including the problems of transfer of technology and of restrictive trading practices. In view of the generally inadequate and onerous nature of transfer of technology by those corporations to developing countries, the United Nations was envisaging the possibility of drawing up a code of conduct in that field and of revising the international patents system with a view to adapting it to the needs of the developing countries. So far as restrictive trading practices were concerned, the importance and scope of some of them as applied by transnational corporations would justify international action intended to protect the external trade of the developing countries against the negative effects of such practices.

23. His country's interest in environmental problems was well known. Improving the quality of life, implementing development systems which safeguarded the environment, and conserving natural resources, among others, were for his country matters of the first priority. At the first session of the Governing Council of UNEP, the Argentine delegation had said that a revolution in man's thinking in the field of the environment was necessary, and that the rational use of natural resources must be a fundamental objective. In a new international economic order, it was of the utmost importance to put an end to environmental aggression which could represent a danger to the survival of many countries.

24. As was stressed in the report of the Governing Council of UNEP on its second session (E/5485), the Environment Programme should be compatible with the International Development Strategy and the *World Plan of Action for the Application of Science and Technology to Development*[1] it should, moreover, take account of the Programme of Action and the Declaration adopted by the General Assembly; in other words, give priority consideration to the needs of the developing countries. It might perhaps be advisable to adopt intensive plans based on the ideas of eco-development and eco-regions.

---

[1] United Nations publication, Sales No. E.71.II.A.18.

25. The interdependence of economic development and an appropriate environmental policy required more careful examination. Eco-aggression could trigger a chain-reaction, the reversal of the process of desertification could benefit even areas far from the spot, while river pollution could affect large areas of the planet. In view of the multidisciplinary nature of the ecological problem, countries must have comparable data at their disposal. For that reason, the Global Environmental Monitoring System and the International Referral System for sources of environmental information must be implemented forthwith; Argentina was ready to offer all necessary data and expressed its satisfaction at the holding in Nairobi of the first Intergovernmental Meeting on Monitoring. On the operational side the work of UNEP must be supplemented by the establishment of activities centres for programmes at the regional and subregional levels. Through those systems and centres, the international community could help developing countries to strike an ideal balance between development and environmental conservation. Argentina had offered itself as host country for one of those centres and was prepared to give its fullest support to the undertaking.

26. If the United Nations Conference on Human Settlements could define new criteria for the development and construction of model human habitats which were ecologically, socially and culturally acceptable, and if those models enabled countries to solve, with limited means, their urgent urbanization problems, that would be a great step forward.

27. The question of natural resources, like all others related to the environment, must be approached in a spirit of co-operation if those resources were to be exploited rationally. In accordance with resolution 1761 F (LIV), the Council was called upon, at the current session, to define the details of co-operation between the Committee on Natural Resources and the Governing Council of UNEP. His delegation believed that the Governing Council and the Committee should first of all co-operate in cataloguing natural resources from the environmental standpoint. There were three possible groups: renewable and non-renewable, living and non-living, owned and shared.

28. In collaboration with the group of non-aligned countries, Argentina had submitted to the General Assembly at its twenty-eighth session a draft resolution providing that co-operation between States sharing natural resources must be based on a system of information and prior consultation. In accordance with that text, adopted as resolution 3129 (XXVIII), the Council had requested the Executive Director of UNEP to prepare a study and to formulate proposals for submission to the General Assembly at its thirtieth session.

29. His delegation was persuaded that the drafting of international environmental legislation was indispensable to a world fit to live in, which would be one of the pillars of the new international economic order.

30. He recalled that it was the group of non-aligned countries which had launched an appeal for a World Food Conference, an idea echoed subsequently by Mr. Kissinger, the United States Secretary of State. Thanks to studies prepared, in the main, by FAO, UNCTAD and WFP, it should be possible to find effective solutions for the food problem, provided that Governments had sufficient political will. His delegation felt that the international community should bear certain points in mind in order to ensure success: first, the Conference could not limit itself to an examination of the problems already analysed by FAO, UNCTAD and WFP; the question as a whole must be analysed within the widest of development frameworks, and the lines of action to which the developed countries, in particular those producing and exporting foodstuffs, committed themselves, should stimulate rather than impede greater production, consumption and trade in foodstuffs by the developing countries. Secondly, the effective commitment of the developed countries should result in measures for international action. The policies and measures adopted by developing countries for determining their own needs and possible means of meeting them would be ineffective if unaccompanied by agreements and commitments involving definite international backing. Thirdly, the international community would fail to seize a golden opportunity if the measures to increase production and consumption were taken independently of steps to guarantee access to markets for efficient producers in developing countries.

31. In the political field the sign of the times was a relaxation in the tensions which during the post-war period had made it difficult to recognize the increasing interdependence between States and its logical consequence, the need for close international co-operation. The Secretary-General, in addressing the Council (1900th meeting), had made the point that some of the most critical decisions with which the world community was faced lay in the economic and social fields and had stated that there was a clear indication of profound malfunctionings in a global economy whose efficiency had been taken for granted, even while its inequity had been deplored.

32. The time had come for the world community to adapt itself to new circumstances and come to grips with the fundamental and pressing problems of development. Now that relations between the blocs were directed towards *détente* and progress was being made in finding solutions to the major policital problems of the world leading to a just and lasting peace, the time had also come to face international economic realities in a new spirit.

33. Mr. THAYEB (Indonesia) said that one of the main tasks of the Council at its present session was to formulate measures on economic and social co-operation pursuant to the decisions of the General Assembly at its sixth special session and to decide on the preparatory work for the next special session on development and economic and social co-operation. It was therefore to be hoped that the developed nations would withdraw their reservations on certain of the decisions, so that the new concept of international economic order could rapidly become a reality.

34. To meet the present economic crisis the Council should first of all identify its most urgent priorities. In view of the material situation of most developing countries, action should first be directed towards matters of finance, food and population.

35. Outlining his reasons for that view, he said that, firstly, world-wide inflation had increased the import bills of many developing countries. As the Executive Secretary of ECAFE had pointed out (1905th meeting), the prices of essential commodities and services in the developing countries of the region had gone up by more than 50 per cent in 1972 and by 25 per cent since the beginning of 1974. He had also mentioned other adverse effects which fiscal and monetary policies in the developed countries might have on the balance of payments and therefore on the economic growth of the developing countries.

36. Secondly, though their main occupation was agriculture, most of the developing countries were unable to meet all their food requirements from domestic production. The heavy increase in imported food and fertilizer prices was nullifying their export gains.

37. Thirdly, in the more populous developing countries, rapid population growth had generated an increasing demand for food.

38. Fourthly, there was a tendency to exaggerate the extent of the price increases of some basic commodities exported by developing countries; moreover, those prices had previously been at very low levels.

39. His delegation had welcomed the suggestion by the representative of the Netherlands (1901st meeting) that a group of experts should be commissioned to study certain aspects of world-wide inflation. However, should the Council agree to establish such a group, its terms of reference should not in any way contradict or overlap the work of IMF. In order to reduce the rate of inflation from its 1973-74 level of 47 per cent to 20 per cent in 1974-75, Indonesia had taken a number of steps including the lowering of import duties on essential goods, the restricting of bank credits, the introducing of higher bank rates and deposit rates, etc.

40. With regard to the food problem, it was gratifying to note that the preparations for the World Food Conference were making good progress; in that connexion, he welcomed the initiative of the Director-General of FAO in drawing up proposals for a world food security policy (E/5477, annex I). Indonesia considered that immediate action should be taken to overcome the shortage of fertilizers in developing countries, *inter alia*, by stimulating and expanding fertilizer production.

41. With regard to population, it was to be hoped that the results of the Second Asian Population Conference would be fully reflected in the world population plan of action to be considered by the World Population Conference at Bucharest in August 1974. Indonesia, whose population stood at 126.1 million at the end of 1973 and was expected to increase to 141.6 million by the end of 1978, was making considerable endeavours to check its rate of population growth. A national commission on population was at present preparing an integrated population policy, and the Government was undertaking family planning activities which were supported by several industrialized countries and international organizations. Satisfactory results were being achieved.

42. In the present-day context, the increasing importance of regional co-operation needed no elaboration. It was therefore gratifying that the members of ECAFE, at the Commission's thirtieth session, had been unanimous in endorsing the promotion of sub-regional co-operation as part of ECAFE's task. ASEAN, which had recently decided to establish a permanent secretariat in Djakarta, had over the years played an important part in such co-operation; in particular it had undertaken studies on a number of projects for rationalizing investment decisions within the regional market formed by member countries. That would be the beginning of a common industrialization programme. ASEAN had also established and institutionalized a dialogue on a continuing basis with EEC.

43. With regard to the report of the Group of Eminent Persons on the role of multinational corporations on development and on international relations, he commended the Group's work and welcomed its recommendation to establish a commission on multinational corporations, with terms of reference that his delegation found satisfactory. It was also in favour of setting up an information and research centre on multinational corporations.

44. His delegation also endorsed the concept of collective economic security, as put forward by the Secretary-General in his report on the question (E/5529). In that connexion, the adoption of the Charter of Economic Rights and Duties of States would be highly significant.

45. With regard to Indonesia's second five-year development plan, which had started on 1 April 1974, increased agricultural production and the development of agro-allied industries and infrastructure remained the central elements of the development strategy forming the basis for the plan. Increased efforts would also be made towards growth in the exploitation of natural resources, but without endangering the environment. Involvement of the people in the development process and social welfare development would remain important, and health, family planning, education and rural work programmes would be expanded. Indonesia would mobilize its domestic financial resources for those endeavours and at the same time try to increase export earnings.

46. To enable the Economic and Social Council to implement the mandate given by the decisions of the sixth special session of the General Assembly, the Yugoslav proposal (1905th meeting) to hold ministerial meetings of the Council would be a positive initiative. In general the Indonesian delegation would lend its full support to any constructive proposal leading to implementation of the mandate given by the General Assembly.

47. Mr. CAICEDO AYERBE (Colombia) said that the recent special session of the General Assembly had produced a feeling of world solidarity, consolidated third world unity and avoided confrontation between the poor and the rich countries. He was happy to note the positive attitude taken at that session by some developed countries, including the Federal Republic of Germany, the United Kingdom, Switzerland and the Netherlands. Canada had subsequently announced that with effect from 1 July 1974 it was putting into force its generalized system of preferences in favour of developing countries.

48. It had been alleged that at the sixth special session of the General Assembly reality had been abandoned for Utopia. But if a new economic order was to be established, the old mentality had to disappear. Also, the discussions at the session had not been in the abstract but had been subject to the pressures of reality. There was at the present time a general distortion of price systems and terms of trade; inflation was affecting virtually the whole world, with serious consequences for the developing countries, in that, increased raw materials prices could not offset their rising import bills. Those phenomena were the result of a crisis in international co-operation.

49. The old economic order had now been overtaken by developments, in particular by a revolutionary energy situation. From that aspect the urgent measures proposed to benefit the countries most affected were praiseworthy, but structural changes were needed too. According to the economist Peter Drucker, the present world was based on institutions whose disappearance would leave no other choice but totalitarianism, which would destroy social and individual freedom and reduce economic efficiency. In that connexion, he, himself, considered that transnational corporations, although they might often do invaluable work thanks to their vast resources and know-how, would have to place their own interests second to national interests. The recommendations made by the Group of Eminent Persons on multinational corporations were a valuable framework for action, particularly with regard to the formulation of a code of conduct. In particular, multinational corporations must not be allowed to impair the natural resources of developing countries, for in the last analysis natural resources were the only wealth on which those countries could rely; they were the key to their future. Also, it was perfectly reasonable that countries producing basic commodities such as wheat, sugar and coffee, or copper, bauxite and tungsten, should set up associations; international law recognized free association for lawful purposes such as the protection of prices and market stability.

50. At the present time, when so many human beings were in difficult circumstances, there had be a political will for large-scale, rapid and far-reaching action. He recalled the terms of reference given to United Nations bodies by General Assembly resolution 3202 (S-VI). The importance of item 15 of the Council's agenda, operational activities for development, should be stressed in the context of those terms of reference. The item covered different programmes which had to be focused on a single objective, and so the Council should consider it with a view to revision and simplification. However, there did not seem to be any conflict between the desire to simplify and the proposal to appoint a group of eminent persons to study some aspects of world inflation; the group would be a small, temporary body, which would report in the near future.

51. Short-term solutions were not enough to cope with the present crisis; once again the need was to devise a new economic order which, unlike the present one, would not conflict with everyday international politics, justice in economic relations and national aspirations.

52. Dr. MAHLER (Director-General, World Health Organization) said that, in the field of health, there was an enormous gap between the industrialized and the other countries, since the former invested roughly five hundred times more *per capita* on health promotion than did the poor countries, which nevertheless needed such investment much more because of the high leverage that a healthy population exerted on a country's socio-economic development. Ever since its inception, WHO had collaborated with the developing countries in the search for methodologies and technologies whereby each dollar spent on health would have an effect on productivity several hundred times greater than that obtained in the rich countries. The contribution of WHO to the health of human communities over the past 25 years had been an important one, as the spectacular increase in life expectancy during that period showed. The task now was to improve on a permanent basis the quality of health of that extended life cycle and that required new dedication, unity of effort and a recognition of the primordial role of member States in addressing themselves to their own health problems. It was necessary to embark on a difficult questioning of long-, medium- and short-term approaches, a radical new look at co-ordination between member States and WHO and to ensure the requisite coherence between the programmes of the members and those of the organization as a whole. A fundamental re-examination had therefore been initiated the year before, one that involved the participation not only of the secretariat but also of Governments.

53. Referring to some of the features of that self-appraisal, he said that, since 1973, WHO had been operating under a medium-term programme with four main objectives: strengthening of health services, development of health manpower, disease control and promotion of environmental health. Within each of those broad objectives, the WHO Executive Board and the World Health Assembly had outlined areas for priority action. The organization was now moving towards the formulation of a more detailed medium-term programme with more specific objectives and was endeavouring to rectify a regrettable tendency to separate the two main streams of its activities, on the one hand, the central technical support services continuously available to all member States, and on the other, direct technical assistance to individual countries. It wanted to act both with more flexibility and with a more integrated approach and was engaged in a fundamental re-examination of its research programme in order to respond better to immediate social needs and to be more goal-oriented within a specific time and resource frame. As one consequence of that re-thinking, WHO was making efforts to increase the research potential in the developing countries themselves, where the research input in solving the priority health problems of those countries accounted for less than 1 per cent of global investment in medical research.

54. The Constitution of WHO emphasized the organization's co-ordinating role, which implied, essentially, technical leadership aimed at providing the right solution for a particular problem with the right amount of resources at the right time and place. It was not bureaucratic harmonization of activities – co-ordination started at country level. But progress along that path would not be possible if member States treated their organization with indifference or as a marginal partner. So long as bilateral assistance, for example, was regarded by donors and

recipients as a *chasse gardée*, the external inputs to the health sector would have a poor cost/benefit ratio. The organization was making great efforts to build up confidence in its role as a co-ordinator by means of joint country health programming with ministries of health and by strengthening the technical and managerial capabilities of WHO representatives' offices.

55. With respect to operational activities at regional and country levels, he emphasized the importance that he attached to multisectoral and multidisciplinary use of the United Nations system as a whole and to the principle of national and regional self-reliance. In reviewing the Second United Nations Development Decade in 1973, the General Assembly had noted in resolution 3176 (XVIII) that education and health facilities were still far short of needs and had recommended further steps to improve health services both quantitatively and qualitatively, as also their accessibility to the total population. It was in precisely that area that WHO had encountered the most difficulties. There had been a strong tendency to apply expensive and complex health technologies to a small minority of the population and to underestimate the potential for leadership and innovation which could be turned to account by mobilizing energies through community participation. The organization had been pioneering in new, simple and effective approaches in the field of health, but many of them had fallen by the wayside in the absence at the country level of a minimum of supporting financial, educational and social reforms. Consequently, action in that area had to be reconsidered and new methods had to be found. In January 1975 the Executive Board of WHO would be reviewing and appraising in detail the goals of the International Development Strategy, with a view to providing the Economic and Social Council and the General Assembly with an objective assessment.

56. The organization was thus far from having solved many of those problems, but there were grounds for some optimism if one analysed the results of a substantial portion of its recent activities. For example, thanks to the global smallpox eradication campaign, in which all member States had accepted the co-ordination role of WHO, it was likely that within the next 18 months the world would see the last case of smallpox. If that proved to be true, the cumulative contributions of the major contributors to WHO's budget would be "returned" with interest less than ten years later through direct savings from the reduced costs of routine immunization programmes.

57. In conclusion, he pointed to the urgent need for the Economic and Social Council to provide the system with the firm political will and the over-all strategy required to meet true social development objectives. Health promotion was inextricably bound up with progress in other social and economic sectors. Therefore, WHO had to become more and more prepared, psychologically, to shed the last vestiges of health isolationism and had to be able to work together with all other multilateral and bilateral organizations concerned with social and economic development. In the area of rural development, for instance, it was obvious that there had been a lack of the multisectoral and multidisciplinary activity needed to raise the level of the health and welfare of the peoples. There had been an enormous waste of knowledge and effort, and recycling of that waste was required in the interests of development. Human and social development must continue to be the basic objective and it was essential not to be blinded by econometric considerations or by the material energy crisis. More imagination was needed, more willpower and enthusiasm to apply the resources, knowledge, experience and ability that were evident everywhere. The United Nations system was a viable, flexible and potentially highly effective intergovernmental system, but its capacity was far from being fully exploited. Nevertheless, it could be no better than the Member States collectively wished it to be; such was the challenge the Economic and Social Council had to meet.

58. Mr. TEMBOURY (Spain) said that the analyses made and information gathered over the years on the world economic situation had been most valuable. That was, however, merely a first step, which should lead on to the next – the taking of decisions. The sixth special session of the General Assembly had shown that the only solution to the current crisis in the world economic system was to adopt the short-term measures needed to correct current imbalances and to take innovative action.

59. The reason for the ever-widening gap between the developed and the developing countries and for the fact that the efforts deployed so far had not had the expected results lay in the continuance of practices which were not based on a true spirit of co-operation. He was referring in particular to the anarchic increase in commodity prices with all its consequences, the serious currency fluctuations which were doing great harm to the developing countries, and the general inflation, which had serious repercussions for the most disadvantaged social categories. At the sixth special session of the General Assembly (2218th plenary meeting), the Spanish delegation had drawn attention to a series of urgent measures that should be taken, which could be grouped into three categories.

60. First, it was important to identify and classify the least advanced countries which were particularly affected by the current crisis, to make a clear estimate of the damage suffered and the difficulties facing them in the short and the long term; and to give them rapid and effective aid to make good the damage done. Secondly, a more accurate classification of the relatively less developed countries should be prepared on their actual level of development. In that connexion, the work begun by the Committee for Development Planning should be continued. Spain, for its part, was at an intermediate stage, coming among the most advanced of the developing countries. It considered, nevertheless, that priority should be granted to the countries at the bottom of the ladder, those which were the most vulnerable and which were suffering the most from the current economic crisis. Thirdly, measures should be taken to determine the modalities of international co-operation, to guarantee production of raw materials and basic commodities, by organizing the market, making provision for access to resources, ensuring supplies for all members of the international community, and fixing fair and stable prices for trade between producers and consumers. The price structure should enable producing developing countries to obtain the financial resources needed for

their progress, while also ensuring adequate supplies for the importing countries which constituted the main customers and driving force in the world economy.

61. Spain noted with satisfaction that a large-scale joint programme of action had been launched on several fronts at the same time. First, the World Population Conference, to be held at Bucharest in August 1974, would make it possible to establish at government level policies and guidelines for demography.

62. Secondly, the World Food Conference, to be held in Rome in November 1974, would list resources and needs, and that would make it possible to tackle the serious problem of the food deficit in a spirit of co-operation. The Rome Conference could use the population projections to be made at the Bucharest Conference as a basis for the necessary restructuring in respect of food and agriculture: development of unused agricultural potential, rational use of fertilizers, "the green revolution", development of the resources of the sea, with the object of putting an end to hunger – that great failure of our society.

63. Thirdly, the second General Conference of UNIDO to be held in Lima in 1975, would make it possible to analyse in depth general economic trends and the influence of questions of industrialization, the salient aspects of market machinery and the means of establishing new methods of consultation. At the eighth session of the Industrial Development Council, the Spanish representative had taken the view that encouragement should be given to the activities of technical research institutes with a view to selecting those foreign techniques that were best adapted to the needs of the beneficiary country and to developing indigenous technology so that such institutes might serve other developing countries.

64. Fourthly, the new task entrusted to the Economic and Social Council, in accordance with the mandate it had been given at the sixth special session of the General Assembly was to serve as the point of convergence, the analytical centre for all the above activities in the spheres of population, agriculture and industry. In 1975, the Council would have to carry out its mid-term assessment of the Second Development Decade so as to be able to present a complete picture of the situation to the General Assembly at the 1975 special session.

65. Fifthly, recognition of the principle of the sovereignty of States over their natural resources should not obscure the fact that there were other interests which also deserved respect. The economic co-operation which was indispensable at the present stage of economic development must be based on international law if the various interests involved were to be reconciled.

66. Lastly, there was a controversial issue that illustrated the complexity of the present situation, namely the growing importance of multinational corporations. The Council had included an item on the subject in its agenda and for its consideration had before it the report of the Group of Eminent Persons convened by the Secretary-General. Since the report had been published only recently, his Government had not yet had time to study it in detail but was in favour of establishing a permanent commission with the task of examining the activity of such companies.

67. In the particular case of Spain, foreign investment had played an important role in the country's economic expansion, and he felt that Spain's experience in that respect might be of interest to the Council. If a multinational corporation was to be in perfect harmony with the machinery of the national economy, without interference or abuse, legislation was needed that would impose a legal and territorial framework – legislation on foreign investments that would serve as a code of conduct setting out rights and duties for both parties.

68. The duties could be summed up in one word: loyalty towards the host Government; in other words integration in the economy of the country, the fullest possible exploitation of local resources, and a human approach to the staff together with a fair distribution of profits. As to rights, they included a guarantee for the multinational company that partial or total nationalization would take place in accordance with the law and would be subject to fair compensation, while at the same time reasonable repatriation of profits would be ensured.

69. Concluding his survey of the international economic situation, he said that the seriousness of the situation 13 years after the launching of the First United Nations Development Decade led him to seek the reasons for the disappointing results that had been achieved. Could they be explained merely by an error in drawing up the International Development Strategy? Unfortunately, it would seem that the problem was much more serious: there was an obvious gap between the main guidelines of the International Strategy and the reality to which it was meant to apply. A radically different attitude was needed in order to adapt to reality, to be able to foresee future trends, because the dynamic nature of technology made it more and more likely that new and troublesome situations would be created for which no solution had been provided. Notwithstanding those somewhat pessimistic views, his delegation believed that the international community would be capable of taking up the challenge and that, despite uncertainty and discouragement, it would come to recognize the interdependence of its members and would provide the developing countries with effective aid.

The meeting rose at 5.15 p.m.

1911th meeting

Thursday, 11 July 1974, at 10.15 a.m.

President: Mr. A. KARHILO (Finland)

E/SR.1911

AGENDA ITEM 3

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

1. Mr. ZURAYKAT (Jordan) said that the present discussion on international economic and social relations was perhaps the most important in recent history since it concerned the sufferings of two-thirds of the world's population. It also had a bearing on peace and security. Indeed, it had been unanimously agreed at the sixth special session of the General Assembly that international peace and security was impossible with the present enormous disparities in the distribution of wealth. Mass poverty, malnutrition, food shortages and deterioration of the environment were characteristic features of the present economic system. World-wide inflation virtually precluded any improvement in the living conditions of the people, especially in developing countries because of their greater vulnerability to external influences. Many of those countries now found it virtually impossible to pay for their imports. Domestic anti-inflationary measures adopted by developed countries further hampered economic growth and international trade. Those problems had been aggravated by the recent crises in the international monetary system. It was therefore not surprising that at the special session the General Assembly had considered the present economic system intolerable and incapable of survival. The real impact of the Programme of Action on the Establishment of a New International Economic Order adopted at that session would be in its implementation. He therefore urged the Council to define the policy framework and co-ordinate the activities of the organizations and institutions entrusted with its implementation.

2. One of the central themes in the deliberations at the special session had been the interdependence of all countries. The recent changes in the world economic situation had demonstrated that the prosperity of the international community as a whole depended on the prosperity of its constituent parts. International co-operation for development should therefore be promoted by all countries. The concept of interdependence should be given practical application by the international community. Firm international political will was essential for any change in present economic relations.

3. Another central theme at the special session had been more equitable distribution of wealth and the fair and rational use of world resources. The great challenges facing the developing countries most seriously affected by the recent economic crisis should be the concern of the entire international community. The report of the *Ad hoc* Committee on the Special Programme (E/5555) had been disappointing and he hoped that more rapid progress would be made in view of the emergency character of the Special Programme.

4. Jordan had favoured the convening of a special session of the General Assembly devoted to development in 1975 and supported the proposal to appoint a preparatory committee to prepare for the session and draft its agenda. The deliberations of important conferences held in the meantime, such as the World Food Conference and the World Population Conference, should provide useful material for that session.

5. Inflation, the international monetary system and the role of science and technology in development were also pertinent topics in any discussion of economic development. There was as yet no single solution to the problem of inflation. Any policy adopted to deal with it should be global and long-term in nature, since all short-term measures adopted in recent years had had disappointing results. Curbs on economic growth and production increased unemployment, while the freezing of prices and wages had an adverse effect on international trade. The absence of a stable system of exchange rates had seriously hampered the growth of international trade and the low level of international liquidity had adversely affected the economic development of many countries. It was essential to establish a link between SDRs and development assistance. The importance of science and technology could not be over-emphasized. Jordan had noted with satisfaction the report of the Committee on Science and Technology for Development on its second session (E/5473).

6. The mid-term review and appraisal of the International Development Strategy for the Second United Nations Development Decade would be of special significance and the preparatory work for it should facilitate the task of the 1975 special session of the General Assembly. That review would not be complete if it did not include consideration of the role of multinational corporations, upon which the Group of Eminent Persons convened to study their role on development and on international relations had produced an excellent report (E/5500/Add.1). Because of the complexity of the operations of those corporations, there was no single solution to the problems involved, but increasing public awareness of those problems would facilitate the discussion of ways of improving the role of the corporations in the development of developing countries. He welcomed the recommendations in the report (Part one, chap. III), especially those concerning the establishment of a commission on multinational corporations and of an information and research centre in the United Nations Secretariat.

7. Jordan fully supported the concept of collective economic security, although present reality was hardly conducive to its establishment. The report of the Secretary-General on the subject (E/5529) was most informative and the four major tasks proposed for international institutions to some extent summed up the points brought out in the present discussion. The concept of collective economic security should play an important part in the work on the draft Charter of Economic Rights and Duties of States. Collective economic security was more than a concept for his country, which for years had known the frustrations of economic insecurity. Its economic growth, which had for many years maintained an annual rate of about 10 per cent, with relatively stable prices, had been interrupted by Israel's aggression in 1967 and its occupation of the West Bank of the River Jordan. Wise leadership and determination and hard work of the Jordanian people had made it possible to launch a new development effort and a three-year economic and social development plan covering the period 1973-1975 was now being carried out. The investment and performance targets for the first year of that plan had been exceeded.

8. The United Nations system had played an invaluable role in preserving international peace and security. The vast economic problems facing the world constituted another challenge for the United Nations. It was therefore appropriate to proceed with the re-evaluation and rationalization of the system to enable it to continue to serve mankind. Co-ordination between all the United Nations bodies was of great value. The establishment of ECWA was a welcome development and he hoped that its financial resources would be increased to enable it to carry out its work programme.

9. Mr. SILVA DAVIDSON (Chile) said that his delegation had received the documents for the session so late that it had been unable to study them thoroughly. The interval between their receipt and the beginning of the session had been far shorter than the six weeks required by the rules.

10. The present session of the Council should be the starting-point for the effective and urgent action required by present circumstances. His Government shared the views expressed by the developing countries at the sixth special session of the General Assembly, as reflected in the Declaration and Programme of Action adopted there. It intended to co-operate with those countries in building a new international economic order and would join in their efforts to conclude agreements among themselves for the protection of their primary products and to strengthen existing agreements. The Programme of Action must be implemented through the efficient use of the means at the disposal of every United Nations body.

11. He agreed with previous speakers that, in the new situation where negotiation had taken the place of confrontation between developing and developed countries, the latter must show greater understanding and co-operate fully in efforts to attain the objectives of the International Development Strategy, the resolution on the establishment of a new international economic order, and the relevant resolutions adopted in other United Nations bodies. That co-operation should be based on the principles of interdependence and solidarity, which must guide all the Council's decisions. The problems arising out of the ever-growing disparity between developed and developing countries made co-operation between all countries all the more necessary if the social and economic ills which afflicted the greater part of humanity were to be cured.

12. Chile condemned any improper interference by multinational corporations in the internal affairs of any country. The report of the Group of Eminent Persons would be useful to all Governments. The subject warranted continuing study by Governments and should be kept under constant review by the Council, but it did not seem necessary, at the present stage, to establish a commission on multinational corporations as proposed in the report. Serious work should, however, begin on the preparation of a mandatory code of conduct for such corporations. Chile had opened its doors to foreign capital and was drawing up a new investment statute which would place no restrictions on the entry or expatriation of capital, provided that Chile's national sovereignty was respected, or on the sectors in which the capital could be deployed, with the obvious exception of those which the Government considered strategic. In accordance with its policy of complying with international treaties, his Government would continue to apply Decision 24 of the Cartagena Agreement,[1] and the rules laid down in it would determine the forms of foreign investment under the provisions dealing exclusively with sub-regional trade.

13. Chile was profoundly concerned about the slow progress being made in the reform of the international monetary system, the need for which had been amply demonstrated. In that context, priority should be given to consideration of the question of a link between SDRs and development assistance. The multilateral trade negotiations were also making slow progress after having raised high hopes. Those negotiations provided an opportunity for meeting the legitimate request of developing countries for the special trade concessions recommended in the Tokyo Declaration of the GATT Ministers.

14. The half-hearted efforts of the international community to attain the objectives of the International Development Strategy were also a matter for concern. The deterioration in the economic situation, accentuated by growing inflation which particularly affected the weak economies of developing countries, made the attainment of those objectives all the more urgent. Moreover, the acute energy crisis made it essential to give prompt assistance to the most seriously affected developing countries through an effective transfer of resources.

15. Another acute and intractable problem was the growing demand for food. No social or economic security was possible while people were under-nourished and lacked the basic necessities. The forthcoming World Food Conference would therefore be of the greatest importance.

16. Faced with problems common to all developing countries, the Chilean Government had taken constructive

---

[1] Subregional Integration Agreement (Andean Pact), of 26 May 1969.

action, which unfortunately was not fully appreciated abroad because of certain tendentious campaigns. Chile's social and economic development had been abruptly halted and its very roots destroyed in circumstances which were well known. The present Government, encouraging free competition was relaunching the development of a nation which had known how to defend its freedom. Workers and employers were co-operating with the Government in that task, not only for their own welfare but for the progress of their country. In accordance with the principle of self-determination dear to a nationalistic society, the Chilean Government did not apply any doctrinaire principles or philosophies of foreign origin. Chile's economic and social development was being based on its traditions and national values. Chile was willing to have contacts with all other countries, without interfering in their internal affairs, and expected others to behave likewise. International co-operation was particularly important for Chile in the present circumstances.

17. Mr. PÉREZ GUERRERO (Venezuela) said that, since the adoption at the sixth special session of the General Assembly of the Declaration and Programme of Action, which laid the foundations for a new international economic order, the activities of all the organs, institutes and subsidiary bodies of the United Nations system must be directed towards its effective implementation. At its current session, the Economic and Social Council had the responsibility of furthering the process initiated by the General Assembly. Although the relevant resolutions had not been adopted by the General Assembly without a number of reservations, the overwhelming support which they had been accorded had given them an importance unrivalled in the economic field since the adoption of the International Development Strategy.

18. In his opinion, the fact that they had had not been unanimously approved was due to the very nature of the task, which could not be completed at a single session of the General Assembly. Any attempt at innovation encountered resistance from those who instinctively clung to the privileges they had enjoyed in the past. He was convinced that such resistance would gradually disappear when it became clear that the old order was crumbling and could not be reconstituted. No new order which provided real opportunities for poor countries and promoted a stable world economy could differ greatly from the lines laid down in the Declaration and Programme of Action. The adjustments required in the machinery and procedures would be made as the Programme of Action went into operation. There was no doubt that the effective implementation of the Programme required that all countries, whatever their economic and social systems, should be willing collaborators in bringing about the new international economic order. Efforts to that end were not directed against any country but against the old system.

19. Although a new economic order was under discussion, practically all the ideas it comprised had been the subject of considerable study by United Nations bodies over at least the previous decade, and many of them had already appeared in the International Development Strategy, which had now to be adapted to present requirements. The next 18 months would be a critical period for mankind. It would include the mid-term review and appraisal of the Second Development Decade, culminating in the 1975 special session of the General Assembly, the results of which would have repercussions on the thirtieth session of the General Assembly and the fourth session of United Nations Conference on Trade and Development which would have to decide upon the requisite measures for the attainment of many of the essential goals of the new order. A unanimous and co-ordinated effort was required on the part of all the members of the international community and all the component parts of the United Nations system.

20. The present need was to give practical effect to the Special Programme of emergency measures and to the set of structural changes which constituted the new economic order. Both elements formed part of a single whole and could not be considered in isolation. It sometimes appeared that those who insisted on the former and disregarded the latter really doubted the need for fundamental changes in international economic relationships, which had hitherto been harmful to the interests of the developing countries.

21. It was essential that the necessary changes should be the outcome of multilateral trade negotiations and the reform of the international monetary system, including the link between SDRs and additional development financing. The problems to be dealt with were vital to the developing countries, which asked for a close relationship between GATT, IMF and UNCTAD because of the interdependence of commercial, monetary and financial affairs, including those bearing upon the financing of development. The interdependence of those problems, as also the interdependence of the countries themselves, had been clearly shown in the light of recent events, including the actual or potential shortage of many raw materials and foodstuffs.

22. Such shortages were generally recognized, although in some cases, as petroleum, the idea of supposedly abundant supplies had been put about by some quarters in order to apply pressure to reduce prices. One of the positive results of the energy crisis had been a reduction in the demand for petroleum which, it was to be hoped, might be permanent, since resources of that commodity, which were certainly not limitless, had hitherto been squandered. The prices of petroleum had been kept artificially low by manipulation between the oil companies and the Governments of the large oil-consuming countries. Such manipulations had certainly not been designed to serve the interests of the oil-importing developing countries and had seriously distorted the economies both of those developing countries and of the major consuming countries. Inflation and other factors had brought oil prices up to levels which should have been reached more gradually in the past. The discipline shown by the oil-exporting countries had kept prices stable since the beginning of 1974, which implied a reduction of over 5 per cent in real terms. The rise in petroleum prices had been stimulated by the general prevalence of inflation and had undoubtedly contributed, together with other factors, to the world-wide inflationary process, but it could not be claimed that inflation would not have continued if petroleum prices had not increased.

23. The relation between the prices of primary commodities in general and those of manufactured products

should help the industrialized countries to regain control of the inflation which they were exporting to developing countries, with damaging effects on the latters' economies, and should be of benefit to all parties. In accordance with the integrated policy on raw materials outlined in the Programme of Action, it could be achieved by appropriately timed intervention in the market for such products, accompanied, if necessary, by adequate financial compensation. Although such a scheme was inherently complex, it was difficult to think of any effective alternatives.

24. The transfer of rich resources to the hands of their rightful owners had brought about a new situation. Venezuela was prepared to participate in discussions in any appropriate United Nations forum for the achievement of the following two objectives: firstly, to halt world inflation through joint concerted action, especially on the part of those who were mainly responsible and who had the greatest resources, with the aim of avoiding a depression which would shatter the world economy; and secondly, to recycle a considerable part of the financial surpluses in order to alleviate the difficult position of many third world countries for which inflation had acted as a brake on development. In such countries, development was being limited by unfavourable terms of trade owing to depressed commodity prices and insufficient financial flows from the countries which continued to possess the greater part of the world's wealth.

25. The fact that some developing countries, as oil exporters, had ample resources available should work to the advantage of all the third world countries. Such had not been the case when those resources had been in the hands of the developed countries, which had been concerned only with increasing their own wealth. Fortunately, many of those countries recognized that such times had disappeared forever and that, in the long run, all countries should benefit from the change. Hitherto the developed countries had not been receptive to the idea of human solidarity; Venezuela, like the other oil-exporting countries, considered it an inescapable obligation to make an effective contribution to the fundamental concept of the solidarity of the third world which was an indispensable prerequisite for the solidarity of mankind.

26. The Venezuelan Government had pledged a contribution of $100 million to the United Nations Special Programme. It would contribute $500 million to the trust fund to be established by IDB. It would also contribute a total of $150 million to trust funds in the Andean Development Corporation, the Central American Bank for Economic Integration and the Caribbean Development Bank, and for the last-named it would set up a special fund of $10 million. It had furthermore pledged a contribution of $450 million in SDRs, which was the equivalent of $540 million, to the "oil facility" of IMF. His country regretted that it had been impossible to secure the agreement of the industrialized countries to use the ordinary funds of IMF under that scheme, for that would have extended its scope and would have made the loan terms correspondingly lighter. Contributions pledged by Venezuela to date amounted to $1,300 million. Furthermore, Venezuela was considering contributing to the OPEC Fund which was to be established at the end of 1974. It had established an Investment Fund which would enable it to invest a good part of its financial resources both inside the country and abroad. It was the Government's intention to assist agricultural and industrial development projects in other countries of the third world and thus to comply with one of the objectives of the OPEC Fund, which was to strengthen international co-operation.

27. One of the main concerns of the Venezuelan Government was to ensure that the funds obtained from sales of petroleum did not dwindle away as a result of world inflation and monetary instability, particularly since petroleum was a non-renewable resource, the output of which should be regulated to meet its various uses. The oil-producing countries were conscious of their responsibilities towards their own people and towards mankind in general which obliged them to adopt a sound conservation policy. Such a policy must be considered within the framework of a general policy for renewable and non-renewable resources in a world in which all countries, increasingly dependent on each other, had rights and duties corresponding to their level of development and their geographical position. The Charter of Economic Rights and Duties of States which was being drawn up took account of that reality. Wealth brought responsibilities; to be durable, it must be shared. The needs of the least advanced countries, land-locked countries and islands should be more effectively met by the international community. Particular attention should be paid to countries which had suffered natural disasters, such as the Sahara-Sahelian countries.

28. Emergencies of that nature would not be dealt with on an *ad hoc* basis, as had hitherto been the case, if the idea of collective economic security was systematically developed since its sole aim would be to guarantee better living standards for future generations. Existing privileges, both as between countries and as within individual countries, would have to be gradually eliminated, and the under-privileged position of many countries and of vast masses of mankind would have to be remedied. The Venezuelan Government was undertaking a policy directed towards the better distribution of wealth, which had become concentrated in the hands of the few to the detriment of a better life for the entire community. Venezuela proposed to regain control of its natural resources in accordance with its domestic legislation without trampling on the legitimate interests of foreign undertakings operating in the country.

29. His delegation welcomed the report of the Group of Eminent Persons concerning the role of multinational corporations, whose conclusions constituted a first step towards regulating and supervising the activities of such undertakings as proposed in the Programme of Action. The Council should use the recommendations of the Group as a basis for its work on the subject.

30. His delegation supported those which had stressed the necessity of making full use of the present opportunity to advance the establishment of the new economic order by entrusting specific measures to the relevant organs of the United Nations. The course had already been charted and the rate of advance must be that of those who believed that unless rapid progress was made mankind might be plunged into an irreversible world crisis. His delegation was confi-

dent that the doubts of the few would be dissipated in the course of frank dialogue followed by concerted action. Development and international economic co-operation would henceforth be the main preoccupation of the world. What was required at the present time was awareness on the part of all and the political will to take urgent co-ordinated action. He was confident that the Council would carry out the task entrusted to it.

31. Mr. OSANYA-NYYNEQUE (Observer for the Organization of African Unity), speaking at the invitation of the President, said that the most pressing economic problem facing the international community at the time of the Council's last summer session had been that of international monetary instability. Nothing had happened in the international monetary field during the past year to give comfort. On the contrary, the Managing Director of IMF (1905th meeting) had himself confessed that the results of the reform exercises entrusted to the Fund's Committee of Twenty had fallen short of what had been hoped for at the time of its establishment.

32. Economic conditions in many parts of the world were fast degenerating into chaos as a result of the energy crisis. The gloom cast by that crisis on the world economy made it the most pressing economic problem of the day.

33. In commenting on the present world economic situation, experts and non-experts alike had made two observations which should be of genuine interest to the Council. The first was that the energy crisis might after all prove to be a blessing in disguise, at least for some countries. The second and more frequent observation was that the energy crisis had reminded the international community more forcibly than any other event of the interdependence of the world's economies and of the fact that oil suppliers should not overlook their responsibilities in that regard.

34. That the economies of the world were interdependent was obvious enough. What should interest the Council was whether the present world economic interdependence was adequate to fulfil the legitimate aspirations of the large majority of mankind. His organization considered that it was not and that the present economic order was the chief obstacle to development.

35. President Boumediene of Algeria had rightly stated that, in the eyes of the vast majority of mankind, the present economic order was an unjust and as outdated as the colonial order to which it owed its origin and substance and that, inasmuch as it was maintained and consolidated, and therefore thrived, by virtue of a process which continually impoverished the poor and enriched the rich, it constituted the major obstacle in the way of any hope of development and progress for all the countries of the third world.

36. Basic to the present inequitable pattern of world economic relations was the negative "old order" philosophy consistently pursued by certain developed countries. That philosophy, which manifested itself at the political, military, economic and even cultural levels, might be defined as the approach to world affairs which took as normal a situation in which the developed countries and certain other countries attached to them dominated the rest politically, militarily, economically and culturally.

37. While the old order philosophy was never expressed in those explicit terms, it was generally given play quite clearly in the actions of those who practised it. The explosive situation in the Middle East and southern Africa and the pattern of international economic relations of the past 20 years provided illuminating illustrations of what the old order philosophy was in practice.

38. In the Middle East, for instance, the practitioners of that philosophy were forever striving to maintain what they considered to be a balance of power between the Arabs and Israel. For them it was normal for Israel to have the military upper hand in the area, where the causes of the conflict were generally set aside quite openly in order to promote that arbitrary and unjust view. It mattered little to the practitioners of the old order philosophy that their stand ignored the political and moral issue, the neglect of which was basic to the conflict in the area: namely, Israel's withdrawal from all occupied Arab territory and the restoration of the rights of the Palestinians. Israel was encouraged instead to follow a policy of blatant expansionism and arrogance towards its Arab neighbours.

39. The situation was similar in southern Africa, where, in the territories under the racist, illegal and colonial régimes of South Africa, Namibia, Zimbabwe, Mozambique and Angola, 30 million Africans were subjected to heavy oppression by a minority of 4 million foreigners from Europe. As in the Middle East, those minority régimes drew comfort and strength from the knowledge that they had full political, military and other material support from their kith and kin in western Europe and elsewhere, and the practitioners of the old order philosophy saw the existing inequitable situation in southern Africa as normal. Insulting appeals for patience were frequently addressed to the oppressed peoples in those territories.

40. In view of the recent political changes in Portugal, the situation in the African territories under Portuguese domination deserved special mention. Shortly after the overthrow of the fascist régime in Portugal, he had issued a statement on behalf of OAU in which he had emphasized that the one point of interest to Africa, regardless of who ruled Portugal, was the complete withdrawal of Portugal from all the African territories it occupied. OAU and all African peoples of the territories in question rejected the so-called self-determination approach which Portugal had recently been trying to sell to the world. Colonialism was occupation and the only way of terminating it was complete withdrawal from the occupied teritory. There could be no question of negotiation between the colonized and the colonizers on the latter's withdrawal; still less acceptable was the delaying tactic of a referendum to determine whether the subject peoples wished to be independent. If they did not wish to be free they would hardly have taken up arms to try to force their colonizers out.

41. The overwhelming impression he had gained from a study of the documents on item 24 of the Council's agenda

was that the majority of the specialized agencies and the other international institutions associated with the United Nations lacked enthusiasm for implementing the Declaration on the Granting of Independence to Colonial Countries and Peoples in accordance with the relevant resolutions of the United Nations General Assembly. In carrying out their assignment, the organizations concerned had been requested to co-operate and consult with OAU. That body's records of such co-ordination and consultation provided no evidence of any better performance by those organizations than did their own documents. It would be tragic if the organizations had fallen victim to the old order philosophy.

42. In the economic field, that philosophy had been applied even more broadly and affected the entire relations between developed and developing countries. The developing countries had continued to produce raw materials, which they sold at sub-economic prices determined and maintained by the developed countries for their own convenience and benefit. The developed countries then sold to the developing countries, at continually rising prices, the goods which they manufactured from those raw materials. The developing countries had thus become more or less perpetual losers in the international economic game, particularly in the last 20 years.

43. From 1960 to 1970, the volume of Africa's exports had increased by 97 per cent. In equitable economic conditions, that would have represented progress, but in the inequitable conditions prevailing during the period in question that performance had brought no net gains for Africa, the value of whose imports had risen faster than that of its exports. The continent's terms of trade index had stood at 108 in 1960 and, after falling and remaining below that level for most of the decade, had climbed back to 108 in 1970. Figures for its national incomes during that period told the same story of stagnation. The survey of economic conditions in Africa 1973 (E/5490), prepared by ECA, showed that the continent had continued to do badly and that its growth performance was running well below the planned level for the Second Development Decade.

44. Those deplorable conditions in the developing countries were the result of the relentless pursuit of the old order philosophy by the developed countries. The Fourth Conference of Heads of State or Government of Non-Aligned Countries had concluded that the determination of the vast majority of the developed countries to perpetuate the existing economic order for their sole benefit and without regard for the wishes of the developing countries had virtually thwarted all attempts at progress. The fear of the practitioners of the old philosophy that they might lose their traditional control over the world economy had led them to protest about the perceptible but by no means disproportionate rise in the prices of a few raw materials during the past two years or so.

45. Despite actions which seemed to show that the adherents of the old order philosophy were beginning to see the error of their ways, those who benefited from the philosophy remained largely over-confident and blind to inevitable change. Thus, even though it was now clear that the military balance of power in the Middle East had shifted perceptibly in favour of the Arabs, Israel and its supporters continued to behave as if nothing had happened. Hence the bullying of Lebanon by the Zionist State.

46. A similar situation prevailed in southern Africa, where the Boer fascists had declared that the inevitable changes taking place in the Portuguese occupied territories around them had not altered the situation. As a result, their oppressive activities against the Africans continued unabated. Similarly, the rebel Smith régime had just embarked upon a new phase of repression against the people of Zimbabwe and even Portugal was beginning to take some retrograde steps on what many had believed to be the road to more enlightened relations with Africa.

47. The old order philosophy was holding out with such tenacity that there was cause to fear for the future of the world. If anything had been learned from the many stirrings taking place in the world, it was that a new international order, and particularly a new international economic order, was long overdue. The present generation owed it to itself and even more the future generations to take immediate steps to remedy the present pattern of economic relations among nations and peoples.

48. He welcomed the report of CDP on its tenth session (E/5478), parts of which were extremely relevant to the thinking of OAU. The Committee had rightly observed, in paragraph 104, that the highly skewed distribution of wealth and productive potential among countries called for a reshaping of the patterns of international co-operation so that there could be much faster advancement for the poorer part of the world and, therefore, more peaceful and rational world development, and that many of the recent developments on the world scene which gave rise to critical challenges were but a demonstration of that growing need.

49. His organization agreed fully with the Committee's observation in paragraph 105 to the effect that action was needed to prevent the new situation from degenerating into a confrontation between developed and developing countries. The Committee had also rightly observed, in paragraph 107, that the basic option now was to choose between greater world-wide co-operation, based on the well-understood, long-run self-interest of all nations, on the one hand, and the alternative of growing conflicts. His organization also agreed that the option lay primarily in the hands of the developed countries, since they controlled a vast share of the world's resources and of its technological potential, and that the option would have to be jointly designed within a new framework that integrated the need for development in the poor countries with the limitations imposed by the potential scarcity of non-renewable natural resources.

50. The Committee's warning, in paragraph 110, that attainment of a new international division of labour would require adjustments that were exceedingly painful for particular interests and groups deserved the Council's serious attention, especially in relation to agenda items 4, 5 and 6, and was particularly relevant to the practitioners of the old order philosophy. The Committee was thus right in warning further that the exercise therefore demanded great political resourcefulness and skill from the Governments of developed countries and implied substantial modification of

traditional instruments of financial aid, technical assistance and trade, while newer areas of industrial co-operation were explored.

51. His organization maintained a guarded optimism on that issue in the light of the more realistic and likely event that the developed countries would fail to take the tide of world affairs at the flood in the interest of all mankind. In the circumstances, the developing countries should produce a contingent plan for acting alone. Such a plan would naturally depend for its success on greater collaboration among the developing countries in all fields. As CDP had rightly observed (para. 102), developing countries should complement action carried out at the world level through intergovernmental organizations by establishing, within their respective regions, institutions designed to promote the exchange of technological and scientific information among themselves, as well as to obtain similar information from industrialized countries.

52. Such an approach might provide the only real eventual economic breakthrough for the third world as a whole, a breakthrough which could only be hoped for with any certainty when new industrial and financial centres emerged in the third world. That, however, was a development which depended inseparably on successful economic co-operation and integration among developing countries. Seen in that light, it might be said that the future of the third world lay largely in its own hands. At the same time, conditions for effective co-operation and promotion of economic integration in the third world had never been more propitious than at present.

53. In the view of OAU, it was in that respect that the energy crisis and its revelation of the shortcomings of the present international economic order might prove to be a blessing in disguise. It would be so for the developing world only if the latter took the advantage it now offered to forge new economic links and strengthen existing ones. The third world would only have itself to blame if it allowed that golden opportunity to pass.

54. Mr. LONG (General Agreement on Tariffs and Trade) said that since he had last addressed the Council the meeting of GATT Ministers at Tokyo in September 1973 had unanimously adopted the Declaration which had launched the multilateral trade negotiations within the framework of GATT.

55. The Tokyo Declaration, which confirmed the will and desire of Governments to seek solutions, through co-operation and negotiation, to the problems arising in international trade relations, had been a political act of considerable significance heightened by the economic developments of the recent past. The pertinent question now was what the role of the multilateral trade negotiations in the present economic situation would be and what contribution the negotiations would make to a solution of the existing problems and to a lessening of friction in international economic relations.

56. Distortions in the world economy, resulting, *inter alia*, from monetary disturbances, high rates of inflation, shortages of certain essential commodities and consequent balance-of-payments difficulties, had created serious problems for all countries and many of the most seriously affected developing countries were facing economic collapse. Those developments, which continued to be the subject of considerable international discussion, had confronted international organizations and the world community generally with a critical challenge. Failure to deal satisfactorily with the situation would almost certainly lead to increasing disorder in international economic relations.

57. The multilateral trade negotiations represented one of the effective means of dealing with the serious dangers resulting from the present disturbed state of the world economy. Evidence of that was to be found in the communiqué of 13 June 1974 of the IMF Committee of Twenty,[2] in which its members had urged that the multilateral trade negotiations in the framework of GATT should continue to be regarded as a matter of priority.

58. In present conditions, an essential purpose of the negotiations was to achieve the maintenance and improvement of the world trading system and to ensure the avoidance of the great damage to international trade relations that would result if countries were tempted to retreat into economic nationalism. A policy of inactivity and *laisser-aller* would be dangerous. The negotiations offered an opportunity for the issues confronting all the trading nations to be taken up and discussed within a multilateral framework as a means of countering protectionist pressures and contributing to the attack on inflation.

59. It was sometimes argued that some of the problems concerned sectors or domestic interests of such a delicate or sensitive character that their successful solution in a multilateral negotiating framework must be highly doubtful. In that context, considerable encouragement should be derived from the successful negotiation in GATT of the Arrangement regarding International Trade in Textiles towards the end of 1973. The textiles sector was indisputably one of the most sensitive sectors in international industrial relations. Difficulties in that sector had given rise to considerable friction and confrontation between countries in recent years and had represented a serious threat to trade relations, and in some cases to political relations. The fact that it had proved possible to reach and implement an arrangement in which both developing and developed countries were participating at a time of serious international economic crisis with a view to liberalising and increasing their trade in textiles augured well for the future and surely offered solid evidence that no trade problem was incapable of solution if the necessary political will, courage and desire for international co-operation were present.

60. There was little doubt about the positive interest of developing countries in, and their constructive approach to, the multilateral trade negotiations or about the considerable hopes they placed on the solving of their problems and the furthering of their trade interests in the course of the negotiations. In that connexion it was timely to recall some of the commitments towards the developing countries solemnly entered into by Governments in the Tokyo Declaration.

---

[2] IMF Press Release No. 74/32, of 13 June, 1974.

61. An essential aim of the negotiations was stated to be to secure additional benefits for the international trade of developing countries so as to achieve a substantial increase in their foreign exchange earnings, the diversification of their exports, the acceleration of the rate of growth of their trade, an improvement in the possibilities for those countries to participate in the expansion of world trade and a better balance as between developed and developing countries in the sharing of the advantages resulting from that expansion. Those aims were to be achieved through a substantial improvement in the conditions of access for the products of interest to the developing countries and, wherever appropriate, measures designed to achieve stable, equitable and remunerative prices for their primary products.

62. Throughout its text, the Tokyo Declaration placed particular emphasis on the special problems and interests of the developing countries, such as the treatment of tropical products as a special and priority sector, the recognition of the importance of maintaining and improving the generalized system of preferences and of applying differential measures to developing countries to provide them with special and more favourable treatment, the statement that developed countries did not expect reciprocity for commitments made by them in favour of developing countries and the mention of special procedures for negotiations between developed and developing countries, to mention a few examples.

63. In their preparations for the multilateral trade negotiations, the developing countries could, if they so desired, call on the full facilities of the GATT secretariat. A large number of developing countries had made use of those facilities. GATT was at present conducting a course on the negotiations, which was being attended by senior officials from developing countries with responsibilities for the formulation and conduct of commercial policy.

64. In his address to the Council in 1973 (1869th meeting), he had referred to the many aspects of economic development, of which trade was only one. Recent developments had raised additional basic problems outside the trade field to which the Council and the international organizations concerned would undoubtedly be devoting their most urgent efforts. GATT intended to press forward in the multilateral trade negotiations with the vital tasks that lay ahead. He was convinced that a successful outcome of the negotiations, and in particular the implementation of the commitments in favour of the developing countries embodied in the Tokyo Declaration, would represent an important contribution to the fulfilment of the Programme of Action adopted by the General Assembly at the sixth special session.

65. Since the adoption of the Tokyo Declaration in September 1973, the preparations for the multilateral trade negotiations had been moving forward well and the technical base for the substantive engagement of the negotiations was now practically complete. The Trade Negotiations Committee, which was responsible for drawing up detailed negotiating plans and, in due course, overseeing their implementation, had been working since October 1973 and some 90 Governments, about two-thirds of which were of developing countries, were participating in its activities.

66. GATT hoped that all participants in the negotations would soon be equipped with the necessary negotiating authority required by their constitutional procedures, so that the great opportunities that the negotiations offered for strengthening the multilateral trading system, promoting world trade and contributing to a reversal of the present unsatisfactory trend in the international economy could be fully seized.

67. Mr. EL-ERIAN (Egypt) said that, on the occasion of his country again becoming a member of the Economic and Social Council, he wished to stress the importance which Egypt had always attached to the work of the Council as the principal organ for implementing Article 1, paragraph 3, of the United Nations Charter. He was glad that the membership of the Council was now more representative.

68. The present session of the Council was taking place at a crucial time in world history and the manifold and complex tasks before it had been ably summed up in the President's opening statement (1900th meeting).

69. Since the fifty-fifth session of the Council, the continuing trend towards *détente* had given hope of international peace and co-operation and the Conference on Security and Co-operation in Europe had entered the delicate stage of preparing the drafts of its final documents.

70. The October war in the Middle East, which had shown the explosive nature of a situation based on the illegal occupation of territories and the disregard of the legitimate rights of peoples, had provided a disturbing reminder that the continued threat to peace in that area could provoke a world conflagration. The convening of the peace conference and military disengagement in accordance with Security Council resolution 338 (1973) had given rise to the hope that it might prove possible to restore peace in the area, but unfortunately the latest events, including raids on Palestinian camps in southern Lebanon, demonstrated that the lessons of the October war had not been fully appreciated. Efforts to arrive at a peaceful settlement had once more been threatened. He was grateful to the Observer for OAU for reminding the Council that the situation in the Middle East and in other parts of Africa where human rights were disregarded made it impossible to concentrate on the tasks of economic development, since it was necessary to be prepared to repel aggression.

71. It had been pointed out by many speakers that the present unfavourable terms of trade, particularly in commodities, were having adverse effects on the economic growth of the developing countries. The present economic order was directed mainly towards preventing the recurrence of the depression that had preceded the Second World War and not towards encouraging economic growth. Although the problem was a matter of concern to all countries, the development needs of the countries of the third world were the most pressing and it was logical that such countries should seek an equitable share in international trade so as to secure the maximum benefit. from the sale of their raw materials. They should therefore play their legitimate role in commodity allocation and price fixing.

72. The reform of the international monetary system was also of vital importance to economic growth and the relevant measures in the Programme of Action adopted by the General Assembly at the sixth special session should be rapidly and fully implemented.

73. That Programme and the accompanying Declaration had been adopted without dissent. His delegation considered that a new economic order based on equity and mutual partnership could be achieved by the proper application of those two instruments. It also attached great importance to the Charter of Economic Rights and Duties of States and welcomed the Mexican initiative in that matter.

74. When the International Development Strategy had been formulated, provision had been made for the possibility of adopting new goals and policies as circumstances dictated. For that reason, the General Assembly had decided that there should be a biennial review of the Strategy. In that connexion he drew attention to the ideas put forward in the Secretary-General's preliminary report concerning the special session of the General Assembly devoted to development and international economic co-operation (E/5536), to be held in 1975.

75. His delegation considered that the primary task of the Council at the current session was to ensure implementation of the decisions taken at the sixth special session of the General Assembly. Like other third world representatives, he attached great importance to the principle of permanent sovereignty of States over their natural resources.

76. With regard to the activities of multinational corporations, the salient issue in that complex problem was the involvement of the United Nations system. It was high time that action was taken at the international level. In view of the volume and diversification of the activities of multinational corporations and their reluctance to provide information, the preparation of a report on the subject deserved commendation. The Council should give serious consideration to the recommendations made in its report (E/5500/Add.1) by the Group of Eminent Persons charged with that task, particularly with regard to the proposal to set up institutional machinery and a research centre. The preparation of a code of conduct was also a useful suggestion. In his delegation's view, the institutional machinery should take the form of an intergovernmental body, assisted by experts, on which the relevant United Nations organs should be represented in view of the fact that the mandate to be given to it presupposed a dialogue between multinational corporations and Governments.

77. In following the general debate, he had noted that, whatever differences of opinion might exist with regard to ways and means, there was general agreement about the urgent problems of the present situation. The items on the Council's agenda fell into three categories: the regular items which appeared annually; emergency items such as items 10, 11 and 12 which required the Council to adopt specific emergency measures; and agenda item 6 on the special session of the General Assembly devoted to development and international economic co-operation and other related items associated with the establishment of a new international economic order and the concept of economic collective security. The third category of items constituted the basic task facing the Council at its current session. They required a re-evaluation of the Council's work which would include taking stock of what it had already achieved: the Council had done much good work which should not be underestimated. The Council had next to identify what urgent action it should take and finally it had to define its future course of action. The Council was fortunate in meeting after the sixth special session of the General Assembly which had laid down the principles of the new economic order and after the Mexico session of the UNCTAD Working Group which had prepared the final draft of the Charter of Economic Rights and Duties of States. The Council had the task of consolidating the concept of economic collective security. The United Nations Charter contained the seeds of such a concept but did not define in detail the institutional aspects. The Council had already adopted a number of measures which constituted landmarks in that field but, as other speakers had pointed out, the individual fragmentary measures of the past must now be fitted into an integrated theory and planned programme.

78. He reaffirmed Egypt's faith in the ideas which animated the Council and its willingness to co-operate with all the Council's members. Never before had the world been so full of peril but although the forces it now contained might bring it to disaster, constructively channelled they might lead to a world which would surpass the most daring dreams of mankind.

79. Mr. ROUGÉ (France) said that, although the general debate had been interesting and useful, his delegation had some reservations about the contributions made by the heads of United Nations bodies. He wished to criticize neither those officials nor the institutions which they represented, but in his view the proper place to comment on their annual reports was in the Policy and Programme Co-ordination Committee. Interventions in the general debate should relate to the subjects under discussion and it would have been useful if the representatives of organizations such as IMF and FAO had availed themselves of the opportunity to give the Council the views of their experts on the latest developments in their respective fields. He hoped that in 1975 the heads of United Nations bodies would intervene earlier in the general debate and in the spirit of the new economic order would facilitate the work of the Council by making available to it the most up-to-date information.

80. Mr. FRAZÃO (Brazil) said that he, and no doubt many other representatives, shared the views expressed by the French representative. The Council had a specific obligation to implement the Programme of Action and a new methodology would be needed to enable it to fulfil that task. In the absence of the information called for by the French representative, the Council would be unable to go beyond the realm of mere rhetoric. Nor could it discharge its duties satisfactorily in only two sessions annually. It was at present unable to deal more than summarily with the large mass of documentation before it. It was not sufficient for the Council to listen to reports.

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

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

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

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

84. The main point he wished to make was that whatever documents were submitted to the Council were produced at the request of the Council itself or of other intergovernmental bodies. It was therefore the responsibility of the Council and of those bodies to make any changes that might be required in its methods of work, including the pattern of meetings.

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

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

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

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

The meeting rose at 12.40 p.m.

1912th meeting

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

President: Mr. A. KARHILO (Finland)

E/SR.1912

AGENDA ITEM 3

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

1. Mr. KACIMAIWAI (Fiji) said that his delegation felt that it was a timely occasion to re-examine the responsibility of nations in the economic and social progress of their peoples. There was an urgent need to harmonize the many aspects of the world economy and to solve the chronic social and economic problems of the developing countries. There was also a need to stimulate economic growth by the development of the means of, and institutions for, production in the least developed countries and to find solutions to the economic problems of the land-locked and the geographically handicapped small island developing countries. If the work of the Council was to produce positive results, it was essential that affirmations of intention should be followed by concerted collective action, in accordance with the philosophy of collective economic security. Ot that end, it was essential that delegations should take part in the discussion with a balanced sense of their responsibility, not merely for their own individual nations, but for all nations. His delegation hoped that the nations which had the economic strength in the present-day world would not endeavour merely to determine the course of world economic development in the interest of extending still further their own influence.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Establishment of a New International Economic Order, and it hoped that the nations which had the capacity to do so would take the necessary steps to implement the decisions adopted at that session. His delegation urged that, within the framework of the Special Programme which was to be put into effect, assistance should be given, without regard to political and regional affiliation, to the small nations, particularly island developing nations handicapped by their geographical situation. The observations made by the representative of the United Kingdom to the Committee of Twenty-four[1] on 24 March 1967 with reference to the small island nations in the Caribbean was equally applicable to the island nations and territories in the Pacific and the Indian Ocean; with the assistance and guarantee of the United Nations, small countries with small populations should be able to find a place in the world.

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

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

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

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

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

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

26. The improvement in the political climate, which was particularly manifest in the progress made by the USSR and the United States of America towards agreement on the limitation of strategic armaments and in the latest summit meeting between those two countries, gave some grounds for optimism. Similar progress had been made by the Conference on Security and Co-operation in Europe and in the talks between the countries members of the Warsaw Pact and the North Atlantic Treaty Organization on the reduction of armed forces in Central Europe.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

[2] UNDP document DP/69.

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

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

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

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

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

46. The sixth special session of the General Assembly had been the first of its kind to be devoted exclusively to economic problems. The session had brought home to its participants the need for co-operation, the fact of their interdependence and the obligation of peaceful co-existence. The changes now taking place made it evident that the interests of the developed countries could no longer be isolated from those of the developing countries. The prosperity of the entire international community depended on the properity of its constituent parts. In his address to the sixth special session of the General Assembly (2209th plenary meeting), the President of Liberia had stated that, if poor nations were to survive and if a spiralling world inflation was to be arrested, it would be absolutely necessary for appropriate measures to be undertaken to ensure a more rational utilization of the world's excess financial resources in order that the developing countries might achieve a planned and orderly economic development which, in time, should result in a lesser degree of economic dependence. Under the dynamic leadership of President Tolbert, Liberia was making every effort to raise the standard of living of its people, while remaining always ready to assist the less privileged countries.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

59. To correct the balance-of-payment situation of the poor countries, it was necessary to tackle all the factors which, in terms of both inward and outward currency flows, had helped to put it into deficit. There were cries of alarm when there was a rise in the price of oil but complete silence when the price of wheat quadrupled in 18 months and other cereals and foodstuffs in general became considerably more expensive. In the imports of the developing countries, however, such products represented an item of expenditure which was almost double that of oil. For the majority of developing countries that were importers of cereals, mainly wheat, the increase in the price of those products would, in the current year, entail an additional outflow of more than $3,000 million as compared with 1973. Other items no less important for development, such as equipment, manufactured goods and services, entailed expenditure by the developing countries which in some cases had increased fourfold during the last five years.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

73. Shortages raised a subject which had not been dealt with exhaustively and had not been the subject of any specific recommendations at the sixth special session of the General Assembly, viz. cyclical or over-all short-term equilibrium, which was mainly the responsibility of the industrialized countries. That subject had never been a major concern in the deliberations of the Economic and Social Council, which had confined itself to noting economic fluctuations from year to year, for it had concentrated its efforts on the medium-term problems set out in the development strategies of the 1960s and the 1970s. In that perspective, trends had not appeared to be upset by cyclical fluctuations, but things had now changed and short-term disturbances could well endanger the International Development Strategy. Those disturbances appeared mainly in three areas: there was the continuation of inflation, the simultaneous existence of the opposite trend over a long period, and lastly a break in continuity owing to governmental decisions concerning the production of certain natural resources of their conservation in the consuming countries. It might well be asked, now that things had changed, whether those short-term economic considerations should not be studied more directly by the United Nations system.

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

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

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

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

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

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

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

80. It might also be thought that the notion of redistribution at the world level would eventually impose itself on the international community. There was, however, a need to be extremely wary with regard to the effects of deceleration discernable in the industrial economies, owing to their influence on the economies of the developing countries through trade and the transfer of capital. Although recessions of a few months' duration were of little danger, recession could be dangerous if its effects spread over a longer period. It was also true that for the last few years the industrial countries had been providing for some deceleration in the extraordinary growth they had experienced during the 1970s. There was also a chance that deceleration would be necessitated by environmental policy and by the rise in development cost due to the increase in international prices.

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

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

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

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

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

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

The meeting rose at 6.15 p.m.

1913th meeting

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

President: Mr. A. KARHILO (Finland)

E/SR.1913

AGENDA ITEMS 10, 11, 12 AND 22

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

Economic assistance to Zambia (E/L.1603)

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

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

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

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

3. In the light of the experience gained in 1973, some pre-planning had been undertaken to improve emergency relief operations during 1974. A multi-donor mission organized by FAO with the participation of the Permanent Inter-State Committee on Drought Control in the Sahel had visited all the affected Sahelian countries in autumn 1973. Following its recommendations, the Secretary-General of the United Nations and the Director-General of FAO had issued a joint appeal for aid in the shape of food and protective food, as well as cash contributions. In resolution 3153 (XXVIII), the General Assembly had appealed to Member States to increase their assistance within the framework of the emergency relief operations. Donors had responded generously: total supplies of food from outside for the year 1 November 1973 to 31 October 1974 would amount to some 915,000 tons, including about 530,000 tons of new donations. Firm commitments of protective food amounted to date to about 40,000 tons as against a target of 64,000 tons. Such commitments were encouraging but donations of additional protective food would be welcome. With regard to cash contributions, firm commitments amounting to $8.5 million had been made to the FAO Sahelian Zone Trust Fund; of that sum, $5.5 million had been actually credited to the Fund, which had committed a similar amount to a variety of emergency measures.

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

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

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

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

commercial companies refused to use their transport on the bad roads. Niger, the worst affected country, had been provided with fully equipped transport convoys donated by a number of Governments for specific periods of time. Other donor Governments had contributed to the FAO Trust Fund which financed local transport but there was still need for additional trucks and funds to provide internal transport in almost all the countries. In Mali, the army, with financial assistance from the FAO office, was in charge of domestic transport.

8. The increasing food supplies sent to Chad had exceeded the Government storage capacity and the quantity which it could distribute monthly. FAO was therefore considering with AID the question of making use of conveniently situated, privately-owned storage capacity.

9. The Chief Logistics Officer of the FAO Office, with the assistance of WFP officers, was monitoring the arrival of food supplies in the ports. A non-governmental organization had provided volunteers to help with internal transport in Niger and the Swiss Government had sent railway technicians to assist the Governments of Mali and Senegal to explore the possibility of improving the delivery capacity of the single railway line between Dakar and Bamako, thereby benefiting Mali, supplies for which country had accumulated in Dakar.

10. By improving ground transport it was hoped to avoid expensive airlifts of food grains. Selective airlifts to remote areas in Mali, Niger and Chad might, however, still be necessary. The United States Government had already started some airlifts in Mali and a number of other donor countries had offered aircraft. In addition, the FAO Office, in co-operation with AID, was mobilizing Algerian trucks to move food supplies across the Sahara to Mali and Niger. If successful, that routing would greatly reduce the need for airlifts, even during the rainy season.

11. The health of the affected populations was worse than it had been in 1973, particularly among nomads housed in camps who had been obliged to change their accustomed diet. No serious epidemics had occurred, however, and a number of steps were being taken to minimize the camp-dwellers' susceptibilities to infectious diseases; WHO was sending stocks of drugs for treatment against the diseases most common in the area; protective foods were being supplied for local distribution in the six countries, including special UNICEF programmes; in the case of 10 camps in Niger where conditions were reported to be very bad, the Government of Niger had agreed to accept the services of mixed expatriate and local teams of doctors and nutritionists. The teams had been organized under the aegis of the League of Red Cross Societies and their work would be co-ordinated through national committees under the chairmanship of the UNDP Resident Representative. Mali and Mauritania had made their own arrangements for health and nutritional feeding in their camps. It was difficult to obtain accurate information about Chad because of internal problems.

12. With regard to livestock, feeding conditions had improved owing to the reduction in numbers. The Permanent Inter-State Committee had drawn up a three-year drug and vaccination campaign which was scheduled to start in 1974. Some supplies of livestock feed provided in 1973 were still available.

13. The Sahelian relief operation depended upon co-operation among all those concerned; the Governments of the affected countries were doing magnificent distribution work under difficult conditions and the principal donors were responding generously to a variety of emergency calls for assistance. Countries neighbouring the Sahelian zone were giving invaluable help in speeding up the transit of goods. A large number of non-governmental organizations were not only providing assistance to the Sahelian zone countries but were bringing the problem to the attention of the public in their own countries. The co-operation among members of the United Nations system was good and a large number of United Nations bodies and specialized agencies were making a contribution in their respective fields.

14. The drought in 1974 had had a varying impact on the countries concerned. The worst affected were Chad, Mali and Niger, while in Mauritania the nomads were finding it difficult to adapt themselves to unaccustomed types of work. An outbreak of epidemics in the camps could cause serious problems. Plant protection measures had already been taken in cultivated areas and some camp-dwellers, particularly in Niger, had been encouraged by the early rains to return to their villages. Current conditions in the Sahelian countries indicated that even with normal rainfall during the next rainy season there would still be need for emergency relief measures until the economy stabilized and for advance planning to deal with the possibility of further drought. A primary need was to ensure the proper spacing of shipments in order to avoid congestion and to use economic methods of transport. At a recent meeting of the principal donors, there had been unanimous agreement that requirements of food aid, protective foods and other needs for 1975 should be assessed with the help of a multi-donor mission in autumn 1974, when the results of the harvest were known, but that meanwhile donors should make interim allotments of food supplies to cover the period up to March 1975. It was to be hoped that the medium-term and long-term measures being planned by the United Nations system would make it possible to taper off the emergency measures in the near future.

15. Mr. MORSE (Under-Secretary-General for Political and General Assembly Affairs) said that he had been assigned responsibility for the United Nations medium- and long-term assistance to the Sudano-Sahelian region with which the Secretary-General had been entrusted by the Economic and Social Council. He had accordingly established in New York a Special Sahelian Office with a small staff.

16. Nearly 20 United Nations bodies, agencies and programmes were involved in the common effort. As a result of close co-operation within the United Nations system, the Special Sahelian Office had established a project compendium providing information relating to all relevant projects, which could serve as a framework for discussions between the Permanent Inter-State Committee, the individual countries themselves and donor countries. His Office had also

established an integrated conceptual approach for use by all those concerned. On that basis, United Nations response to the long-term needs of the area would be tailored to meet the requests made by the Permanent Inter-State Committee and the individual countries themselves, including projects falling wholly within the competence of one United Nations body. A computerized information system had been devised to provide the United Nations and donor Governments with the requisite data to evaluate their activities.

17. With regard to the maintaining and strengthening of co-operation with the Permanent Inter-State Committee, as required by Economic and Social Council resolution 1834 (LVI), it had been agreed, following consultations between the Chairman of that Committee and himself, that the operational functions of the Special Sahelian Office, now that the preparatory work had been completed, should be transferred to Ouagadougou. Such a move would ensure constant liaison with the Permanent Inter-State Committee and co-ordination within the United Nations system, since the Director of the Special Sahelian Office in Ouagadougou was to act as spokesman for the whole of the United Nations system. The chief role of the Special Sahelian Office in New York would henceforth be to mobilize the requisite financial resources, keep world opinion informed and act as liaison between the Ouagadougou Office and United Nations bodies in New York which were acting as project executing agencies. An increased effort was also required to mobilize contributions from non-governmental organizations.

18. With regard to United Nations activities, he drew attention to what was said in the report of the Secretary-General on the subject (E/5554), section III, regarding the fullest utilization of existing machinery. During the twenty-eighth session of the General Assembly, delegations in the Second Committee had indicated the importance which they attached to that matter and he wished to assure the Council that there would be no duplication in functions, manpower or operations.

19. His recent observations in the field had confirmed the existence of the economic situation described in document E/5554. The Governments of the affected countries had changed the emphasis in their own development strategies in order to make integrated agricultural development the mainstay of the development effort. National self-sufficiency in staple crops had become the major objective, and improvement in subsistence farming the major means to that end. It was a difficult, long-term task, but it would result in the main bulk of the population receiving priority attention. Governments had made corresponding adjustments in their projected development activities in other economic sectors, including transport, marketing and industrial expansion based on agricultural raw materials and the full utilization of available manpower. There were also signs that the drought had served to bring about more effective regional economic co-operation. The Sudano-Sahelian countries had shown their determination to overcome the effects of their tragic experience and the world community was ready to support their efforts to find common solutions to common problems.

20. Sir Robert JACKSON (Under Secretary-General and Co-ordinator of United Nations Assistance for Zambia) said that there was a clear distinction between the humanitarian nature of agenda items 10, 12 and 22 and the essentially political nature of agenda item 11 dealing with economic assistance to Zambia. As previously planned, a mid-term review of that programme had recently been held. The President of Zambia had rightly emphasized that, by closing its southern border, Zambia had made more sacrifices than any other State Member of the United Nations to implement the United Nations policy of sanctions against the present régime in Southern Rhodesia. That policy, designed to secure the fundamental rights of all mankind in southern Africa, should command the support of all Governments and people who believed in freedom.

21. In his statement at the fifty-fifth session of the Council (Co-ordination Committee, 489th meeting), the financial cost to Zambia had been divided into three parts: direct capital costs; the cost of additional borrowing to meet those capital costs not covered by grants; and recurrent costs. During the mid-term review, it had been possible to make projections for the remaining period of the programme. Direct capital costs for the period 1973 to 1975 could be estimated at 34.6 million Kwachas, or about $54 million, and additional borrowing at 12.39 million Kwachas. Recurrent costs, which were the most onerous burden, had amounted to 64.5 million Kwachas up to the end of June 1974, and the estimated cost for the next 18 months was 87.6 million Kwachas. In total, a realistic estimate of the cost to the end of 1975 of the closure of Zambia's southern border was of the order of $300 million. An important contributory factor was the effect of world-wide inflation on the cost of all forms of transport. Very few figures relating to the operation were being released, but the appropriate United Nations office in New York would, with the approval of the Zambian Government, provide more detailed information to any Government or institution wishing to assist Zambia.

22. The prices of Zambian imports and exports had been considerably affected by current world conditions as well as by the closure of the southern border. The cost of virtually all imports had continued to rise and it was estimated that the increase in the cost of oil and lubricants alone would range between 37 million and 44 million Kwachas in 1974. With regard to exports of copper, which constituted the backbone of the Zambian economy, the most recent figures from the London Metal Market showed that the slight decline in price had continued. In any case, the advantages derived from copper prices had to be weighed against the increasing cost of imports from the world community.

23. The total value of world assistance to Zambia in the form of grants in cash, soft loans and grants in kind up to 30 June 1974 was about $62.4 million. By the same date, the cost to Zambia of the closure of the southern border would amount to about $154.6 million. Such figures showed that Zambia was honouring the United Nations policy of sanctions to the detriment of its own economic development. Although the initial response from States Members of the United Nations had been encouraging, the estimates of Zambia's recurrent expenditure showed the need for them to do more to share the financial burden of

implementing policies to which a majority of them subscribed. The Secretary-General was awaiting responses to Economic and Social Council resolution 1832 (LVI) appealing for further support for Zambia.

24. As demonstrated in his address to the Heads of State attending the meeting of OAU on 13 June 1974, the Secretary-General had maintained his efforts to mobilize assistance for Zambia as an essential factor in the liberation of southern Africa. The Secretary-General would continue to do everything in his power to assist Zambia.

25. Gratitude was due to the Administrator of UNDP and his staff and to the heads of the specialized agencies and their personnel for the indispensable help they were providing. Both IMF and IBRD would no doubt co-operate fully with Zambia to the extent that their procedures permitted.

26. Three specific developments should be mentioned. Firstly, the report on the development of the port of Dar es Salaam commissioned by IBRD on behalf of UNDP had been completed and was receiving urgent consideration. Secondly, a request by the East African Community to the Administrator of UNDP for a further survey of those ports on the East African coast that could do most to encourage the development of the hinterland was receiving urgent consideration. Thirdly, the East African shipping study undertaken by UNCTAD on behalf of UNDP was well advanced and it was hoped that it would lead to developments that would help Zambia and other countries.

27. In addition to their normal duties, the staffs of all United Nations agencies and offices in the area concerned with Zambia's problems continued to provide valuable assistance to the operation. During the recent review in Lusaka, President Kaunda had asked him to convey to the Secretary-General, and through him to all officials throughout the United Nations system, his deep appreciation of all their efforts to assist Zambia. The partnership not only had been effective in substance but had represented an impressive association of men and women dedicated to a common cause.

28. The maintenance and development of the infrastructure and its management were of decisive importance in the operation. Although new problems arose daily and operating conditions changed continuously, the Zambian Government, using its contingency planning secretariat as a co-ordinating mechanism, had been able to ensure that transport routes had been used to the best effect. The Tanzania-Zambia railway was making impressive progress and, as a result of agreement between the Governments of the People's Republic of China, Zambia and the United Republic of Tanzania, had already been able to transport imports into Zambia. All concerned were doing their best to expand the capacity and productivity of the port of Dar es Salaam, the current position of which had just been reviewed by the Presidents of the United Republic of Tanzania and Zambia.

29. Some of Zambia's neighbouring States were experiencing financial hardship because of the strains imposed on their roads, ports and railways by the increased traffic to and from Zambia. The Secretary-General hoped that Member States sympathetic to the needs of the countries affected would endeavour to increase their present assistance.

30. It would be tempting to suggest that the second half of the operation would be easier than the first, particularly because copper prices had remained high and because the political prospects of certain countries through which Zambia's vital lines of communication ran appeared to be more promising. Those assumptions were dangerous. It could not be predicted with reasonable confidence and accuracy how the future might develop either economically or politically. In view of Zambia's special position, future policy must continue to be one of prudence and preparedness on the part of all those ready to co-operate with it in initiating whatever action might be necessary at short notice. The President of Zambia had made it clear that his Government would not relax its efforts to deal with the situation and the Secretary-General had assured the President that he would continue to maintain and consolidate the programme of partnership during its second phase in the same spirit as in the past.

31. The Secretary-General fully shared the President's view that the programme of assistance should be regarded as a response on the part of the world community to a cause that should command the support of all who believed in human freedom, and he trusted that Member States would regard any assistance provided to Zambia not as financial support for that country itself but rather as affording mutual assistance in carrying out the measures decided upon by the Security Council in accordance with Article 49 of the United Nations Charter.

32. In expressing his gratitude for all that Governments and the United Nations had done to assist in meeting the responsibilities, President Kaunda had pointed out that they were not responsibilities of Zambia alone but should be accepted by Governments throughout the world. In expressing the hope that they would be so accepted, President Kaunda had given an assurance that, whatever happened, Zambia would never relinquish its own responsibilities.

33. Mr. BERKOL (United Nations Disaster Relief Co-ordinator) said that, while the response from the international community to the serious plight of the Ethiopian drought victims had been noteworthy, and while significant progress had been made in the two months since his last appearance before the Council, further emergency relief efforts would have to be made alongside measures intended for medium- and longer-term recovery and rehabilitation.

34. While it gave a generally up-to-date account of emergency, recovery and rehabilitation efforts and outstanding needs, the Secretary-General's report on the subject (E/5560) could not be considered exhaustive. Since its submission to the translation and reproduction services, news had reached him of fresh responses on the part of the international community and he had received an emergency request for DDT from FAO.

35. His Office had now received pledges covering the estimated costs of airlifting 20 additional four-wheel-drive

lorries to Ethiopia. A generous cash contribution from the Netherlands Government had made it possible for his Office, with the services of the UNICEF Geneva supply office, to procure 25 trucks of priority specifications. As a result of additional cash contributions from the Governments of Norway, the United States of America, the Netherlands and Switzerland and from private donors, it had been possible to airlift the 25 vehicles to Ethiopia, all air charter arrangements having been performed free of charge by the Intergovernmental Committee for European Migration on behalf of his Office. The United Kingdom Government had since indicated that it would be able to make available 20 additional four-wheel-drive lorries of the type it had already airfreighted to Ethiopia provided that his Office could finance the cost of the airlift, estimated at $345,000. A request for that amount had immediately been transmitted to potential donors and within ten days the requisite funds had been pledged by the Governments of the United States, the Netherlands, Norway and Sweden. It had thus been possible to exercise a charter option which it was hoped would enable the first three lorries to be flown from London to Addis Ababa within the next few days. Every effort would be made to pack all usable cargo space with relief items.

36. The Secretary-General's report showed an increase of more than $25 million over the relief and recovery assistance reported to the Council at its previous session. A further $2.5 million had just been reported by the League of Red Cross Societies on behalf of its national societies and further $700,000 by CARITAS. Mention should also be made of the $10 million credit which IDA had made available for rehabilitation projects in Wollo and Tigre provinces.

37. The Office of the Ethiopian Chief Commissioner for Relief and Rehabilitation had been strengthened considerably and the increasing response of the Ethiopian people was playing a significant role in relief and rehabilitation efforts.

38. The Regional Office of UNDP had continued to play an indispensable part in co-ordinating the various United Nations agencies at field level. Its reports to his Office continued to provide a substantial part of the information on relief needs and assistance measures on which it based its reports to interested donor Governments and agencies.

39. Since his last report to the Council, he had sent his special representative for the third time to the drought-afflicted areas. On the basis of the information communicated by that official, it had been possible to alert FAO to the serious incursion of crop-destroying armyworms. FAO and several donor Governments had made speedy efforts to obtain large quantities of DDT and the Ethiopian Chief Commissioner had immediately allocated relief funds and equipment to crop-spraying and related insect control measures. Serious damage had been sustained by crops planted in all 14 provinces during the early rain season, crop damage in one area having been estimated at 60 per cent and the average in other provinces at 10 per cent. While the first incursion of the insects had abated, crop protection experts were anxiously awaiting the second incursion, which was expected to occur within the next two or three weeks. Fifty additional tons of DDT were urgently needed but FAO had indicated that it had sufficient funds to purchase only 20 tons. The remaining 30 tons could be procured at a cost of $34,000 and FAO had estimated the cost of airlifting all 50 tons to Ethiopia at $75,000. While those figures were comparatively modest in the context of many national budgets, further assistance of that nature could be of crucial importance to Ethiopia's national relief and recovery efforts if the country's main crops of sorghum and other cereals were to be saved.

40. On the basis of the latest news of relief needs received from the field, a requirement of 110,000 cotton blankets should be added to the requirements shown in paragraph 13 of the Secretary-General's report. In addition to the unfulfilled relief needs shown in that report, unforeseen contingencies such as the armyworm incursions posed new challenges which the Ethiopian authorities and the international community were obliged to meet as they arose.

41. He was grateful for the generous international response made so far and hoped that the international community, in collaboration with the Ethiopian authorities, could address itself to the continuing emergency needs with renewed vigour and sustained determination to surmount any difficulties ahead.

42. Prince SADRUDDIN AGA KHAN (United Nations High Commissioner for Refugees) said that the achievements of Sudan itself and the widespread support received from the international community during the two years which had elapsed since his Office had assumed the task of assisting the Government of the Sudan in organizing and co-ordinating the United Nations immediate relief programme in southern Sudan had been impressive.

43. Some 144,000 persons who had fled to neighbouring countries had decided on voluntary repatriation, which was by far the best solution for any refugee problem. Among them had been a number of sick people, including some 400 lepers who had been flown back from the Central African Republic to Sudan and then transported about 25 kilometres by road to their original village, where they were now receiving the care and attention they required. The airlift of that tragic group, which he had visited when he had been in Sudan, had been a moving experience.

44. The return of the refugees, who had been generously welcomed in neighbouring countries, considerably relieved the burden of assistance both for his Office and for the host Governments. Furthermore, some 500,000 persons displaced within Sudan itself had been able to return to their villages and start a new life.

45. The assistance programme had brought considerable and lasting benefits to the country. The bad roads in the southern region had been considerably improved; schools, hospitals, clinics and dispensaries had been reconstructed and the people had rebuilt their former villages. He had had the satisfaction on one of his visits of taking part in the presentation of certificates to teachers who had been trained in the bush and were now qualified to teach in schools built and equipped with United Nations assistance.

46. In addition to improving the infrastructure of the southern region generally, better communications with neighbouring countries had been established, thus facilitating the transport of people and goods. The assistance programme had therefore contributed indirectly to the general development of the whole area. A striking example was the construction of a bridge over the Nile, near Juba, which had been made possible through contributions in cash, in kind and in services by the Government of the Netherlands. He was deeply grateful to the Governments which had contributed to the programme and to those which, through their bilateral contributions, had facilitated the task of the United Nations. The understanding and support of the Sudanese authorities and people had also helped to enable his Office to complete the operation.

47. Inter-agency co-operation had been vital to the co-ordinating role which the Secretary-General had asked him to play. He welcomed the assistance received from many United Nations agencies. It was encouraging to know that UNDP was now acting as the focal point for the long-term reconstruction phase in southern Sudan. He also welcomed the support which OAU had pledged from the outset and the resources made available by the Commission of the European Communities. Considerable support had also been received from the private sector, in particular from air companies which had made it possible to meet urgent food needs.

48. Elections had been held in southern Sudan, the returnees had had a chance to vote and a new parliament had been elected. A sad page in the history of the country had been turned and a new one had been opened which promised lasting peace, economic improvement and a better life for the people of the area. There was a feeling of confidence and hopefulness there. The United Nations role in those developments had helped to turn generous intentions into specific realities.

49. Another special mission which his Office had had to undertake during the past year had been the repatriation operation in the South Asian sub-continent. The Secretary-General had visited that area at the beginning of 1973 to inform himself about the humanitarian problems which had remained, particularly in Bangladesh and Pakistan, in the wake of the events of 1971. Bangladesh and Pakistan had sought the assistance of the United Nations in carrying out some of the repatriation provisions of the New Delhi Agreement of 28 August 1973. In acceding to that request, the Secretary-General had designated the Office of the High Commissioner for Refugees as the executing agent for the transport arrangements.

50. As a result of the generous response of Governments of Member States to an appeal for funds, his Office had been able to conduct and co-ordinate the repatriation of approximately 240,000 people – 121,000 from Pakistan to Bangladesh, 110,000 from Bangladesh to Pakistan and 11,000 from Nepal to Pakistan. In addition to multilateral contributions of more than $13 million received through his Office, considerable transport facilities made available bilaterally by the Governments of the German Democratic Republic and the USSR had been used in full co-ordination with the operation conducted by his Office.

51. He welcomed the co-operation received by his staff in New York and Dacca from the United Nations relief operation in Bangladesh, and particularly from Sir Robert Jackson, who had at that time been dealing with disaster relief operations.

52. Most of the repatriates had been moved by modern aircraft in a human airlift of unprecedented dimensions. He hoped that, having returned to their homeland or to the land which represented the ties they had been seeking, they would be able to enjoy a normal life in friendly and congenial surroundings. That would amply justify the expense and efforts devoted to the undertaking. The fact that the occasion might have contributed to the restoration of normal relations and mutual confidence between the States of the South Asian sub-continent was another cause for satisfaction.

53. Mr. CORDOVEZ (Secretary of the Council) said that the following delegations had expressed a wish to co-sponsor draft resolutions now before the Council:

E/L.1603: Argentina, India, Indonesia, Mali, the Netherlands, Sweden and Zaire.

E/L.1604/Rev.1: Algeria, Argentina, Brazil, India, Iran, Jordan, the Netherlands and Yugoslavia.

E/L.1605: Argentina, Jordan, Kenya, Liberia, Pakistan, Venezuela, Yugoslavia and Zambia.

E/L.1606: India, Iran, Jordan, Liberia, Pakistan, Sweden and Yugoslavia.

54. Mr. CISSÉ (Mali), introducing draft resolution E/L.1605 on assistance to the drought-stricken Sudano-Sahelian region, said that his delegation welcomed the statements on the assistance given to the drought victims of the Sudano-Sahelian region.

55. On an earlier occasion, his delegation had emphasized the importance of determining the underlying causes of the drought and applying all possible scientific methods to a search for a solution to the problem. An integrated research programme should be established for the area and long-term measures should be taken to prevent any recurrence of the crisis situation. Steps should be taken bilaterally and multilaterally to bring the countries affected to the same level of development as the rest of the continent by 1990.

56. The situation had been both a test and a warning. The international community had risen to the test by providing aid to the area but the warning remained. Speedy action should be taken to attack the roots of the problem. The efforts of the United Nations, the specialized agencies and donor countries should be intensified and steps should be taken to mobilize public opinion with a view to ensuring that long-term support was forthcoming. His Government welcomed the solidarity which had been displayed in providing emergency assistance and was convinced that the United Nations, the specialized agencies, financial organizations and non-governmental organizations would redouble their efforts to ensure that the objectives of the programme were achieved.

57. He hoped that the efforts of FAO and of the United Nations Special Sahelian Office, which had been of great assistance, would be continued.

58. The sponsors of draft resolution E/L.1605 had accepted the following amendments: *(a)* the words "*Aware* that according to disturbing scientific evidence", at the beginning of the fourth preambular paragraph, to be replaced by the words "*Taking into account* the disturbing scientific studies according to which"; *(b)* the words "the need for ecological transformation", in operative paragraph 4 to be replaced by the words "the need for transforming the ecological conditions", and *(c)* in operative paragraph 5, the word "possible" to be inserted before the word "establishment" and the words "and in co-operation with the other existing appropriate bodies" to be added at the end of the paragraph.

59. With reference to the second preambular paragraph, he pointed out that four of the countries in the drought-stricken region were among the least developed and the land-locked countries. Lastly, the co-ordination of the activities of the United Nations system, referred to in operative paragraph 2, was particularly important.

60. Mr. ADUNDO (Kenya), introducing draft resolution E/L.1603 on assistance to Zambia, expressed appreciation of the efforts made by the Secretary-General and the United Nations bodies concerned to facilitate international action to help Zambia to overcome the effects of the closure of its southern border. It was important not to lose sight of the extent of the impact of the events which had led up to that closure on Zambia's economy and the lives of its people. Many countries had made generous grants in cash and kind to help Zambia. Members of the East African Community were co-operating with Zambia in handling its exports and imports. Kenya had placed its transport system at the Zambian Government's disposal. He appealed to all Member States to assist the Secretary-General by contributing or increasing their contribution to that worthy cause.

61. The draft resolution was self-explanatory. On behalf of the sponsors, he proposed that operative paragraph 3 should be amended to read:

> "*Urges* Member States to provide more and greater assistance to Zambia, thereby sharing with Zambia the financial and economic burden arising from the closure of its southern border with the illegal régime in Southern Rhodesia in implementation of the United Nations sanctions policy against that régime".

62. Mr. THOMAS (Liberia), introducing draft resolution E/L.1606 on assistance to the drought-stricken areas of Ethiopia, said that the report before the Council showed that the situation in those areas of Ethiopia remained serious and that it was essential that assistance from all sources should continue. The main purpose of the draft resolution was to bring the worsening situation to the attention of the world community and urge it to support the Ethiopian Government's efforts to alleviate the hardships of the drought victims. He hoped that the draft resolution would command unanimous support.

63. Mr. ELARABY (Egypt) introduced draft resolution E/L.1604/Rev.1 on assistance to southern Sudanese returnees and displaced persons. On behalf of the sponsors, he paid a tribute to the efforts made under the United Nations immediate relief programme, and especially those of the High Commissioner for Refugees. The generous relief contributions of United Nations organizations and Governments had made it possible to carry out that programme. Much remained to be done, however, and he hoped that the assistance would continue. The operation had been a model of inter-agency co-operation. He paid a special tribute to the Sudanese Government, which had spared no effort to facilitate the relief operations and had incurred heavy expenditure to ensure the economic and social development of the southern region of Sudan. The purely humanitarian purpose of the draft resolution deserved the fullest support.

64. Mr. CHABALA (Zambia) said that, although the Council had decided to consider items 10, 11, 12 and 22 together, the distinction between item 11 and the other items should be borne in mind. Items 10, 12 and 22 were essentially of a humanitarian character. Zambia appreciated the gravity of the situation in the Sahel, Ethiopia and southern Sudan and agreed that all possible assistance should be given to the area in the form of emergency relief and medium- and long-term measures. Item 11, however, was before the Council because of the activities of racist minority régimes in southern Africa and was concerned with the direct consequences of the closure of Zambia's border with the illegal régime of Southern Rhodesia.

65. The adverse effect of the tension caused in southern Africa by the existence of those régimes on the security and well-being of Zambia and other independent African States had already been established, especially by the Security Council Special Mission established under Security Council resolution 326 (1973). Zambia was irrevocably committed to the total liberation of peoples and territories still subjected to colonialism, *apartheid* and foreign occupation. Despite its difficult geographic and political situation, Zambia based its foreign policy on the principles of peace, freedom and justice. Majority rule based on the principle of one man, one vote, would be the best guarantee of permanent and just peace in southern Africa. Stability would not be achieved by oppression and mass terrorism based on racial discrimination, which could only lead to racial conflict on an unprecedented scale. Zambia had offered the Portuguese Government its good offices to enable it to negotiate whatever was negotiable with the leaders of the national liberation movements in the territories still occupied by Portugal.

66. Zambia was pleased with the progress of the emergency operation to enable it to cope with the special problems caused by the closure of its southern border. Despite occasional shortages of essential goods during the first phase of the emergency operation, Zambia had on the whole been able, with the assistance of the international community, to maintain the flow of its vital foreign trade and to strengthen its infrastructure. The United Nations had played an important part in that assistance and neighbouring States had made their transport facilities available for the movement of Zambia's imports and exports, in spite of the resultant strain on those facilities. The emergency had in fact helped to accelerate and broaden the scope of co-operation among those countries. The world's present economic difficulties would no doubt provide a further stimulus.

67. Zambia had continued to receive technical assistance from the United Nations system and other institutions,

especially the Commonwealth Fund for Technical Co-operation. A consultative meeting of representatives of interested Governments and institutions had been held in February 1974, under the chairmanship of the Executive Secretary of ECA, to consider the channelling of Zambia's foreign trade through neighbouring countries, and in May 1974 a joint IMCO/ECA/UNCTAD/UNDP meeting had discussed maritime transport problems in Africa. Both meetings had made useful recommendations which had a bearing on Zambia's situation.

68. Despite the progress made in dealing with the emergency, the next phase of the operation would be critical. Time was a crucial factor. Although the tide was clearly in favour of the oppressed peoples of southern Africa, an early political settlement was unlikely. Secondly, the railway being built through the United Republic of Tanzania with Chinese and Tanzanian assistance had not yet been completed. Thirdly, although Zambia's copper exports had benefited from the recent general increase in commodity prices, the high price of copper was perhaps due more to market sentiment linked with monetary uncertainty than to supply and demand factors. As the Secretary-General of UNCTAD (1908th meeting) had pointed out, the rises in commodity prices had been a by-product of forces of a short-term or ephemeral nature and there was now a possibility of a downturn in prices. That could mean a return to the familiar cyclical fluctuations in commodity prices instead of the maintenance of stable, just and remunerative prices sought by developing primary producers.

69. Current world economic conditions had aggravated Zambia's special problems as a land-locked country. According to the recent study undertaken by the UNCTAD secretariat on the question of the establishment of a fund in favour of the land-locked developing countries (E/5501), Zambia's transit costs in 1973 had been 7.8 per cent and 3.8 per cent respectively of imports from and exports to non-neighbour countries, and had represented 54 per cent of gross loans and grants. In 1974, Zambia's oil imports would cost $156.4 million, compared with $37.4 million in 1973. Moreover, as a result of the closure of its southern border, Zambia would have to ship about 400,000 tons of exports and 900,000 tons of imports by alternative routes through friendly neighbouring countries. Zambia therefore needed more assistance from the international community to deal with the special problems created by the closure of its southern border in accordance with the United Nations sanctions policy. Such assistance would not only enable Zambia to maintain a reasonable level of development but would have a direct impact on the struggle of the oppressed peoples of southern Africa for their inalienable rights.

70. Mr. DUMAS (France) said that he would support the draft resolution on assistance to Zambia (E/L.1603) and the draft resolution on assistance to the drought-stricken areas of Ethiopia (E/L.1606), as also all the amendments introduced by the representative of Mali in the draft resolution on the situation in the Sudano-Sahelian region (E/L.1605), of which France was a sponsor.

71. His Government had responded to the appeal for assistance from the African countries in the drought-stricken area. The action taken by the international community and the efforts of the affected countries had not succeeded in overcoming the consequences of the drought. Climatic conditions in the area were still unfavourable and were causing imbalances in the economies of the countries indirectly affected, as well as those in the drought-stricken area. The latest report of the Secretary-General on the subject (E/5554) was still being studied by his Government, but some points in it called for preliminary comments.

72. The countries concerned seemed already to have amassed considerable objective information by their own efforts and with external bilateral and multilateral assistance. The report recommended the definition of economic and social recovery objectives for the Sahelian countries and changes in the economic relations between them. That was no doubt essential, but he wished to warn the Secretariat against excessive zeal in regard to matters which directly affected those countries' domestic, political and social affairs and their relations with other countries. Income distribution among the different sections of the population, the respective roles of agriculture and industry, land settlement and other problems involving the social and administrative structure were matters for the Governments themselves to decide upon. It was their responsibility to fix priorities and determine what means were most appropriate for their country's development. France would not wish to encourage any tendency to formulate an over-all strategy for those countries, for that might be regarded as interference in their internal affairs.

73. In the Permanent Inter-State Committee on Drought Control in the Sahel, on the other hand, the six countries themselves could formulate joint action policies, examine specific programmes and discuss financial sources. In addition to emergency operations to meet the immediate needs of certain groups of peoples, that Committee was already considering medium- and long-term measures to strengthen the economies of the six countries. It had received bilateral and multilateral assistance in that work and would certainly welcome assistance in the attainment of those objectives. It had already outlined certain courses of action. An intensive policy of water management and agricultural development in conjunction with related projects should produce satisfactory results in the medium term. Existing programmes for the production of cash crops which were at the same time subsistence items should not be abandoned. The economic and food-producing balance operated in stages linked with the time needed for certain measures to take effect; large and small hydro-agricultural works, and dry and irrigated cultivation were complementary.

74. Long-term plans were of course needed for improving natural conditions by successive stages. That work was of broad scope and would require varied forms of assistance. The specialized agencies, UNDP, the international financial institutions and individual Governments would have to take concerted action in support of the efforts made by the countries concerned. The Permanent Inter-State Committee could benefit at different stages in that work from the assistance of any organizations willing to collaborate with it. For example, several major hydro-agricultural projects

would require large amounts of long-term capital on favourable terms, mainly to cover local costs, and would therefore have an immediate impact on local living standards.

75. The question of the development of the Sudano-Sahelian countries should be reviewed in a broader geographical context than the countries themselves. Any action taken in the Sahel could not be dissociated from that of neighbouring countries in agriculture, transport and resources development. The solidarity which had inspired the emergency assistance was also one of the rules of development.

76. He commended the High Commissioner for Refugees on his excellent organization of the rehabilitation operations in southern Sudan. The efficient co-ordination of the efforts of the specialized agencies concerned had shown that they could effectively carry out urgent relief work and draw up longer-term assistance plans. Their efforts had helped to strengthen the peace based on the Addis Ababa Agreement of 27 March 1972, and accompanying Protocols, had relieved neighbouring countries of the burden of supporting some 180,000 Sudanese, had enabled those Sudanese and about half a million other displaced Sudanese to find a home and start a new life, and, through the generous assistance of certain Governments, had helped to improve communications between southern Sudan and the rest of the country. The High Commissioner's successful operations in Sudan and in the Indian sub-continent had shown that his Office could be used to help displaced persons on a larger scale. Moreover, the High Commissioner had managed to meet additional expenditure in some sectors without having to obtain extra funds from the international community. France would support the draft resolution on assistance to southern Sudanese returnees and displaced persons (E/L.1604/Rev.1).

The meeting rose at 1 p.m.

1914th meeting

Monday, 15 July 1974, at 3.10 p.m.

President: Mr. A. KARHILO (Finland)

E/SR.1914

AGENDA ITEMS 10, 11, 12 AND 22

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

Economic assistance to Zambia *(continued)* (E/L.1603)

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

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

1. Mr. DALE (United States of America) said that it was unfortunate that at each session for the past few years the Council should have been called upon to examine the situation of countries stricken by disasters, either natural or man-made, particularly since the countries affected were generally those least able to withstand them. The United States of America considered that relief work was primarily the responsibility of the Governments of the countries affected, but that the affluent countries should help, particularly when the disaster was of such magnitude that those Governments could not cope with the situation alone.

2. His country had provided bilateral assistance to the Sahel amounting to roughly $129 million in the form of food and other aid, such as airlifts, lorries and medical supplies. Less than two weeks earlier his Government had given an additional amount of $1 million to the FAO Sahelian Zone Trust Fund. Those were untied funds which could be used by any United Nations agency operating with programmes in the Sahel, subject to the procedures and criteria laid down by FAO. That was the second million dollars supplied by the United States to the FAO Trust Fund, the first having been allocated to WHO and UNICEF operations in the Sahel.

3. Moreover, Mr. Kissinger, United States Secretary of State, had proposed at the sixth special session of the General Assembly (2214th plenary meeting) that ICSU and WMO should study the possible effects of long-term climatic changes in the drought-stricken areas of Africa. Mr. Davies, the Secretary-General of WMO, had reported the action taken on that proposal in his statement to the Council (1908th meeting). The United States Government was also prepared to give direct assistance to United Nations operations in the Sahel and his delegation would give further details in that regard during the coming week. He himself was going to the Sahel shortly to examine the conditions there.

4. Discussions were going on within his Government for the continuation of the high level of bilateral aid to the countries of the Sudano-Sahelian region; that assistance was expected to focus on projects which would mitigate the effects of the drought and on activities which would increase the food crop and livestock potential of the area.

5. His Government had also given considerable aid to the Ethiopian Government. The emergency relief supplied to Ethiopia was administered through the AID Mission at

Addis Abeba, in co-operation with UNDP, FAO and the Ethiopian National Relief Committee. That assistance was also provided in co-operation with the United Nations, which was helping the Ethiopian Government to co-ordinate the provision and distribution of relief supplies.

6. Bilateral emergency assistance supplied by the United States to Ethiopia up to June 1974 had amounted to roughly $17.6 million, which had included, in addition to food aid, transport costs, medicaments, blankets, temporary storage facilities, airlifts and technical assistance. In addition, the United States had recently provided $245,000 to the United Nations Disaster Relief Co-ordinator, $145,000 to help pay for the transport of 25 lorries from Italy to Ethiopia by air, and $100,000 towards the cost of air-freighting 20 lorries from the United Kingdom to Ethiopia.

7. As in the case of relief to the Sahel region, his Government was discussing the provision of additional emergency aid to improve the quality of life of the poorest Ethiopian people through improved agricultural practices and a more equitable sharing of development benefits.

8. The situation in Zambia and Sudan was somewhat different in nature and on a somewhat different scale. The United States had granted Zambia a loan of $5 million by way of assistance. To Sudan, where the refugee situation seemed to have improved, it had granted roughly $1.4 million during the fiscal year 1974 in the form of food supplies, through WFP, UNICEF and voluntary organizations for southern Sudanese returnees. In 1973, his Government had provided the United Nations High Commissioner for Refugees with approximately $10 million for assistance to Sudanese refugees, in the form of foodstuffs, tools, hospital clinics, temporary shelter and medicaments.

9. The figures he had given excluded much of the assistance which his Government had supplied through multilateral agencies as part of its annual contributions, which in part covered the disaster relief activities of those agencies. The volume of assistance given by the United States testified to his country's concern for the victims of disasters.

10. Lastly, his delegation, which was a sponsor of the draft resolution on assistance to southern Sudanese returnees and displaced persons (E/L.1604/Rev.1), also supported the draft resolutions concerning the Sudano-Sahelian region (E/L.1605) and the drought-stricken areas of Ethiopia (E/L.1606), as also the draft resolution relating to Zambia (E/L.1603).

11. Mr. PU Ming (China) paid a tribute to the courage and determination of the Zambian people, who had resisted the provocation of the Southern Rhodesian régime after the closing of their common frontier. The people of Zambia persevered in their opposition to imperialism, colonialism and racism and were supporting the African national liberation movements. Under the leadership of President Kaunda and with the support of friendly countries, particularly African countries, Zambia had succeeded in developing its economy and defeating the Southern Rhodesian plot. The Chinese Government and people were united with Zambia in profound friendship and would continue to give it their firm support.

12. For successive years there had been droughts in the Sahelian region and in the north-east of Ethiopia, seriously affecting the livelihood of the inhabitants of those regions. Millions of people were threatened by famine and disease; many herdsmen had lost the bulk of their livestock and numerous villages had become desert. The Governments of some of the drought-stricken countries had set up national committees to supply foodstuffs, seeds, and water pumps, establish stock-breeding farms and assist the farmers and herdsmen in their struggle against the effects of the drought. Those countries had received aid from other African countries and developing countries, which had thus demonstrated the spirit of solidarity and mutual aid which prevailed among third world countries.

13. In response to the appeal by the Governments of the drought-stricken countries, United Nations agencies had participated in the relief work. China hoped that they would continue to play an effective role in the emergency relief operations and in the preparation of medium- and long-term programmes of action.

14. The assistance operations for southern Sudanese refugees had been completed the previous year; his delegation supported the draft resolution on that question appearing in document E/L.1604/Rev.1. It also fully supported draft resolutions E/L.1603, E/L.1605 and E/L.1606, and hoped that they would be unanimously adopted.

15. Mr. MAES (Observer for the European Economic Community), speaking at the invitation of the President and referring to the situation in the Sudano-Sahelian region, said that the accumulated rain deficit since 1965 and a permanent quasi-drought since 1969 had seriously affected the populations of the Sahel and EEC had immediately made a substantial contribution to the international aid effort being deployed at the instigation of the United Nations. In 1973 cereal supplies by the international community as a whole to the six Sahelian countries, excluding Ethiopia, had amounted to almost 500,000 tons, including 180,000 tons, to a value of 32 million units of account, from EEC, which in addition had supplied 13,000 tons of powdered milk to a value of 9 million units of account.

16. For 1974, FAO experts had estimated at roughly 650,000 tons of cereals and certain quantities of other foodstuffs the requirements for ensuring the survival of the populations threatened by famine in the six Sahelian countries and Ethiopia. The Council of Ministers of the Community had drawn up a programme of short-term aid both for the Sahelian countries associated with the Community and for Ethiopia, providing for the supply of 130,000 tons of cereals, 14,000 tons of powdered skimmed milk, and 6,000 tons of butter-oil, to an estimated total value of approximately 54 million units of account or $65 million, including 14 million units of account for transport costs. Moreover, a special loan of 5 million units of account had been earmarked for financing non-recurrent transport

costs, storage charges and other expenditure relating to the distribution of food aid. In addition bilateral aid to be provided by member countries would amount to approximately 115,000 tons of cereals to a value of 25 million units of account.

17. Supplies scheduled under the Community programme were moving smoothly: by the end of June 85 per cent of the cereals, 82 per cent of the powdered milk and 91 per cent of the butter-oil for the six Sahelian countries had already been shipped, as had almost all the supplies for Ethiopia. Food aid was being distributed free of charge to drought victims, with the exception of a small quantity of cereals which could be sold and the receipts allocated to development projects.

18. Besides food aid, the Community had in 1973 provided emergency financial assistance to a total of 19 million units of account drawn from the European Development Fund and, in 1974, 35 million units of account drawn from the budget of the Commission of the European Communities by decision of the Council of Ministers.

19. The urgent nature of the action called for maximum flexibility in the implementation of programmes. The Commission which was responsible for it had therefore provided for a series of simplified pragmatic procedures which had enabled the EEC programme to be put into effect rapidly. Implementation contracts relating to emergency aid in 1974 concluded between the seven countries concerned and the Commission had shown, four months after their entry into effect, that 53 per cent of the credits granted, and 23 per cent of the expenditure, had been committed.

20. Some food grants would no doubt be necessary for several years to come, until herds of livestock were reconstituted. By October it would be possible to estimate the supplies required for 1975, in the light of the climatic conditions and local cereal production. Every care should be taken, however, not to jeopardize the re-establishment of local production; that explained the importance given to the development of storage facilities, particularly in the major distribution centres.

21. In order to avoid past errors, the Commission had organized in June 1974, at Brussels, a co-ordination and information meeting on stock-raising in the Sahelian countries, which, besides the Sahelian countries and the Community, had been attended by representatives of AfDB, IBRD, FAO, Canada and AID. The basic objective of any long-term action should be to secure for the populations of the Sahel a safe and normal life by maximizing agricultural food production, for example by developing the alluvial valleys of major water-courses such as the Senegal and Niger Rivers and their tributaries, and by rationalizing and intensifying animal production. With that in view, part of the Community's aid programme was designed to restore and improve the agricultural and animal production equipment of those countries through the supply of seeds and the payment of planting bonuses to the farmer victims of the drought, the creation of permanent storage facilities and the careful management of existing stocks of fodder.

22. Mr. CAVAGLIERI (Italy) said that his delegation had noted that the situation in the Sahelian region no longer required the presence in New York of the United Nations Special Sahelian Office, which could be transferred to Ouagadougou so that it could work in close co-operation with the Permanent Inter-State Committee on Drought Control in the Sahel, established by the six Sahel Governments.

23. His delegation supported the four draft resolutions before the Council. The case of Zambia differed slightly because of the political origin of its difficulties; the assistance it needed was a question not only of supply of resources but also of co-operation in East Africa. The situation seemed to be developing satisfactorily.

24. In the Sahel and in Ethiopia the drought had taken a particularly painful form. Italy had helped the Sahel Governments bilaterally as also as a member of EEC. Now, however, although further emergency relief was needed, the main problem was to adopt medium- and long-range measures to avoid more disasters in the future. His delegation had carefully considered the report of the Secretary-General on the situation in the drought-stricken region (E/5554), which gave a clear survey of the characteristics of the problem. Agriculture was the sector in which all the efforts needed to be concentrated and it was important to time the application of resources in accordance with the progress of initiatives in the various sectors such as dam building and energy supply.

25. Agricultural development in the Sahel had a strong ecological component, as had been shown by the magnitude of the disaster which the drought had caused. Soil restoration and conservation were therefore crucial problems with which the Governments concerned would have to deal. His delegation paid a tribute to the activity of the United Nations Special Sahelian Office and of UNDP, FAO, UNICEF and WHO in assisting the Sahel countries. Those institutions, together with UNEP and ECA, were going to work in association with the Governments of the six Sahel States in seeking long-term remedies and it would be the responsibility of the UNDP resident representatives to ensure co-ordination. The primary responsibility for the organization, management and allocation of resources belonged to the six Governments concerned and the regional co-operation that had so often been advocated seemed to be not only a need but also an incentive towards economic integration.

26. Ethiopia had given an example of the will of a people and its authorities to bring relief to hundreds of thousands of drought victims. International assistance, too, had been prompt. There again it was necessary to proceed to an in-depth assessment of the problem of drought; the supply and production of food must be organized on a permanent basis, drugs must be supplied, farmers needed to be financially helped and transport and communication difficulties had to be overcome. The efforts of individual countries, including Italy, and of the United Nations agencies gave reason to hope that the aid given to the Ethiopian Government would enable it to avoid the repetition of such sad occurrences. UNDP had just taken steps to provide further help, while IDA, FAO, UNICEF

and WFP were active. It was true that the drought which had stricken the Sahel and Ethiopia threatened adjoining countries such as Sudan and Somalia, which were trying to deal with local symptoms of drought. Sudan also had to cope with the problem of the return of former refugees, for whom it had received effective aid from the United Nations High Commissioner for Refugees.

27. Mr. GEBRU (Ethiopia) said that the spectre of hunger was threatening a great number of Africans, but Ethiopia and the Sudano-Sahelian region had been the worst affected by the famine in recent years. It was estimated that in Ethiopia alone 100,000 people had died of starvation. The famine was unprecedented in Ethiopian history and the major cause was drought, a phenomenon beyond the control of man. Although Ethiopia had experienced drought conditions in the past owing to variations in rainfall, the drought just experienced seemed to be caused by profound changes in ecology. In those parts of the country where habitation, grazing and cultivation of the land dated from biblical times, there was a noticeable degree of deforestation followed by soil erosion. The erosion of soil, coupled with torrential rains, had reduced once cultivable lands to deep valleys separated by steep cliffs. The physical configuration of that part of Ethiopia therefore made road communications almost impossible.

28. Nevertheless, his Government had started public works projects such as re-afforestation, feeder-road construction, small-scale irrigation, development of water supply systems, soil conservation, livestock management, etc. Unfortunately, despite all the effort made, many villages in the remote parts of the country were still inaccessible and drought victims were stranded helplessly. To exacerbate transport problems still further, there had been torrential rains in recent months, causing the destruction of temporary bridges and feeder roads constructed in the dry season for emergency relief purposes. Some relief operations were being carried out by air, but helicopters and other aircraft fell short of requirements.

29. A third element making the situation even worse was that the armyworm – the larva of a small insect that collected in vast armies – had spread over 11 of the 14 provinces of Ethiopia. FAO had supplied insecticides, but enormous quantities would be needed to protect the crops. Food reserves were already depleted and the prospect of devastation of the new harvest by the armyworm made the food situation look bleak. Widespread famine could yet threaten millions of Ethiopians and millions of cattle could perish.

30. In the circumstances the international community could assist the Ethiopian Government by increasing supplies of food and insecticides. The concept of collective economic security should find practical expression in a concerted endeavour to help a Member State.

31. The needs of the victims of drought varied according to the extent of the drought. Government experts had now determined the extent of the drought in Ethiopia, which covered eight of the 14 provinces and directly affected 3 million people and millions of heads of cattle. The latest estimates of food requirements amounted to 160,000 tons per annum to feed victims of the drought. An agricultural expert had recently published an estimate of food requirements of 270,000 tons, a quantity that, even if available, would be almost impossible to deliver to the victims.

32. There was no doubt that relief was only a temporary palliative and could not be a substitute for rehabilitation and development. His Government had formulated a series of measures designed to rehabilitate the drought-stricken population by supplying seeds, work oxen, etc. The drought had further increased urban unemployment, since drought victims migrated in large numbers to urban centres in search of food and employment. Many were still living in temporary shelters along main highways; children and elderly persons comprised the most vulnerable group, for able-bodied men and women had abandoned their homes and travelled long distances in search of water, food and shelter, some dying on the way.

33. It was now a priority objective of his Government to combat the drought and its adverse effect on the social and economic situation of the country. Its resources, however, fell far short of the requirements, despite external financial and material assistance. The international community consisted of nations which were faced with a variety of difficulties. The economies of the industrialized countries were upset by inflation and balance-of-payments deficits. Other economies had excessive liquidity. The developing countries, however, were short of everything; in particular they were virtually incapacitated by steep increases in the prices of their essential imports, such as fertilizers, energy products, capital goods, services, etc.

34. Ethiopia, with a *per capita* income of $76, had one of the least developed economies as identified by CDP. With its low productivity, low levels of technology and development, coupled with the sharp increase in the cost of its essential imports, Ethiopia was unprepared to withstand the international economic crisis. Soaring living costs, fed by imported inflation, had created social tensions. His Government had recently published a declaration of policy designed to alleviate the present difficulties and the carrying out of structural changes conducive to development. It was recognized that the existing land tenure system had retarded agricultural activity, and action to remedy that state of affairs would be taken; the drought problem was being tackled by the Government as a priority matter. He thanked Governments, the United Nations system and all intergovernmental, non-governmental, public and private organizations for their help and he hoped that the international community would continue to help Ethiopia, a disadvantaged country, within the framework of the measures adopted at the sixth special session of the General Assembly.

35. Mr. LONGERSTAEY (Belgium), referring to the Secretary-General's report on the drought situation in the Sudano-Sahelian region (E/5554) said that the situation in that region was still disquieting, since a succession of droughts was a serious blow to man's survival. Consequently, as the Secretary-General stated in his report, the first objective, after emergency measures had been taken, should be to ensure that a crisis such as that now facing the Sahel could not occur again. For that purpose, it was

essential to build up stocks but, above all, assistance must be given to the Sahelian countries to enable them to reach a level of self-sufficiency. It was with that object in mind that Egypt, Pakistan, Tunisia and Belgium had submitted to the Committee on Science and Technology for Development a draft resolution on a world programme of development research and application of science and technology to solve the special problems of the arid areas (E/5473, chap. I, draft resolution II). The draft resolution had been approved by the Economic Committee and would be submitted to the Council.

36. In view of the need to take immediate action to deal with the disaster, Belgium had continued in 1974 the action it had begun in 1973. That action had been concentrated mainly on Niger and had taken the form of air and surface transport operations that had made possible the rapid shipment of foodstuffs, viz. 180 tons of food, including powdered milk, provided by EEC and flown from Brussels, and several thousand tons of foodstuffs sent by land for the benefit of a population of over 100,000. At the same time Belgian doctors had treated the local population at the rate of 250 consultations per day. Thanks to the financial assistance supplied by EEC, the Belgian mission could continue its on-the-spot action until mid-August 1974 and aircraft could be made available to the Niger authorities for outward transport of foodstuffs and onward local transport. As far as food aid was concerned, Belgium had just sent 10,000 tons of maize to Niger and 1,150 tons of cereals to Senegal. In addition to such governmental assistance, private organizations had continued the action undertaken in 1973.

37. With regard to the action for the development of the countries of the Sudano-Sahelian region, the recovery strategy recommended by the Secretary-General in his report seemed realistic, particularly his proposal to give priority in the region to stable crops and livestock. His delegation considered that activities in other sectors should be related to agriculture and livestock, and it was glad to note that over 90 per cent of the funds allocated to the projects proposed by the Permanent Inter-State Committee were going to agriculture, stock-breeding and the management of water and soil resources, and that agriculture in the broadest sense was the top priority in the new development plans for the countries of that region.

38. The action undertaken by the various United Nations bodies should of necessity be integrated with the assistance supplied by the international community as a whole, since much of the action to assist the Sahel was taking place outside the United Nations. Indeed, the efforts of the international community would have to continue for many years and to be well co-ordinated. Moreover, co-ordination efforts should be carried out on the spot, and on the initiative of the developing countries concerned, in other words through the intermediary of the Permanent Inter-State Committee. In that connexion, he was glad to note that a proposal had been made to transfer the major part of the functions of the United Nations Special Sahelian Office to Ouagadougou, which would make it possible to strengthen the links between the Special Office and the Inter-State Committee.

39. Belgium would not fail to make a contribution to the medium- and long-term efforts of the Sahelian countries to rebuild their economies, both by supplying bilateral aid and by supporting the multilateral efforts undertaken by the United Nations itself or by EEC.

40. His Government and Belgian non-governmental organizations had also supplied food aid and drugs to the drought-stricken Ethiopian people. Belgium would not fail to play a part in the reconstruction measures for Ethiopia undertaken by the international community.

41. Mr. STURKEY (Australia) said that Australia had traditionally given public and private aid, either directly or through international agencies, to countries suffering from natural disasters or man-made misfortunes.

42. The events of 1971 in southern Asia had convinced his Government of the need to organize closer collaboration between the efforts of the public and private sectors if there was to be the most effective possible action. Consequently, it had supported the establishment in Australia of a Disaster Emergencies Committee. The first appeal launched by that Committee had been for the benefit of the victims of the Ethiopian and Sudano-Sahelian drought. In a relatively short period of time, US$ 1.25 million had been raised, in addition to which his Government had made a contribution. Australia hoped to be able to respond to similar situations in the future as promptly and effectively.

43. His delegation was convinced that there should be a rapid response, both nationally and internationally, to appeals for assistance. That was why, in 1973, Australia had been the first country to participate in the financing of the airlift organized in the Indian sub-continent, with a contribution of US$ 500,000 which it had subsequently increased. That operation, which had now been completed, has been a most successful example of international co-operation. His delegation would like to pay a tribute to the United Nations High Commissioner for Refugees and his staff for their work.

44. Another essential element was the effective co-ordination of international relief efforts. His delegation was generally satisfied with what had been achieved but would revert to the point during the discussion on the activities of the Office of the Disaster Relief Co-ordinator.

45. Although the primary objective of emergency assistance was to alleviate the immediate situation, it was important not to lose sight of the medium- and long-term requirements of the recipient country.

46. It was in recognition of that last principle that his Government was continuing to give attention to the needs of the Sudano-Sahelian populations and to the possibility of providing further assistance in the financial year 1974-75. It was for the same reason that Australia was helping Zambia to develop alternative routes for its imports and exports to replace those that formerly passed through Southern Rhodesia. In so doing, Australia had responded to appeals by the Commonwealth Sanctions Committee and the Security Council, which had requested the imposition

of sanctions against Southern Rhodesia. The capital equipment for transport and goods handling which was being supplied to Zambia should contribute to the easing of its immediate and longer-term difficulties. His delegation had therefore been happy to respond to Zambia's invitation to co-sponsor the draft resolution before the Council on that subject (E/L.1603).

47. Mr. FADLALLA (Observer for the Sudan), speaking at the invitation of the President and referring to the report of the United Nations High Commissioner for Refugees on assistance to southern Sudanese returnees and displaced persons (E/5483), said that the High Commissioner's programme had been implemented in full and with the maximum effectiveness and speed. He thanked the High Commissioner and all his staff both at headquarters and in the field.

48. His delegation also wished to thank all the Governments that had contributed either bilaterally or multilaterally to the financing and implementation of the programme. Furthermore, it wished to express its gratitude to OAU, EEC, the United Nations specialized agencies and all governmental and non-governmental organizations that had contributed to the success of the operation. Sudan's neighbouring countries, for their part, had facilitated the return and rehabilitation of the refugees.

49. The Sudanese people had currently undertaken an urgent development programme for the implementation of which it required the assistance of the international community. In that connexion, UNDP should be congratulated on the part it had played as the central body in the reconstruction phase of the southern region of the Sudan.

50. In conclusion, he thanked the representative of Egypt, whose delegation had submitted the draft resolution (E/L.1604/Rev.1) concerning the completed programme, as also the other sponsors of that text.

51. Mr. RYDBECK (Sweden), speaking on behalf of his own delegation and that of Finland, said that the items now under discussion provided the United Nations with an opportunity to promote the cause of international co-operation and development and at the same time to put the political will of its Member States to the test. The problems facing southern Sudan, Zambia, the Sudano-Sahelian region and Ethiopia would give the United Nations system an opportunity to demonstrate its ability to deal with the even more serious problems that might arise in the future.

52. The Swedish and Finnish Governments had always unreservedly supported the relief operations launched by the High Commissioner for the southern Sudanese refugees and displaced persons. The High Commissioner deserved to be congratulated on the way in which he had carried out the task entrusted to him. It now lay with UNDP to continue those operations. He was confident that UNDP would prove to be quite as efficient as the High Commissioner's Office.

53. In the case of Zambia, the United Nations was called upon to demonstrate its solidarity with a country which had by its own action contributed to the defence of the ideals of justice and human dignity in southern Africa. The action taken to that end by Zambia had caused it a number of economic and social problems and it was only natural that the international community should help to solve them.

54. In their intervention in the Sudano-Sahelian region, the United Nations agencies had shown that they were able to supply concerted and integrated assistance. When the peoples of that region had been struck by disaster, the Nordic countries had responded to the appeal launched by the Secretary-General and had contributed to the relief operations. At present, those operations were about to enter a new phase. The report of the Secretary-General on the situation in that region made an important contribution to the formulation of an adequate international strategy for the development of the affected area. The reports before the Council showed, moreover, that the success of the undertaking depended on how the United Nations, its specialized agencies, bilateral donors and the Governments of the countries concerned could co-ordinate their action. In the face of a problem of such dimensions, some people had been inclined to think that the international community, and in particular the United Nations, was not capable of dealing with the situation. It was true that it was impossible to over-emphasize the need to launch coherent and co-ordinated action, and the decisions taken in various United Nations bodies imposed a heavy obligation on the world community and the United Nations, particularly the rich countries which had the means to make the greatest financial contributions. It was also right that the regional organizations and financial institutions should participate in the over-all effort. But in the last resort the greatest responsibility lay with the Sahelian countries themselves and their Permanent Inter-State Committee.

55. It was essential that the medium- and long-term efforts undertaken by the United Nations should be based on the order of priority drawn up by the Governments concerned, as set out in the Ouagadougou draft programme that had been submitted for adoption; but the new arrangements should be most carefully studied in view of the need to achieve maximum efficiency. The recovery programmes should be based on what was known of the situation in the region under consideration, but the available data were not adequate and research would be needed to avoid new catastrophes. Such research should be directed in particular towards ecological and meteorological problems.

56. It was also essential that the efforts undertaken should be carried out for the good of the people concerned and with their participation. Moreover, the recovery strategy to be adopted should take full account of the local social structure and the wishes of the populations, whose participation was an essential condition.

57. The drought that the Sudano-Sahelian region was experiencing was affecting East Africa, too, and more particularly eastern Ethiopia. Although the report published by the Secretary-General on the subject (E/5560) presented the Ethiopian situation in a reasonably encouraging light, the problem was none the less serious. It was true

that good results had been achieved, but those efforts must be pursued.

58. In all emergency situations, the Governments of Sweden and Finland and those of the other Nordic countries had traditionally given their support and they considered that attitude a natural expression of international solidarity on their part.

59. Mr. MACKENZIE (United Kingdom) said that his Government had provided substantial assistance to the countries that were the subject of the four draft resolutions before the Council. For instance, for the relief programme for the Sudano-Sahelian region, the United Kingdom had supplied either directly or through EEC the equivalent of £5.3 million in food aid, in special non-food aid and in means and costs of transport. Moreover, the United Kingdom intended to participate in the immediate and long-term recovery activities in the Sudano-Sahelian region. It would continue to implement its own bilateral project and at the same time would contribute to the relief activities of the multilateral institutions concerned with the problem.

60. In the case of Ethiopia, his Government had provided a total of £850,000 to finance the assistance and recovery measures necessary after the drought. Over and above that sum there were the contributions of voluntary organizations in the United Kingdom. The most recent assistance that his country had given to Ethiopia had been the supply, in consultation with the Ethiopian Vice-Minister responsible, of 20 additional vehicles, delivery of which could be promised in 10 days, thanks to the help of the Office of the United Nations Disaster Relief Co-ordinator, which had mobilized financial aid to be given by other Governments to cover the air freight costs. That was an example of what co-ordination among donors could achieve in cases of emergency.

61. With regard to Zambia, the regular assistance programme of the United Kingdom represented about £7 million a year. Moreover his country had assumed the liability of a loan of £12 million granted to Zambia by the World Bank. It was also granting Zambia an interest-free loan of £1 million to enable it to buy transport equipment for use in restoring its flow of trade. Furthermore, it had agreed to assign several million pounds to the payment of pensions to expatriate officials who had formerly served in Zambia.

62. Assistance to southern Sudanese returnees and displaced persons was an entirely new undertaking which the High Commissioner and his colleagues had discharged speedily and effectively. The High Commissioner was also to be commended for the way in which he had co-ordinated the assistance activities in the Indian sub-continent.

63. His delegation hoped that the problems facing the Sudano-Sahelian region, Zambia and Ethiopia would reach as satisfactory a conclusion as the operations in southern Sudan. To that end multilateral institutions and specialized agencies must participate not only in emergency aid but in the solution of the long-term problems arising from the situation.

64. His delegation wholeheartedly supported the four draft resolutions before the Council. Nevertheless, it seemed to him that draft resolution E/L.1606 concerning Ethiopia was an unfortunate mixture of particular and general considerations. Some paragraphs mentioned Ethiopia specifically, while others, such as operative paragraphs 3 and 7, could apply to 30 different countries which were Members of the United Nations. That was because of the reference made to section X (Special Programme) of the Programme of Action on the Establishment of a New International Economic Order adopted by the General Assembly at its sixth special session in its resolution 3202 (S-VI) of 1 May 1974. A study of the second preambular paragraph of draft resolution E/L.1606 and of section X of the Programme of Action would show that they referred in fact to the problems arising from the increase in prices of certain products and services, whereas the draft resolution as a whole was concerned with assistance to the drought-stricken areas of Ethiopia.

65. He called the Council's attention also to operative paragraphs 5 of draft resolutions E/L.1605 and E/L.1606. Operative paragraph 5 of draft resolution E/L.1605 in particular envisaged research activities in a field in which WMO was apparently already engaged. His delegation would like to know what was the connexion between the two operative paragraphs 5 in question and would ask the specialized agencies or the sponsors of the draft resolutions to throw some light on the matter.

66. Mr. KAUFMANN (Netherlands) said that the Council's decision to take up the four items at present before it together was a sign of progress, since it enabled the Council to deal simultaneously with situations which, while different, had certain features in common. It should be the constant concern of the Council to improve policies and guidelines for assistance and to strengthen relief operations undertaken by the United Nations system. Moreover, institutional machinery should be reinforced to ensure more effective and more speedy action. In the general debate (1901st meeting) the Netherlands representative had indeed said that the capacity of the United Nations system to solve the problems it faced should be strengthened.

67. He would not refer again to the contribution his Government had made to help to meet the needs of the countries whose situation was now being discussed by the Council but would simply recall that the Netherlands representative had stated during the general debate that his Government would make $100 million available in its 1975 budget for the financing of programmes and projects for bilateral and multilateral emergency relief operations.

68. In Sudan the relief programme carried out with the help of the Sudanese Government and people had made it possible to restore normal conditions after 17 years of internal troubles. The High Commissioner and his colleagues were to be commended for the way in which they had helped to remedy the situation. The results achieved showed what the United Nations could do in such circumstances. He noted that UNDP would in future be the centralizing body for assistance activities in southern Sudan. The High Commissioner and his colleagues should

also be commended for the way in which they had conducted the air-lift operations in the Indian sub-continent.

69. In the case of Zambia, it was right that the international community should act in a spirit of co-operation, since that country's economy was suffering as a result of the action that it had taken to apply the sanctions imposed by the United Nations against Southern Rhodesia. In that connexion he was authorized to state that in 1975 his Government would make a special bilateral contribution to the Zambian Government, the amount of which would be fixed later.

70. With regard to the situation in the Sudano-Sahelian region and in Ethiopia, it was manifest that the effects of the drought would continue to be felt for a long time. The Netherlands therefore supported the proposals concerning the need to undertake long-term recovery action as well as programmes of economic and social development not to mention the problems of ecological management arising in the regions affected. The United Nations system would have to be strengthened to enable it to deal more easily with situations of that kind.

71. With regard to the draft resolutions before the Council, his delegation fully supported those relating to Sudan and Zambia and would like to join the sponsors.

72. As far as the draft resolutions concerning the Sudano-Sahelian region and Ethiopia were concerned, he thought it would be better to adopt a single text. The United Kingdom representative had pointed out that the proposed draft resolutions overlapped in some respects. His delegation would like the sponsors to merge the two draft resolutions into one, which could consist of three parts, the first dealing with the problem of the Sudano-Sahelian region, the second with the Ethiopian problem and the third with general problems arising from the ecological disturbances common to all the countries and regions concerned. In the third part the Secretary-General could be requested to continue to study the problems posed by the drought and to submit a progress report on the activities of the United Nations system in that field to the Council at its resumed fifty-seventh session. Such a decision would have the advantage of simplifying the documentation on the problems under consideration, which at present were the subject of rather scattered studies.

73. The reservations his delegation had just made in no way implied that the Netherlands would not continue to contribute to relief activities for the benefit of the Sudano-Sahelian region and Ethiopia. It simply wished to ensure that the activities undertaken would be more effectively carried out.

74. Mr. FLOREAN (Romania) said that the difficult economic situation of Zambia at the present time showed that the fascist régimes of southern Africa were determined to prevent the independent economic development of the free States in Africa guilty of taking a stand against them. Romania had approved the rightful decision of the Zambian Government to close its southern border to trade, thus applying the decisions of the Security Council on sanctions against the illegal régime of Southern Rhodesia.

75. Romania had supplied material assistance to Zambia and appreciated the efforts made on that country's behalf by the peoples of the world and the organizations of the United Nations family, but it considered that more must be done and that all the necessary resources must be mobilized to provide increased financial, technical and material aid to the Zambian people. For that reason his delegation, which was one of the sponsors of draft resolution E/L.1603, would support any decision that might be taken with that end in view.

76. Romania had associated itself with the efforts of the international community by supplying, bilaterally and according to its resources, emergency aid to the African countries suffering from drought. As was stated in the Secretary-General's report on the Sudano-Sahelian region, the only way to remedy the situation in the countries concerned was to develop a viable and realistic long-term strategy, based on the harmonious co-operation of the organizations of the United Nations system, to set those countries on the way to general development. His delegation therefore supported draft resolution E/L.1605, which was a move in that direction and supplied a useful basis for the co-ordination of the efforts of the international community.

77. For the same reasons his delegation supported the measures envisaged in draft resolution E/L.1606 on assistance to the people of the drought-stricken areas of Ethiopia. His delegation had no difficulty in accepting draft resolution E/L.1604/Rev.1.

78. Mr. NEUHOFF (Federal Republic of Germany), referring to the economic and social situation in the drought-stricken Sudano-Sahelian region, said that his country, which had been extending economic assistance to the countries of that region long before the catastrophic drought that had befallen them had engaged the attention of the international community, had considerably increased its aid since that disaster had occurred. In 1973, the bilateral aid programme of the Federal Republic for Chad, Mali, Mauritania, Niger, Senegal and Upper Volta had amounted to DM 152 million, of which DM 76 million had been applied to emergency measures – commodities, transport, local purchase of foodstuffs, seeds, fertilizers and vaccines; its technical assistance and capital aid projects had been concentrated mainly in the area of agriculture and stock-breeding. In addition to that official bilateral aid, various voluntary agencies and private donors had provided DM 11.5 million for emergency measures in 1973. Moreover, the Federal Republic of Germany had contributed DM 47 million to the emergency programme of EEC for the drought-stricken countries, DM 1.8 million to the FAO Sahelian Zone Trust Fund and DM 1 million to the Permanent Inter-State Committee for Drought Control in the Sahel. Thus the total aid provided by the Federal Republic of Germany to those countries in 1973 had amounted to DM 213.3 million.

79. His country realized that immediate relief operations needed to be accompanied by specific measures to meet the

region's medium- and long-term requirements. It was therefore continuing its aid programme, which was largely based on the guidelines approved in September 1973 by the Heads of State of the six countries affected and which, according to preliminary estimates and subject to the approval of the competent authorities, was likely to reach a total of DM 220.4 million during 1974. In addition, the Federal Republic of Germany would be contributing approximately DM 40 million to the River Senegal project which provided for the construction of two dams.

80. The German Foundation for International Development had arranged a seminar on the programme of action of the Federal Republic of Germany for the Sahelian countries, which had been held at Niamey in May 1974 and had been attended by the competent authorities of the countries concerned.

81. His country also planned to make a contribution of $50,000 towards meeting the administrative costs of the United Nations Special Sahelian Office, although it considered the Permanent Inter-State Committee to be the appropriate central co-ordinating point for aid operations in the medium and long run.

82. The relief measures undertaken by the FAO's Office for the Sahelian Relief Operation had proved highly effective, particularly the programmes for seed distribution and the information system for the co-ordination of food assistance transport. It would therefore be appropriate to strenghten that Office's role, particularly in the latter field. Donor countries might make pledges of food assistance to the Office, which, at the appropriate time, would request those countries to forward food supplies, providing detailed shipping instructions. His country intended to maintain and intensify the close and fruitful co-operation which it had enjoyed with the FAO Office since the latter's establishment.

83. With regard to economic assistance to Zambia, he observed that the Federal Republic had increased its aid to that country in 1973. The greater part of the capital aid provided DM 39 million had been applied to the purchase of lorries and essential imports of transport equipment, while technical assistance contributions DM 6.7 million had been channelled mainly into rural development. His Government intended to continue its aid to Zambia in 1974 and was currently considering requests submitted by the Zambian Government.

84. On the subject of assistance to the drought-stricken areas of Ethiopia, he said that his Government had immediately given DM 1 million for the purchase of infant food; DM 4 million for the purchase of cereals – a contribution channelled through WFP; DM 300,000 for the purchase of seeds; and DM 2.7 million as a contribution to the FAO Sahelian Zone Trust Fund to enable it to purchase foodstuffs and seeds. In addition, it had placed 17 trucks at the disposal of the Ethiopian Government. Altogether, official bilateral and multilateral aid from the Federal Republic of Germany in 1973 had amounted to DM 36.8 million, of which DM 17.6 million had been applied directly to humanitarian assistance. He mentioned also the appeal launched by a leading German magazine on behalf of the drought-stricken Ethiopian people, to which the people of the Federal Republic had contributed DM 20 million; of that amount, DM 2 million had been utilized in 1973 for purposes of emergency aid.

85. In view of the importance of meeting medium-term and long-term requirements of the region, his Government was contemplating a series of measures in 1974 – including the improvement of infrastructure and the construction of wells, waterplaces and silos – which were designed to respond, *inter alia*, to the needs of the provinces of Wollo and Tigre, which had been particularly hard hit by the drought. Subject to budgetary possibilities for the current year and to the conclusion of agreements with the Ethiopian Government, his Government was planning, *inter alia*, to instruct a team of experts to prepare, in co-operation with the Ethiopian authorities, an integrated development programme for the agricultural zones of the plateau of Kobo and Alamata and to make available five of its experts to assist those authorities in planning and co-ordinating the aid projects of the Federal Republic of Germany; in addition, a further consignment of trucks, costing DM 1.8 million, had been delivered to the Ethiopian authorities for use in distributing foodstuffs.

86. With respect to assistance to southern Sudanese returnees and displaced persons, he said that his Government, realizing that 17 years of civil conflict in the southern provinces had considerably aggravated the already precarious economic and social situation of the population in that area, had begun to participate in southern Sudanese aid operations in 1972, concertrating on the rehabilitation and resettlement of returnees and displaced persons. His country's official humanitarian assistance had amounted to DM 12.8 million in 1973 and Christian Churches in the Federal Republic had contributed a further DM 2 million. Recent negotiations between Sudan and the Federal Republic of Germany had led to the conclusion of an agreement under which Sudan would be granted financial aid amounting to DM 65 million and technical assistance amounting to DM 10 million.

87. His delegation was willing to support draft resolutions E/L.1603, E/L.1604/Rev.1, E/L.1605 and E/L.1606; it also associated itself with the United Kingdom delegation's comments on some of the provisions of the last two draft resolutions.

88. Mr. BASSIOUNY (Observer for the Organization of African Unity), speaking at the invitation of the President, said that he too wished to thank the Secretary-General of the United Nations and his team of experts for having mobilized international assistance for the countries requiring it, as also the many governmental and non-governmental institutions which had responded to the Secretary-General's appeal. His organization was especially grateful to the United Nations High Commissioner for Refugees, whose programme of action for Sudanese refugees and returnees was a model of its kind. It also wished to pay a tribute to Sudan for having helped to bring that sad episode in African history to a close.

89. The grave situation prevailing in Zambia as a result of the closure of its southern border by the illegal régime in

Southern Rhodesia was a reminder of the continued defiance by the racist minority régimes in southern Africa of the aspirations of the oppressed peoples and of United Nations decisions. That attitude was a continuing threat to the independence of the neighbouring African countries. The President of Zambia had stated that his Government would not slacken its efforts and had expressed his gratitude to the United Nations for meeting the responsibilities which had fallen on Zambia – responsibilities which were shared by Governments throughout the world.

90. With regard to the drought problem, he said that the new international economic order which the United Nations was proposing to establish should help the developing countries in solving their problems -- in particular, that of drought; in the present conditions they were not able to do so themselves. The combined and integrated programmes of assistance carried out by the specialized agencies of the United Nations were an important step in combating the drought problem, the magnitude of which was accurately reflected in the Secretary-General's report on the situation in the Sudano-Sahelian region.

91. His organization had tried from the start – and tried in vain – to draw the attention of the world to that problem, the gravity of which had not been grasped until it had assumed the dimensions of a catastrophe afflicting an entire area of the African continent. The root of the problem lay in the fact that the warnings regarding the climatic and ecological changes taking place north of the 12th parallel which had been sounded for a number of years had been heeded too late. Moreover, as was emphasized in the Secretary-General's report, the disastrous effects of the drought had proved so profound because of the ecological imbalance resulting from the slow and unbalanced economic and social development of the region relative to the rapid growth of its human and animal populations. He stressed that the imbalance in the economic and social development of the countries concerned was a reflection of the lack of balance and equity in the international economic system itself.

92. It was surprising to note that, while the total cost of the programme for the Sudano-Sahelian region would be in the order of $150 million, only $38 million was available. That observation applied also to the drought-stricken regions of Ethiopia, whose needs were still a long way from being satisfied. He hoped that the necessary funds would soon be forthcoming.

93. Despite the limited means at Africa's disposal, the Assembly of Heads of State or Government of OAU had adopted an integrated action programme at its eleventh ordinary session, held at Mogadiscio. A permanent representative of the OAU secretariat would be appointed to the Permanent Inter-State Committee for Drought Control in the Sahel to collect the information needed to draw up an over-all policy and to harmonize joint action better at the continental level. An emergency relief fund financed by obligatory subscriptions and voluntary contributions would be set up and used for immediate action to alleviate the sufferings of the peoples concerned; it would be distinct from the fund deposited with AfDB, which was designed to finance medium- and long-term operations. A committee composed of representatives of Upper Volta, Morocco, Kenya, Zaire and Algeria would be set up to conduct detailed studies on the origin of the drought, its geographical extent and various ecological factors which might help to explain the phenomenon. The African States would be invited to set up, at the sub-regional level, a body similar to the Permanent Inter-State Committee, with a view to facilitating joint action against drought.

94. He hoped that ECA, which had been informed of that action programme and had adopted a resolution on the subject, would be able to play its appointed co-ordinating role and would give the programme of the OAU Heads of State all the necessary attention. He also hoped that the agencies concerned would contribute to the programme and that the OAU general secretariat would be closely associated with the preparation of immediate medium-term and long-term United Nations programmes of assistance to the affected regions.

95. Lastly, his organization urged that the efforts already undertaken should be continued. As many African delegations had pointed out, the problem remained serious, despite the progress achieved, and required a continuing effort and an increase in the resources allocated to it.

96. Mr. AKSOY (Turkey) expressed satisfaction with the assistance given by the world community not only to Zambia, whose courageous attitude towards Southern Rhodesia had caused it economic difficulties, but also to the countries of the Sudano-Sahelian region and to Ethiopia, which were stricken by drought.

97. In the case of the latter countries, however, it seemed that the emergency action to alleviate the immediate sufferings of the populations should be followed by medium- and long-term programmes to which not only the countries concerned but the international community as a whole should make a contribution. Since the present problems of the countries stricken by drought were not due solely to ecological and climatic factors but also to the economic features of the countries concerned, it would seem sound to make a study of those features so that the lessons to be learnt could be applied to countries in other regions with the same economic features.

98. He was glad to note from the Secretary-General's report that the plans for the recovery of the Sudano-Sahelian region would concentrate on the integrated expansion of the agricultural production system and the industrial system. He also welcomed the decision taken by the Permanent Inter-State Committee to act in constant liaison with the United Nations Special Sahelian Office.

99. In his statement at the previous meeting, the Under-Secretary-General for Political and General Assembly Affairs had rightly stressed the fact that the drought that had struck the Sudano-Sahelian region had to a certain extent been a catalyst, making people aware of the general development problems of the region. Besides giving an account of the progress achieved, the Under-Secretary-General had expressed concern about a number of aspects and had particularly stressed that the health position of the region had not improved since 1973 and that there was a

danger of epidemics. He had added that, even if there had been normal rainfall, assistance would have been necessary.

100. In Ethiopia, too, there were problems that were a long way from being resolved, and although several provinces had been able to resume their normal life the position had worsened, particularly in urban centres. Nevertheless, the action undertaken in Ethiopia by UNDP and the Office of the United Nations Disaster Relief Co-ordinator deserved praise.

101. The United Nations High Commissioner for Refugees was to be congratulated on his effective action on behalf of the southern Sudanese returnees and displaced persons, as was Sudan itself on its efforts in developing the southern region of the country.

102. Praise was due also to Zambia for having carried out its undertakings and for having stood up to Southern Rhodesia, to the detriment of its own economy. The Turkish delegation had already expressed its views on that question in other bodies and they remained unchanged.

103. Turkey was able to support the draft resolutions submitted to the Council on the agenda items under consideration.

104. Mr. KANNAWAT (Thailand) said that there had been some improvement in the Sudano-Sahelian region, but that another 15 years of progress would have to be made before it could be said that the situation had really improved. The report of the Secretary-General on the subject showed that United Nations agencies had been pursuing their activities on behalf of the Sudano-Sahelian region with increased momentum. His delegation was pleased to see the short- and long-term objectives clearly defined in paragraphs 6, 7 and 8 of the report. In particular, he noted that the objective was to ensure that by 1990 the countries of the region would have achieved a steady and satisfactory rate of economic and social development so as to prevent the recurrence of situations such as that which had existed since 1972.

105. Among the activities undertaken by United Nations agencies to achieve those objectives he laid particular stress on those of WMO. In addition to its current activities, that organization was considering a large-scale regional meteorological study to obtain a deeper understanding of climatic changes in the area. It was to be hoped that the study would begin as early as possible. He also hoped that UNEP might take the initiative in certain cases after it had considered various possible activities.

106. The Executive Director of WFP had informed the Policy and Programme Co-ordinating Committee (518th meeting) that WFP's annual allocation for emergency assistance had increased from $10 million to $15 million in 1973 and that most of that aid had gone to the Sahelian zone in the provision of 58,000 tons of grain to the seven countries affected. The fact that WFP had now changed its type of assistance from emergency aid to aid for reconstruction was an indication that the situation had improved.

107. His delegation had studied with interest the section of the Secretary-General's report dealing with arrangements for co-operation between the various elements of the United Nations system, on the one hand, and between the United Nations system and the countries concerned on the other. Such co-operation was essential if wastage was to be avoided. He noted with satisfaction that the United Nations Special Sahelian Office had succeeded in maintaining close co-ordination between the various elements of the United Nations system. He was also pleased to note that some functions of the Office had been transferred to Ouagadougou, for that would enable it to have direct and immediate contact with the Permanent Inter-State Committee.

108. Turning to the item concerning assistance to Zambia, he said that, although some progress had been made in freeing Zambia from its economic dependence on Southern Rhodesia, particularly with the coming opening of the Tanzania-Zambia railway, there had been some inadequacies in the assistance that had been provided to Zambia. It was to be hoped that the countries which had the capacity, as also the United Nations system, would do everything possible to provide assistance in that matter.

109. The United Nations Disaster Relief Co-ordinator and his staff deserved congratulations for the prompt and effective assistance that had been supplied to the drought-stricken areas of Ethiopia.

110. He also praised the activities of the High Commissioner for Refugees, particularly the repatriation operation in the South Asian sub-continent. He expressed gratitude to the countries that had supplied aircraft, ships and other contributions that had helped to make the repatriation operation possible.

111. In conclusion, he expressed the view that the Council had improved its efficiency by grouping together the four agenda items now under discussion.

112. Mr. SYLLA (Senegal) congratulated the Under-Secretary-General for Political and General Assembly Affairs on his understanding of the problems in the Sudano-Sahelian region, on the sense of urgency he had shown and on the harmonious working relations that he had established with the Permanent Inter-State Committee on Drought Control in the Sahel. He had taken good account of the positions of the Governments of that region. At the previous meeting, some speakers had expressed reservations on the subject of the United Nations action in that region and had almost deplored interference in the domestic affairs of the Sahelian States. His delegation's reply to that criticism was that the Secretary-General's report on the economic and social situation in the Sudano-Sahelian region reflected the decisions taken by Governments. The strategy proposed in that report was identical with that of the Permanent Inter-State Committee: it was a question of linking the industrial and agricultural systems and harmonizing them in such a way as to eliminate the constraints that impeded the agricultural sector, to promote employment and to increase investment. The effect of all that would be to improve the social services. As was pointed out in the report, the time had come to go beyond emergency assistance and to undertake

medium- and long-term action, particularly by making the national economic and social plans of the region more coherent.

113. The Under-Secretary-General and his staff had been, as it were, the witnesses for the international community in the unfortunate Sudano-Sahelian region. The difficult situation had engendered a sense of unity in the region. Saint-Exupéry had said that to unite men it was necessary to let them build a tower together. In the stricken areas, a degree of co-operation that had not existed before had been achieved and a new path to unity had opened up.

114. The international community should recognize its responsibilities towards Zambia and give that country the assistance it needed to meet the commitments that had resulted from international decisions.

115. With regard to the situation in the drought-stricken areas of Ethiopia, he pointed out to the representatives of the United Kingdom and the Netherlands that drought was a phenomenon that was not yet adequately understood. It was a mistake to assume that all droughts were the same: drought in East Africa was not the same as drought in West Africa. The request to the Secretary-General in draft resolution E/L.1605 to hasten the preparatory work for the establishment of a research institute for the arid Sahelian zone, in close collaboration with UNEP, FAO, UNDP, UNESCO, WMO and UNIDO, was not therefore a duplication of the request in draft resolution E/L.1606 for a preliminary study on the origin of the drought in Ethiopia. The United Kingdom and the Netherlands should drop their objections in that regard. Indeed, the most thorough-going studies possible were needed, because unfortunately the action currently being undertaken, praiseworthy though it was, was not based on adequate information. The drought-stricken countries were glad to receive assistance, but they wished to free themselves permanently from the perils of drought. The fact that such a problem should exist to-day did mankind no credit. It was absolutely essential that man should be able to overcome natural phenomena of that kind.

116. In conclusion, he congratulated the High Commissioner for Refugees on the action carried out by his organization in the Sudan to overcome the problems due, *inter alia*, to people being uprooted, problems that were often so complicated that it was difficult to achieve good results.

117. Mr. ASHFORD (World Meteorological Organization), replying to a question put by the United Kingdom representative and taken up by other delegations, on the relationship between operative paragraph 5 of draft resolution E/L.1605 and operative paragraph 5 of draft resolution E/L.1606, gave details of the activities of WMO in aid of the drought-stricken Sudano-Sahelian region. Those activities could be classified into two categories: drought and climatic variations. Activities to try to overcome drought had been undertaken to a large extent in response to the wishes expressed by the Permanent Inter-State Committee. He referred in particular to a study of the links between drought and the weather conditions preceding it, the aim of which was to ascertain to what extent drought could be forecast.

118. At the request of the Permanent Inter-State Committee, WMO planned to set up a regional hydrological and meteorological institute for the Sudano-Sahelian region, which would study the climatic aspects of drought and would train national experts in that field. It was too soon to state whether that institute could be incorporated with the research institute for the arid Sahelian zone proposed in operative paragraph 5 of draft resolution E/1605; the activities of the latter institute would cover a wider area than WMO but close co-ordination could be arranged.

119. In a decision adopted at its seventeenth session, the Governing Council of UNDP had asked the Administrator for a report on the extent of the drought in Africa (E/5466, para. 279). WMO was preparing to draft the part of the report dealing with climatic conditions for the UNDP Administrator.

120. WMO was at present reviewing its activities concerning climatic changes, in response to the request made by Mr. Kissinger (2214th plenary meeting) at the sixth special session of the General Assembly. Its most important activities in that area dealt with the theory of climate. A conference on that subject was to be held at Stockholm in the near future under the auspices of ICSU and WMO, with the valuable support of UNEP. WMO was also making a preliminary study on the impact of climatic variations on food production and would convene a symposium in the United Kingdom in 1975 on climatic variations.

121. The fourth preambular paragraph of draft resolution E/L.1605 was open to question, for it stated: ". . . according to disturbing scientific evidence it is unlikely that the climatic and ecological conditions will return to normal", in the Sudano-Sahelian region. It was true that some scientists had come to the conclusion that rainfall would probably continue to be below average in that region, but that was not the opinion of the scientific community as a whole. For example, an eminent United States climatologist had noted that the figures supplied by a meteorological station in the Sahelian region did not show any general climatic change over the last hundred years. Recent rainfall had been lighter than during the 1950-1970 period, but it had rained more during that period than in the preceding 20 or 30 years. It would seem more likely that drought was a recurrent phenomenon in that area and in that connexion it might well be asked what meaning should be given to the word "normal" in the paragraph in question. The present drought had been more serious than usual, but that did not mean that conditions would not return to normal. He therefore considered that the wording of that paragraph should be amended.

122. Similarly, it was not appropriate to say in the last preambular paragraph of draft resolution E/L.1606 that the extent of the drought-stricken area in Ethiopia was "continually spreading"; it would be better merely to say that the affected area "now covers eight of the fourteen provinces of Ethiopia". It was not certain that develop-

ments would follow the course suggested by the present wording, and the future should not be prejudged.

123. He assured the Council that, if the draft resolutions to which he had referred were adopted, his organization would co-operate to the fullest extent possible in their implementation.

124. Mr. THATCHER (United Nations Environment Programme) said that the Governing Council of UNEP considered the situation in the drought-stricken Sudano-Sahelian region to be a matter of high priority. At its second session at Nairobi it had, in decision 8 (II) (E/5485, annex I), decided to treat "land, water and desertification" as an area for priority action; and had requested the Executive Director to devote special attention under UNEP programmes to the Sudano-Sahelian region, in accordance with General Assembly resolution 3054 (XXVIII). The Governing Council of UNEP had decided to give the Executive Director discretion to select the areas on which efforts should be concentrated in 1975, but it had suggested a short list of subjects, including management of arid and semi-arid lands and tropical forest ecosystems, and problems of desertification.

125. Not being an executing agency, UNEP acted in liaison with executing agencies within the system of co-ordination set up by ACC. He confirmed that UNEP would support the work of WMO on climatic variations to which the representative of that organization had referred. He also drew attention to a report[1] prepared by UNEP as part of its co-ordinating functions, in which *inter alia* the activities of the organizations in the United Nations system relating to arid zones, especially the activities of UNESCO, FAO and WMO, were described in detail.

126. During the preceding week (689th meeting), the Economic Committee of the Council had taken a decision requesting the Secretary-General to set up an *ad hoc* inter-agency task force on the arid areas. That was an idea originally put forward by ACASTD. UNEP hoped that when it took part with other organizations in the meeting which the Secretary-General would convene for that purpose, it would be able, in the exercise of its co-ordinating functions, to contribute to an agreement on the distribution of work.

The meeting rose at 6.10 p.m.

[1] UNEP/GC/14/Add.1 and Add.1/Corr.1.

1915th meeting

Tuesday, 16 July 1974, at 10.20 a.m.

President: Mr. A. KARHILO (Finland)

E/SR.1915

AGENDA ITEMS 10, 11, 12 AND 22

Consideration of the economic and social situation in the Sudano-Sahelian region stricken by drought and measures to be taken for the benefit of that region *(concluded)* (E/5554; E/L.1605/Rev.1, E/L.1607)

Economic assistance to Zambia *(concluded)* (E/L.1603)

Assistance to the drought-stricken areas of Ethiopia *(concluded)* (E/5560; E/L.1606, E/L.1607)

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

1. Mr. CABRIĆ (Yugoslavia) said that it was important to continue assistance in all the cases under consideration, but that the two different reasons justifying its continuation should be borne in mind. In assisting Zambia, the international community was discharging its obligations under Security Council resolution 329 (1973), just as Zambia was discharging its obligations by closing its southern border. He hoped that all countries would reaffirm the need to continue assistance to Zambia, in accordance with the provisions of the Security Council resolution. As the Co-ordinator of United Nations Assistance for Zambia had pointed out (1913th meeting), Zambia had so far received assistance worth about $62.4 million, whereas the closure of its southern border had cost it $154.6 million. It would also be dangerous to assume that the present high price of copper would be maintained and that the political situation in neighbouring countries would soon improve. The assistance should therefore be continued on an even greater scale, for that would help to speed up the elimination of the root causes of the present situation in southern Africa and would be in accordance with the principles underlying the Declaration on the Establishment of a New International Economic Order, adopted by the General Assembly at its sixth special session. Yougoslavia had recently allocated $1 million for assistance to Zambia in cash and kind.

2. His Government supported the short-term and long-term programmes of assistance to countries in the drought-stricken Sudano-Sahelian region, whose economic difficulties were so graphically described in the relevant report of the Secretary-General (E/5554). The purpose of the assistance should be, not only to meet those countries' basic needs at a difficult time, but to enable them to play their part in the establishment of a new economic order.

Yugoslavia would provide an additional $100,000 in cash for assistance to those countries.

3. The drought had also affected large areas of Ethiopia, where there was a danger of large-scale population displacement. Such displacement could be prevented by timely assistance on a scale that would permit the resumption of economic development in the affected provinces. He had noted with satisfaction the contribution already made by UNDP and the medium- and long-term assistance programmes envisaged. Yugoslavia had recently given the Ethiopian Government $100,000 in cash for relief work.

4. The report of the United Nations High Commissioner for Refugees on assistance to southern Sudanese returnees and displaced persons (E/5483) showed that, although much remained to be done there, the operation would soon be successfully completed. He hoped that the joint efforts of international organizations in the three other areas under consideration would be equally effective. He endorsed the comments made by the speakers introducing the draft resolutions before the Council and expressed his support for draft resolution E/L.1607 on the drought problem in Africa.

5. Mr. BERLIS (Canada) reaffirmed his Government's support for the efforts being made to alleviate the sufferings of people in the drought-stricken African countries. Canada's assistance to those countries had been increasing in the past two years and was mainly concerned with relief measures. Its assistance to Ethiopia was recorded in annex II to the relevant report of the Secretary-General (E/5560). In 1973 Canada had supplied $6.8 million worth of food aid and transport services to the Sudano-Sahelian region under bilateral asistance programmes and had also channelled assistance through the FAO Sahelian Trust Fund, UNICEF, WFP, the International Red Cross and Canadian voluntary organizations. In 1974-75, assistance programmes would continue to concentrate on emergency relief in the form of food aid, medical supplies and the installation of storage capacity. Of $100 million of assistance pledged by Canada in response to the appeal for support for the Special Programme adopted at the sixth special session of the General Assembly, about $32 million would go to countries in the drought-stricken region of Africa. A task force had been established in Canada's International Development Agency to plan its contribution to medium-term and long-term rehabilitation programmes for the Sudano-Sahelian region up to 1980.

6. Canada appreciated the economic difficulties faced by Zambia as a result of the closure of its southern border and was placing increasing emphasis on the transport sector in its assistance to that country. It had contributed to the relief work so effectively carried out by the High Commissioner for Refugees in the southern Sudan.

7. His delegation would support draft resolutions E/L.1603, E/L.1604/Rev.1, E/L.1605/Rev.1 and E/L.1606, submitted in connexion with the items under discussion, but would be interested to hear the reaction of their sponsors to the suggestions made at the previous meeting by the representatives of the Netherlands and the United Kingdom concerning the last two. He had not yet had time to study draft resolution E/L.1607.

8. Mr. BOOTHE (Jamaica) stressed his Government's serious concern about the situation in the drought-stricken African countries. Jamaica endorsed draft resolution E/L.1605/Rev.1 and wished to be included among the sponsors of draft resolution E/L.1606. He had not had time to study draft resolution E/L.1607.

9. Operative paragraph 4 of draft resolution E/L.1605/Rev.1 and operative paragraph 5 of draft resolution E/L.1606 prepared the ground for a long-term approach to the situation in the Sudano-Sahelian region. which was necessary concomitant of the present short-term and medium-term assistance and relief work. It would have to be established whether the present disaster was the result of climatic factors alone, or whether the present system of land and water use was a contributory factor and therefore required detailed study and possibly modification. It might be appropriate, for example, to combine modern land and water resources development and management with the traditional nomadic practices which had served the region well in the past. Countries had demonstrated their political will to finance short-term assistance to those regions, and he was sure that the need for long-term, co-ordinated international action would meet with a similar response.

10. Jamaica appreciated the valuable work accomplished by the High Commissioner for Refugees in southern Sudan and expected UNDP to assume the role of focal point for long-term international rehabilitation efforts in that area. It wholeheartedly supported Zambia in its efforts to pursue a policy of economic independence vis-à-vis the illegal régime in Southern Rhodesia. Jamaica wished to be included among the sponsors of draft resolution E/L.1603.

11. Mr. AISSA (Algeria) said that the report of the Secretary-General (E/5554) had revealed the fragility of the economies of the six countries in the Sudano-Sahelian region and the precarious situation of their populations. It would be premature at the present stage to attribute the ecological imbalance to any specific factor, but the magnitude and urgency of the problems facing the Governments of those countries was obvious. The extreme south of Algeria was in the Sudano-Sahelian zone and had been affected by the drought. His Government therefore appreciated the position of the other six countries affected and had given them assistance to the value of $8 million under bilateral programmes. It treated nomads from Mali and Niger now in the Algerian Sahara as Algerian nationals. In 1973 it had appropriated $17 million for land improvement and hydraulic works for the benefit of Algerian nomads. The Hoggar and Adrar areas had been given department status.

12. The response of the international community and the United Nations system to appeals for assistance to the Sudano-Sahelian region had been most welcome, but present programmes were totally inadequate for the attainment of the objectives outlined in the Secretary-General's report, owing to the scale of the problems facing all seven countries affected by the drought. They estimated the long-term development assistance needs of that region to be about $1,000 million. The international community was not yet providing assistance on the scale that could reasonably be expected of it. One-twentieth of the wheat

used in OECD countries annually to feed livestock would be sufficient to meet the wheat needs of the entire Sudano-Sahelian region.

13. The situation might well become worse in the near future. The United Nations should therefore draw up programmes of immediate action based on the abundant information already available and concentrate its efforts in sectors where they were likely to produce the best short-term and medium-term results. The programmes should be flexible to permit efficient, co-ordinated use of resources. He would have liked more details of the timing of the various projects listed in part II of the report of the Secretary-General. The success of the strategy would depend largely on the way in which the Governments concerned would be associated with the preparation of the programmes through the Permanent Inter-State Committee on Drought Control in the Sahel, and on the harmonization and integration of those programmes with the national economic plans of the recipient countries. The High Commissioner for Refugees had shown his capacity for dealing successfully with large-scale emergency situations in southern Sudan and the Indian sub-continent and should be associated more closely with the short-term relief programmes for the Sudano-Sahelian region, since they were essentially of a humanitarian character.

14. The report of the High Commissioner for Refugees on assistance to southern Sudanese returnees and displaced persons showed that the mission had been accomplished with devotion and excellent management. The High Commissioner had speedily mobilized the necessary resources and obtained the co-operation of the Governments concerned. The Sudanese Government had collaborated effectively in the operation. He hoped that UNDP and the other agencies concerned would now deal as effectively with the long-term aspects of the situation in southern Sudan.

15. Zambia had acted with commendable courage in closing its southern border and had made an important contribution to international efforts to eliminate colonialism and racial discrimination in southern Africa. It therefore deserved the continuing, effective support of the international community. Operative paragraph 3 of the draft resolution on assistance to Zambia (E/L.1603) rightly urged Member States to share with Zambia the economic burden arising from the implementation of the sanctions policy they had endorsed.

16. Mr. LOBANOV (Union of Soviet Socialist Republics) expressed satisfaction at the timely and energetic efforts made bilaterally and through the United Nations to alleviate the sufferings of the population of the drought-stricken areas in Africa, whose plight was due to ecological causes and economic and political ineptitude. The report of the Secretary-General (E/5554) rightly stated that the disastrous effects of the present cyclical drought in the Sudano-Sahelian zone had been so profound because of the ecological imbalance resulting from the slow and unbalanced economic and social development of the region, and that the agro-meteorological factor was only one aspect of the problem. The report also rightly emphasized that the solution lay in concentrating on the creation and development of a viable economic production base and development of the agricultural and industrial sectors to overcome the constraints which had prevented agriculture from keeping pace with national demand. In other words, the legacy of colonialism, which was still in evidence, should be eliminated. He was therefore glad to note the efforts being made to find ways of eradicating the causes of the present situation through the rehabilitation and improvement of the economies of the affected countries by government action and appropriate United Nations assistance programmes.

17. The decisive factors, however, would be the national plans of the countries themselves, a proper understanding of the problems and willingness to overcome them. The Ethiopian representative's account at the 1914th meeting of his Government's plans for technical, social and economic action in its drought-stricken provinces had been most interesting. Only by adopting a determined over-all approach, with international assistance, could effective results be obtained within a reasonable time. Indeed, the solution to such problems lay in radical social and economic changes, the creation and reinforcement of State and co-operative sectors of the economy, specialist training, State control over capital outflow and other similar measures. He was glad to see that some of the drought-stricken countries were considering proposals for immediate land reform, including the limitation of private land ownership and the distribution of land among the peasants. In response to their appeals, the Soviet Union had assisted Upper Volta, Gambia, Mauritania, Senegal, Chad and Ethiopia by supplying foodstuffs, medicaments, transport equipment and the services of experts.

18. He expressed his Government's support for Zambia's just struggle for its political and economic independence and against colonialism and racism. The present situation in Zambia was the consequence of the colonialist-imperialist policy pursued by the racist South African Government with the support of certain western Powers. As had been pointed out in the discussion, unless Zambia was helped to regain its rights, it would be difficult for its people to solve its complex social, economic and political problems. The Soviet Union had granted Zambia a loan and was furnishing material and technical assistance.

19. The USSR Minister for Foreign Affairs, in his letter[1] to the Secretary-General about the Soviet Union's proposal that the States permanent members of the Security Council should reduce their military budgets by 10 per cent and devote part of the resulting savings to assistance to developing countries, had suggested that such assistance should go primarily to Asian, African and Latin American countries whose urgent economic and social projects were held up by natural disasters, including drought. The Soviet Union was prepared to support the draft resolutions submitted in connexion with the items under discussion.

20. Mr. KAUFMANN (Netherlands), introducing draft resolution E/L.1607 on the drought problem in Africa, announced that Canada, India, Pakistan, Uganda and

[1] *Official Records of the General Assembly, Twenty-eighth Session, Annexes*, agenda item 102, document A/9191.

Yugoslavia wished to be added to the list of sponsors. The intention of the draft resolution was simple: he had referred at the previous meeting to the need for a well co-ordinated multidisciplinary approach to the problems of the drought-stricken areas in the Sudano-Sahelian region and Ethiopia. On behalf of the sponsors, he accepted the proposal to include a reference to ECA and WHO in the second preambular paragraph; the degree of involvement of the various United Nations bodies listed in that paragraph naturally varied, but ECA clearly had an important role to play and WHO would deal with health aspects of the problem. In operative paragraph 2, the Secretary-General was requested to submit an interim report. His attention had been drawn to the fact that the contents of such a report had not been specifically defined. That would clearly depend on the way in which the "broad, system-wide attack" on the problem, mentioned in operative paragraph 1, was conducted, but the report should include the elements proposed in the other draft resolutions for inclusion in reports by the Secretary-General. He hoped that draft resolution E/L.1607 would be adopted unanimously by the Council.

21. Mr. GEBRU (Ethiopia) said that his delegation was sponsoring draft resolution E/L.1607 because operative paragraph 5 had been deleted from draft resolution E/L.1606 on assistance to the drought-stricken areas of Ethiopia. He thanked the representatives of the Netherlands, the United Kingdom and WMO for their constructive comments on that draft resolution. The representative of WMO had pointed out that the phrase "is continually spreading" in the fifth preambular paragraph was scientifically incorrect; he therefore agreed that it should be deleted. The representative of the United Kingdom, whose assistance to Ethiopia was deeply appreciated, had commented on the references in the second preambular paragraph and in operative paragraphs 3 and 7 to section X of the Programme of Action on the Establishment of a New International Economic Order, which called for emergency measures in a different sense. As he had already stated, the present economic crisis had substantially decreased the Ethiopian Government's capacity to combat the effects of the drought. The references to the Programme of Action had been inserted to remind Member States of the need to take into account basic economic difficulties in formulating plans for medium- and long-term assistance, since the draft resolution was not concerned only with emergency relief measures. The mandate of the United Nations Disaster Relief Co-ordinator covered not only natural but also man-made disasters and was therefore applicable to the distress caused by economic policies. He would therefore like the present text to be retained.

22. Mr. ISLAM (Pakistan) said that, in addition to the impressive measures undertaken by internationl organizations in the Sudano-Sahelian region, the situation there called for an objective appraisal of the causes of such tragedies, so that plans could be made for preventing them, or at least reducing their impact. Several independent studies showed that the natural causes which had led to the calamity had been compounded by the mistakes of experts not fully aware of the region's past history and delicate ecological balance. The application of techniques unsuited to local conditions and to the capacity of the local population to absorb their impact had caused great hardship and misery. The report of the Secretary-General (E/5554) recognized that the disastrous effects of the present cyclical drought in the Sudano-Sahelian zone had been so profound because of the ecological imbalance resulting from the slow and unbalanced economic and social development of the region relative to the rapid growth of its human and animal populations. The establishment of the proposed research institute referred to in draft resolution E/L.1605/Rev.1, operative paragraph 5, should help to prevent a recurrence of the present situation.

23. The lack of progress in the Sahelian countries, despite large-scale foreign assistance, showed that their problems should be tackled in a planned co-ordinated manner, on the basis of a coherent and integrated programme for the development of vital economic sectors to enable those countries to withstand future natural calamities. They should be helped, not only to survive the present crisis, but to build a durable economy. Poor countries, which had more than their fair share of natural calamities, always seemed to be unprepared for them and unable to withstand their consequences. That was because hardly any effort was made in the periods between disasters to develop the resistance of the country or help it to re-orientate its economy to withstand future disasters. As a small token of its sympathy for the peoples of the Sudano-Sahelian region, Pakistan had offered bilateral assistance to the value of $200,000 to the affected countries.

24. He expressed support for all the measures suggested by the Secretary-General to relieve the hardships faced by the people of Zambia as a result of their heroic action against the racist régime beyond its southern frontier. Zambia had had the courage to act in accordance with its convictions and the international community should ensure that its action did not fail. Its success would perhaps discourage the racist régimes from pursuing their inhuman policies.

25. The untiring efforts of the High Commissioner for Refugees and the co-operation and wisdom of the Governments of the countries concerned had made possible the return of the southern Sudanese refugees to their homeland. Pakistan would support every measure taken to complete that process. The Office of the High Commissioner had helped to solve a great humanitarian problem in the south-Asian region by successfully repatriating almost a quarter of a million nationals of Bangladesh and Pakistan.

26. He urged the Council to adopt unanimously all the draft resolutions submitted in connexion with the items under consideration.

27. Mr. SCHEGGIA (Chile) said that he considered that the Council had been well advised to take agenda items 10, 11, 12 and 22 together, since they gave an over-all view of the problems confronting the African continent. At first sight, the problems of the drought appeared to have been caused by the destruction of the climatic and ecological balance, but the real underlying source of the disaster was under-development, which had caused that imbalance. The excellent reports from the different United Nations organs showed that human suffering had been temporarily miti-

gated, but efforts must be made to deal with the root causes of the disease of under-development affecting two-thirds of the populations in the third world, if similar disasters were not to occur in other continents. A greater will to co-operation was required on the part of the international community. It was plain that the emergency relief measures had been successful owing to co-ordinated action on the part of United Nations bodies – an example which he hoped would continue to be followed.

28. Chile had always upheld the principle of international co-operation and regarded humanitarian assistance as one of the duties of the international community. His delegation therefore fully supported draft resolutions E/L.1603, E/L.1604/Rev.1, E/L.1605/Rev.1 and E/L.1606. With regard to draft resolution E/L.1607, his delegation would require time to examine the text, although there appeared to be nothing, in principle, to prevent its acceptance.

29. Mr. W. RAHMAN (Observer for Bangladesh), speaking at the invitation of the President, said that his delegation fully endorsed draft resolutions E/L.1604/Rev.1, E/L.1605/Rev.1, E/L.1606 and E/L.1607. If Bangladesh had been a Member of the United Nations, it would have co-sponsored them all. He hoped that they would be adopted unanimously so that effective steps could be taken without delay to alleviate the sufferings of millions.

30. In particular, he wished to refer to the part of the statement made by the High Commissioner for Refugees (1913th meeting) which, to quote the latter's own words, dealt with "a human airlift of unprecedented dimensions". At the twenty-fourth session of the Executive Committee of UNHCR, he had expressed his Government's appreciation of the part played by the High Commissioner in solving the problem of 10 million refugees who had fled to India as a result of the happenings in Bangladesh in 1971. He now wished to express his Government's appreciation of the efficient way in which UNHCR had handled tripartite repatriation in the sub-continent, thereby also helping to defuse the political situation, created mainly by failure to solve the humanitarian problems.

31. Although UNHCR had repatriated some 240,000 people. Bangladesh was still burdened with the problem of about 400,000 people who had opted for transfer to Pakistan and who had registered with the International Committee of the Red Cross. The matter had been discussed at the recent visit of the Prime Minister of Pakistan to Bangladesh, but without tangible results. As a fledgling nation, Bangladesh was grateful to the international community for assistance with its difficulties. The problem of the 400,000 would-be emigrants was, however, desperate and it was to be hoped that they would be allowed to go to the country to which they had pledged their allegiance.

32. Mr. TEMBOURY (Spain) said that the agenda items under consideration related to one of the most urgent tasks facing the international community. Human solidarity dictated that a response must be made to the tragedy being enacted in the Sudano-Sahelian region and Ethiopia. The time had come to work out an effective and co-ordinated policy to deal with the consequences of the drought. The Council must stress the gravity of the situation and the urgency and magnitude of the assistance required; it must then co-ordinate the various activities, which might well prove inadequate if undertaken in isolation.

33. It was necessary to determine whether it was a matter of temporary climatic changes, or of changes which would lead to the region becoming a total desert, before deciding upon the type of assistance required. If the climatic changes were temporary, it would be a matter of stepping up current relief measures. If, however the situation was so serious that it might become difficult to support life in the area, it would be necessary to consider more far-reaching plans since present-day technology might prove inadequate to cope with the situation. The first requisite, therefore, was to carry out the necessary scientific studies on the nature of the drought affecting the Sudano-Sahelian and Ethiopian regions. His delegation accordingly supported the proposals to that end in draft resolutions E/L.1605/Rev.1 and E/L.1606.

34. Spain had answered the appeal for assistance. The Spanish Government had established an airlift between the Canary Islands and one of the Sudano-Sahelian countries for the transport of supplies. It was hoped to expand that operation within the limits of Spanish resources. A number of experts from the Institute for Agrarian Reform and Development, coming under the Spanish Ministry of Agriculture, had been sent to the Chad basin to carry out soundings in connexion with the digging of wells and the location of subterranean water supplies. The Spanish experts were using the Institute's experience of the arid regions of Spain and were working in close contact with the local FAO representative. The requisite material and equipment would be sent when it had been decided where to carry out the soundings.

35. Private assistance had been channelled through voluntary organizations, which had recently approved a plan for medium-term assistance to three countries in the Sahelian area and continued aid to the other countries in 1975.

36. A start had been made on the implementation of 19 projects, in the following order of priority: firstly, projects to locate or conserve water supplies; secondly, projects to make use of such supplies for human beings, livestock and agriculture; thirdly, training of personnel in each country to assume direction of such projects as soon as possible.

37. He regretted that Spanish assistance to Ethiopia, which although modest in amount indicated Spain's feeling for Ethiopia, was not listed in the Secretary-General's report (E/5560).

38. His delegation looked to the Council to promote adequate measures to solve the problem. In a century which had witnessed great technological progress and effective co-ordination in other fields, it was unthinkable that aid to the stricken regions of Africa should be delayed.

39. He appreciated the statement made by the Co-ordinator of United Nations Assistance for Zambia about the situation in Zambia, a country which through its contribution to the effective implementation of United

Nations resolutions was suffering the effects of the closure of its southern frontier, to the great detriment of its economy. The burden should be shared and Zambia should be helped to overcome its present difficulties.

40. He congratulated the High Commissioner for Refugees on the successful solution of the problem of the southern Sudanese refugees and on his work to help the victims of the conflict in the Indian sub-continent.

41. Mr. CZARKOWSKI (Poland) said that it was clear that the United Nations had rightly placed the main emphasis of emergency relief measures in the disaster areas. The first priority had been to save human life and the Polish Red Cross and trade unions had contributed to that work. His delegation also supported long-term measures, including action by UNDP, to eliminate the causes of the disaster. It had appreciated the information given by the WMO representative about scientific studies and it endorsed the proposals in draft resolution E/L.1607 for an inter-disciplinary approach. The effectiveness of long-term plans would depend on a combination of internal measures, external assistance and the obliteration of the last traces of colonialism in Africa.

42. His delegation supported all the draft resolutions under consideration. The amendment proposed by the sponsors to operative paragraph 3 of draft resolution E/L.1603 was along the right lines. It should be made clear that the responsibility for Zambia's difficulties lay with the illegal racist régime of Southern Rhodesia and those who had been instrumental in fostering it, and not with States Members of the United Nations which had supported sanctions.

43. Mr. KASASA (Zaire) said that the reports on the emergency relief operations showed clearly the extent of the drought in North Africa and Ethiopia and the magnitude of the efforts already made and still to be made to rescue the population, estimated by the League of Red Cross Societies to stand at over 28 million, from famine. The reports had also demonstrated the will of the Governments of the Sudano-Sahelian countries to play their part in seeking means to alleviate the distress of their people and to provide the region with a viable economy.

44. Although a number of Member States had made generous emergency contributions of foodstuffs and medical supplies, the attitude of the international community to the long-term solution suggested by the Secretariat seem to be less encouraging, since only about one-quarter of the required total of $150 million had so far been made available. The countries of Africa, concerned lest entire States should disappear from the map had mobilized their manpower, within the framework of OAU, to find a solution to the problems of drought in the Sudano-Sahelian region.

45. The United Nations system could provide only technical skills and the material resources which the financial means at its disposal permitted. The international community must give the United Nations those means. Although inflation and balance-of-payments deficits had affected the economies of a number of countries, there were differences of degree and an extra effort must be made to save the inhabitants of the Sahelian region and Ethiopia. For that reason the delegation of Zaire had sponsored draft resolution E/L.1605/Rev.1.

46. With regard to draft resolution E/L.1603, relating to economic assistance to Zambia, the Government of Zaire was anxious that the international community should support Zambia in its praiseworthy efforts to respect United Nations resolutions directed against the racist régime of Ian Smith, which continued to receive covert support. The President of Zambia and his heroic people deserved a generous and positive return for the sacrifices which they were making in order to honour their obligations towards the international community. He saluted the people of China for their assistance in putting an end to Zambia's geographical isolation by constructing the Tanzania-Zambia railway and he reaffirmed to the people of Zambia the whole-hearted support of Zaire and its leader Mr. Mobutu. In conclusion, he wished to stress the distinction between the case of Zambia and that of the Sudano-Sahelian region.

47. Mr. YAMADA (Japan) said that his delegation supported the draft resolutions before the Council, as amended. His Government had provided assistance amounting to $2.8 million to the Sudano-Sahelian countries to date. Furthermore, in conformity with the terms of Security Council resolution 329 (1973), Japan had provided assistance to the value of over $8 million to Zambia, including trucks to help with the transport problem. It was his Government's intention to give Zambia as much further assistance as possible, as its contribution towards a just solution of the problem of southern Africa.

48. He regretted that Japan's contribution of $1 million to Ethiopia had not been reported by the United Nations Disaster Relief Office. He was glad to note from the High Commissioner's report that the southern Sudanese refugees had returned home and that repatriation to and from Bangladesh, to which his Government had made a substantial contribution, had been successfully concluded, thus paving the way for normal relations in the Indian sub-continent.

49. Mr. KRUTZSCH (German Democratic Republic) said that his Government had been providing direct assistance to the drought-stricken countries of the Sudano-Sahelian region. Ethiopia, too, had received emergency assistance through the Red Cross Society of the German Democratic Republic.

50. The aid given by his country in response to the urgent requests of United Nations officials and interested Governments was chiefly in the form of flour, infant foods, milk powder, medicines and clothing.

51. Everything possible should be done without delay to improve the situation of the people in the drought-stricken countries. Present emergency measures could do no more than relieve the worst suffering. It was essential to find ways and means of accelerating the economic development of the States concerned so that the effects of possible future disasters would be less severe. Considerable financial resources would be needed to enable the necessary long-

term steps for the development and modernization of agriculture and industry to be taken. The necessary funds could be made available rapidly if the five permanent Members of the Security Council would heed the General Assembly's call for a reduction in their military expenditure.

52. His delegation had noted with satisfaction that the draft resolutions before the Council had received wide support. It hoped that the steps taken by the United Nations system, in conjunction with those of individual countries, would bring about a considerable improvement in the economic and social situation of the area.

53. Mr. CHANG Ping-tsien (China) said that his delegation supported draft resolution E/L.1607. Its view on the other draft resolutions under discussion had been explained at an earlier meeting.

54. Miss HERRÁN (Colombia) said that her delegation supported the various draft resolutions before the Council. Assistance should be given to the drought-stricken countries to alleviate the sufferings of their people.

55. Mr. MWANGAGUHUNGA (Uganda) said that his delegation supported all the draft resolutions under discussion and wished to co-sponsor them. He welcomed the assistance given to the drought-stricken area by the United Nations system and appealed for even greater help. Uganda would continue to contribute to efforts to built a happier world.

56. Mr. PREVOST (United Nations Educational, Scientific and Cultural Organization) gave a brief description of his organization's programmes within the collective United Nations effort to solve the problems of the Sudano-Sahelian region. A number of current programmes stemmed from activities which dated back nearly 20 years, in particular a major study of the scientific problems of the arid zone conducted between 1956 and 1962 within the framework of the International Hydrological Decade. The sequel to that study had been two of the 13 projects in the Man and the Biosphere Programme launched in 1971, namely, project 3, Impact of Human activities and methods of using land for grazing, and project 4. Impact of human activities on the dynamism of ecosystems in arid and semi-arid zones. The programmes had given rise to the publication of some ten scientific works. They had been supplemented by field work, such as the study of water resources in the Lake Chad basin and assistance to programmes on the arid zone conducted by the Research Centre at the University of Tunis.

57. The programmes had from the outset been envisaged as multidisciplinary. Not only the international scientific community but other relevant organizations of the United Nations family, in particular FAO and WMO, had been associated with their formulation and implementation. UNDP and more recently UNEP had helped to finance a number of the projects. As the Director-General of UNESCO had stressed in his statement before the Council (1903rd meeting), the contribution of UNESCO would be greater as emergency relief measures gave way to more or less long-term in-depth activities. Such projects were viewed within the context of medium- or long-term action.

58. More closely associated with the current situation had been the regional meeting on integrated research and training requirements in the Sahelian region, held at Niamey in March 1974 in collaboration with the African Institute of Economic Development and Planning, UNEP and FAO in consultation with WMO, WHO, and UNDP. The meeting had drawn attention to the importance of maintaining an up-to-date inventory of the Sahelian resources, and of developing national and regional research services, which would entail a training programme; the usefulness and urgency of conducting scientific analyses and studies on sources of energy, the evolution of fauna and the regeneration of ecosystems; the value of carrying out pilot projects based on multidisciplinary studies in the following fields: water resources, grazing, rational utilization of agricultural and grazing land, techniques of stock-breeding, veterinary and human problems. The Documentation Centre for the Niger Basin Commission, which had been financed by UNDP since 1970, would participate in the development of some of those activities. It had also been proposed to establish in 1974 a centre for the documentation and co-ordination of research in social sciences for Africa south of the Sahara. The research institute for the arid Sahelian zone, referred to in operative paragraph 5 of draft resolution E/L.1605/Rev.1, should be considered in that context. The project had been first proposed by UNESCO in conjunction with the Government of Niger in 1962 but at that time it had not been regarded as having high priority; UNDP had recently renewed its interest in the project and the institute might undertake part of the supporting research programme associated with the internationally financed drought control programme proposed by the Permanent Inter-State Committee. The agricultural aspects of the project had already been studied by a joint FAO/Swedish International Development Authority mission and the institute would extend its activities to research connected with the environment, climatology, erosion, and ecology in addition to the problems of water resources and social problems. Preliminary discussions about financing the institute were in progress and an inter-agency mission would meet in the coming months to prepare for the establishment of the institute.

59. It was the aim of UNESCO to establish, with the full collaboration of all the organizations concerned and having due regard to the existing infrastructure, a centre to co-ordinate and integrate research connected with the development of priority areas identified by Governments; the centre would supplement and reinforce the network of scientific centres which were already functioning or which would be established in certain research sectors where coverage was inadequate. UNESCO was therefore following the discussion on draft resolution E/L.1605/Rev.1 with great interest and was prepared to assist the Secretary-General in its implementation.

60. Mr. BOURGOIS (United Nations Development Programme) said that, since January 1974, the UNDP Governing Council had been giving urgent consideration to the question of assistance to the drought-stricken areas of Ethiopia. Two decisions had been taken. Firstly, the Administrator had been requested to prepare without delay a comprehensive report to be used as a basis for the formulation of a medium- and long-term programme. The

report, which assessed the present situation, had been prepared in constant contact with the Ethiopian authorities and with representatives of appropriate United Nations bodies. The programme was co-ordinated with the emergency assistance organized by the United Nations Disaster Relief Co-ordinator. Such co-ordination had been facilitated by the fact that the Regional Representative of UNDP acted in liaison with the Co-ordinator at the local level. The Governing Council had authorized the utilization of up to $2 million for the programme before the end of 1976. UNDP had from the outset made intensive efforts, as called for in operative paragraph 3 of draft resolution E/L.1606. Its representative at Addis Ababa would pursue the matter energetically. The Governing Council had also requested the Administrator to assess the effects on neighbouring countries, in particular the problem of refugees crossing the Sudanese frontier, and to respond to the maximum extent that resources permitted to requests for emergency assistance.

61. Secondly, in January 1974, the Governing Council had requested the Administrator to investigate the extent of the drought and its medium- and long-term implications in Africa and neighbouring areas and to submit corresponding action programmes at its session in January 1975. The Assistant Administrator and Director of the Regional Bureau for Africa, who was in charge of that report, had already made a number of contacts and was at present holding consultations in West Africa. An inter-agency meeting would be held in the near future at which the Governing Council's request would be considered in the General framework of action by the United Nations system concerning arid areas.

62. The personnel and administrative structures of UNDP in individual countries were essential elements in the smooth operation of the various assistance programmes of the United Nations system. The role of UNDP was to facilitate practical and effective co-ordination at the local level, in close contact with the Governments concerned. It would therefore wholeheartedly support concerted activities and interdisciplinary action on the part of the United Nations system to deal with the drought problem, which had already called for considerable governmental readjustment of development priorities.

63. Mr. ISLAM (Pakistan), speaking in exercise of the right of reply, said that his delegation could not accept the assumptions of the Observer for Bangladesh, who had claimed that there were 400,000 non-Bengalis who should be repatriated to Pakistan. The Prime Ministers of Bangladesh and Pakistan had taken cognizance of the question and it would be wise to leave it to them. To raise it in such a forum as the Council, and on the basis of assumptions which were not accepted by the parties concerned, would not help to solve the problem.

64. The PRESIDENT, noting that there were no further speakers, invited the Council to take up the draft resolutions before it. The Brazilian delegation had expressed a wish to co-sponsor draft resolution E/L.1603 and the delegations of Egypt, Finland, the Federal Republic of Germany and Sweden wished to co-sponsor draft resolution E/L.1607.

65. Mr. MACKENZIE (United Kingdom), explaining his delegation's position on draft resolutions E/L.1605/Rev.1 and E/L.1606, said that he welcomed the information given by the representatives of WMO and UNEP. If the two draft resolutions had been acted upon in their original form there would have been a gap and a danger of overlapping. Draft resolution E/L.1607 had remedied the situation and he was therefore in a position to support all three drafts.

66. He welcomed the withdrawal of operative paragraph 5 of draft resolution E/L.1606 and would have wished operative paragraph 5 of draft resolution E/L.1605/Rev.1 to be withdrawn too, but he had found reassurance in the fact that Senegal, as a sponsor both of draft resolution E/L.1605/Rev.1 and of draft resolution E/L.1607, would no doubt help to ensure that the partial study provided for in operative paragraph 5 of the first draft would not get out of step with the over-all study provided for in the second. It was on that understanding that his delegation supported draft resolution E/L.1605/Rev.1.

67. The importance of the long-term work was not in doubt. He had no desire to press the comments he had made on operative paragraphs 3 and 7 of draft resolution E/L.1606. Ethiopia deserved all the help it could be given. He had been concerned only about the danger of wandering beyond the subject of the agenda item under discussion.

68. The PRESIDENT invited the Council to take a decision on draft resolution E/L.1605/Rev.1 on the economic and social situation in the Sudano-Sahelian region stricken by drought and measures to be taken for the benefit of that region.

Draft resolution E/L.1605/Rev.1 was adopted.

69. The PRESIDENT invited the Council to take a decision on draft resolution E/L.1603 on assistance to Zambia, as amended by the sponsors in operative paragraph 3.

70. Mr. CZARKOWSKI (Poland), supported by Mr. ADUNDO (Kenya), said that, although his delegation's difficulties on operative paragraph 3 had been somewhat alleviated by the amended wording, they could be met still further if the concept of sharing could be replaced by the concept of helping.

71. Mr. CORDOVEZ (Secretary of the Council) suggested the following wording "*Urges* Member States to provide more and greater assistance to Zambia, thereby helping Zambia to bear the financial and economic burden . . .".

72. Mr. CZARKOWSKI (Poland) and Mr. ADUNDO (Kenya) said that they would accept that wording.

Operative paragraph 3, as thus amended, was adopted.

Draft resolution E/L.1603, as amended, was adopted.

73. Mr. CORDOVEZ (Secretary of the Council) said that two oral amendments had been made to draft resolution E/L.1606 on assistance to the drought-stricken areas of Ethiopia. Firstly, the beginning of the last preambular paragraph should read: "*Realizing* that the drought-stricken area extends to eight of the fourt provinces . . .";

secondly, operative paragraph 5 should be deleted and the subsequent operative paragraphs should be renumbered accordingly.

74. Mr. CAVAGLIERI (Italy) said that the report of the Administrator of UNDP to the Economic and Social Council referred to in operative paragraph 7 (renumbered operative paragraph 6) should be made through the Governing Council. An insertion to that effect should be made in the paragraph.

75. The PRESIDENT suggested that the words "through it" should be inserted between the word "and" and the words "to the Economic and Social Council".

It was so agreed.

Draft resolution E/L.1606, as amended, was adopted.

76. The PRESIDENT invited the Council to take a decision on draft resolution E/L.1604/Rev.1, on assistance to southern Sudanese returnees and displaced persons.

Draft resolution E/L.1604/Rev.1 was adopted.

77. The PRESIDENT invited the Council to take a decision on draft resolution E/L.1607 on the drought problem in Africa, as amended by the sponsors in the second preambular paragraph.

Draft resolution E/L.1607, as amended, was adopted.

78. The PRESIDENT said that the Council had now concluded its consideration of agenda items 10, 11, 12 and 22. He wished, on behalf of the Council, to express appreciation to the representatives of the various organizations of the United Nations system for their introductory statements and for their participation in the Council's discussion.

Organization of work

79. The PRESIDENT informed the Council that the Bureau had decided to recommend, in the light of the fact that the item was closely linked with other matters allocated to the Economic Committee, that agenda item 4 (Programme of Action on the Establishment of a New International Economic Order) should also be referred to the Economic Committee for action, on the understanding that the general debate on the item had been completed and that the two pending reports would be introduced in plenary.

It was so decided.

The meeting rose at 1 p.m.

1916th meeting

Friday, 19 July 1974, at 10.25 a.m.

President: Mr. A. KARHILO (Finland)

E/SR.1916

AGENDA ITEM 9

World Food Conference (E/5533; E/L.1609; E/NGO/18;

1. The PRESIDENT drew the Council's attention to the report of the Preparatory Committee for the World Food Conference on its second session (E/5533) and, in particular, to paragraph 1, in which the issues requiring action by the Council were set forth.

2. Mr. RYDBECK (Sweden), Chairman of the Preparatory Committee, introducing the report in question said that, in accordance with Council resolution 1840 (LVI), the Preparatory Committee had been required to conclude its action on the documentation on the assessment of the world food situation, on the draft provisional rules of procedure and draft provisional agenda for the World Food Conference and on the duration and dates of its third session.

3. It had proved impossible for the Preparatory Committee to extend its second session as provided for in that resolution but it had managed to discharge its duties and to reach agreement on the recommendations to be made to the Council in a five-day session, with an additional night meeting. Its recommendations were to be found in chapter I of the report.

4. The active participation of 66 Members of the United Nations including 38 members of the Council, together with that of a large number of other participants, had contributed greatly to the successful results of the session. The consultations had taken place in a friendly spirit, and the Secretary-General of the World Food Conference and his staff had provided invaluable support.

5. Since the Conference would be similar in many respects to other United Nations conferences, the Preparatory Committee had been able to base its consideration of the draft provisional rules of procedure of the Conference on precedent and had therefore been able to conclude its consideration of the subject without protracted debate. He commended the draft provisional rules set out in annex I to the report to the Council for adoption and for onward transmission to the World Food Conference.

6. In annex II to the report, the Preparatory Committee recommended a draft provisional agenda of 10 items. In annex III, it proposed that the organizational structure of the Conference should consist of the plenary, a credentials committee and three main committees of the whole to which various agenda items would be allocated. The Committee had expressed the hope that, in view of the importance of the Conference and the implications of the results anticipated, all Governments would be represented at the ministerial level in plenary meetings and at the policy-making level in the committees.

7. The most important substantive item considered by the Preparatory Committee had been the preliminary assessment of the world food situation, present and future, on the basis of a report[1] submitted by the Secretary-General of the Conference. The stimulating discussion, in which a great number of representatives had participated, had been unusually profound. A number of important suggestions and recommendations for amplifying and revising the preliminary assessment were to be found in paragraph 12 of the Committee's report. The Secretary-General and his staff were making every effort to accommodate as many of those suggestions as possible in the final report to be submitted to the Preparatory Committee at its third session.

8. A number of suggestions on national and international action had also been forthcoming and those were to be found in paragraph 16 of the Preparatory Committee's report. Other important suggestions for the establishment of funds or other institutional arrangements were set out in paragraph 19. The Preparatory Committee had recommended that a working party should be convened in Rome to discuss those suggestions and to report thereon at its third session, which it was proposed should be held at Rome from 23 September to 4 October 1974.

9. He was confident that, with the continued co-operation of all concerned, the preparations for the World Food Conference would be brought to a successful conclusion.

10. Mr. MAREI (Secretary-General, World Food Conference) said that it was remarkable that the World Food Conference should be scheduled to be held less than a year after the relevant discussion by the General Assembly in resolution 3180 (XXVIII). Such unusual dispatch on the part of Governments to convene and attend an international conference was an encouraging sign of the importance they attached to the world food crisis and of their determination to take strong action to meet it. The convening of the sixth special session of the General Assembly and of the World Population Conference that same year was a further reflection of the interrelationship of all the economic and social issues which called for the urgent attention of Governments and for political willingness to promote effective action.

11. He had taken into account all the Preparatory Committee's comments on the preliminary assessment of the food situation which he had submitted at its second session, as also the Committee's views on policy implications for national and international action. The secretariat had almost completed its work on the revised assessment of the food situation and on the document making proposals for national and international action. He was grateful to all the United Nations agencies and the regional economic commissions for their assistance in that undertaking. The two documents would be submitted to Governments on schedule, i.e. about four weeks before the proposed opening date of the third session of the Preparatory Committee, 23 September 1974. The Committee had suggested that interested delegations should meet from 16 to 20 September to discuss certain specific proposals that had been submitted to the second session.

12. With the completion and circulation of those documents, an important phase in the preparations for the Conference would have been accomplished. The main purpose of the documents would be to help Governments to reach a consensus on the main issues to be considered and on short- and long-term actions that the Conference should take or recommend to solve the world food problem.

13. He hoped that Governments would find it possible to undertake intensive discussions in the coming months to seek a basis for their actions and decisions at the Conference. The secretariat would do everything possible to help. In that connexion, he looked forward to his forthcoming visits to Africa and Latin America, and later to certain Asian countries.

14. He had noted with interest the many references in the general discussion to the world food problem, as also the hopes placed by heads of delegations on the outcome of the World Food Conference. The food problem appeared to be a reflection of global crises which had brought about an imbalance in the world economy. There was daily evidence of immediate food shortages in developing countries and of crises in developed countries as a result of inadequate adjustment, all of which had serious economic and social repercussions. That confirmed the fact that the existing international economic order could not withstand changing events. A comprehensive world food policy encompassing all aspects of the food problem could alone provide an answer. Such a food policy should cover such matters as food aid, price stabilization, stock arrangements and steps to ensure a balance between supply and demand. Increased food production, particularly in the developing countries, would be needed to solve the problem.

15. While high-yielding seed varieties were necessary for increased production, the developing countries could not make use of them if fertilizers were in short supply and were constantly rising in price. Increased production also called for agricultural machinery at acceptable prices. Additional land could not be brought into cultivation without land reclamation and the development of rural institutions. It was therefore clear that increased food production required increased investment, an adequate supply of inputs, adaptive research and rural development. Productivity in the agricultural sector called for over-all rural development, including the full utilization of human resources.

---

[1] E/CONF.65/PREP/6.

16. The desired results could be achieved only through concerted international action in which developed and developing countries co-operated. That was necessary not only in the increase of food production but in trade, distribution and all other aspects. The world would move in the direction, not of self-sufficiency, but of increased trade. The fact that trading countries were naturally interested in guaranteed markets, price stability and favourable terms of trade further demonstrated the international nature of the problem.

17. His comments, which had served to emphasize the serious shortcomings of the present international economic system and institutions, had been made in the spirit of the new international economic order called for by the General Assembly at its sixth session. Urgent political measures were needed to bring about a more rational and equitable economic order, of which a world food policy should undoubtedly be a major component. The proposals of Sri Lanka on a world fertilizer fund, of Mexico on a world bank of food and research on agricultural inputs, of Bangladesh on a world food security council and of Sierra Leone on an agricultural development fund referred to in paragraph 19 of the report, were being analysed in the documentation for national and international action, as also further proposals that had been submitted for discussion at the World Food Conference including one from Japan on the establishment of a world-wide information system on the food and agricultural situation.

18. The subject matter of the World Food Conference touched directly on individuals, their hopes and aspirations. It was to be hoped that its resolutions would initiate substantive action consonant with those aspirations.

19. Mr. TUDOR (Romania) said that his delegation had taken note of the report of the Preparatory Committee on its second session and of the comments of the Chairman of that Committee and of the Secretary-General of the Conference. The Committee had done well to conclude its heavy programme of work in so short a time and he welcomed the spirit of co-operation which had prevailed throughout its session.

20. Commenting on chapter II of the report, he said that it had been difficult for the Preparatory Committee to make its preliminary assessment of the world food situation both because of the essence of the world food problem, which, as the situation in the Sudano-Sahelian area had shown, affected human existence itself. His delegation hoped that the World Food Conference would have before it a thoroughly well-prepared document in which the proposals made at the second session of the Preparatory Committee would be taken into account, the document should also clearly reflect the situation in developed and developing countries alike.

21. The Conference should consider steps for increasing agricultural production, particularly in the developing countries; among those steps should be firstly, the introduction into the production process of modern agricultural techniques through the transfer of technology from developed countries; secondly, increased technical assistance and financial aid; and, lastly, increased international co-operation for development. The United Nations and the specialized agencies, particularly FAO, would have a decisive role to play in that respect.

22. Attention should also be given to the training of personnel and to improved conditions of trade for the developing countries in respect of agricultural and food products, including greater access to markets, export promotion and the removal of tariff and non-tariff barriers.

23. Action taken at the national level to establish food reserves should not preclude similar action at the international level. That was why the Romanian delegation in the Preparatory Committee had suggested the redrafting of the section of the report dealing with international action.

24. The World Food Conference would provide an opportunity to take stock of the world food situation; his delegation was convinced that it would make a great contribution to the establishment of a new economic order, of which food policy should be a basic element.

25. Mr. MARKEY (United States of America) said that the considerations which had led to the proposal at the twenty-eighth session of the General Assembly for the convening of a World Food Conference were still as cogent as ever.

26. It could not be denied that the preliminary conclusions in the Preparatory Committee's report were sobering conclusions. The international community was clearly faced with a serious problem, for it was doubtful whether the final assessment would be any more optimistic than the first. Unless the international community came to grips with the problem in a realistic way, there might be no alternative to massive starvation and disappointment of the hopes for a more just and equitable world.

27. His delegation had two thoughts on the subject. The first was that the proposal to convene a World Food Conference might have come too late and most certainly had not come too soon. The second was related to the work carried out in the two preparatory sessions held so far. His delegation was generally satisfied with what had been done in those sessions and looked forward to seeing considerable additional progress on substantive issues at the third session. He was particularly satisfied to note that the Preparatory Committee had stressed the need for an effective national and international programme of action. He also noted with approval the Committee's unanimous recognition of the over-riding importance of increased food production and of improved food distribution, particularly in developing countries. The Committee's endorsement of the need to strengthen world food security through more effective food stock policies and to establish an improved early warning and information system on food and the causes of food shortages, including better arrangements for emergency relief and food aid, was also deemed appropriate.

28. He hoped that it would be possible to dispose of the specific issues requiring action by the Council by consensus. The draft provisional agenda of the Conference, the draft provisional rules of procedure and the proposed organiz-

ation of work had been worked out in detail in the Preparatory Committee and should be approved intact.

29. The convening of a third session of the Preparatory Committee was esential. His delegation also agreed with the proposal to hold discussions in Rome from 16 to 20 September 1974 to consider specific proposals submitted by various delegations. Such discussions were necessary to enable the Preparatory Committee at its third session to complete its task of preparing for the Conference.

30. Mr. SMÍD (Czechoslovakia) said that the present political *détente* provided favourable conditions for international co-operation in dealing with such urgent problems as the world food situation. The World Food Conference would be a most useful and timely step towards the solution of that particular problem. Czechoslovakia welcomed the proposal to provide emergency food aid for developing countries critically short of food, but felt that such measures could serve only as a temporary palliative; the only effective long-term solution to those countries' food problems lay in improving their economies as a whole and expanding their agriculture and food industries.

31. Outmoded, and in some cases virtually feudal, systems of agriculture and profound social distinctions in most of those countries hampered the efficient use of manpower, land and agricultural technology. To ensure adequate food supplies, for the developing countries required that their agricultural production be increased. That could only be done through agrarian reform and the establishment of agricultural co-operatives, to permit the adoption of large-scale modern farming techniques. That had been proved by experience in Czechoslovakia, whose policy for the immediate future was to meet its growing domestic food demand from domestic sources, to avoid drawing on world market supplies. At the same time his Government intended to increase its purchases from developing countries of foodstuffs and agricultural produce which could not conveniently be grown in Czechoslovakia. That applied mainly to tropical and sub-tropical products.

32. Czechoslovakia supported all efforts to liberalize trade in agricultural produce with developing countries and had abolished duty on a number of agricultural products imported mainly from developing countries, at the same time applying a preferential customs tariff favouring those countries. Its trade in agricultural produce with developing countries was mainly based on long-term bilateral trade agreements, which gave those countries the stable guaranteed market they needed for modernizing their agriculture.

33. Mr. MUSZALSKI (Poland) said that, among the many conferences scheduled for 1974, the forthcoming World Food Conference probably occupied first place from the point of view of direct response to the most essential needs of human beings. Poland hoped that the States participating in the Conference would make every effort to formulate specific and realistic recommendations for action. Its interest in the Conference had been shown by its active participation in the work of the Preparatory Committee.

34. His delegation had from the outset stressed the importance of thorough preparation for the Conference and of selecting subjects which would be acceptable to all and in relation to which immediate or long-term action might be agreed upon. It had noted with satisfaction that the Preparatory Committee had reached agreement on the main topics of the Conference, namely, assessment of the world food situation and consideration of action programmes designed to increase food production in developing countries, to strengthen world food security and to bring about improvements in international trade relevant to the food problem.

35. The Conference agenda provided a good basis for discussion in depth of the current world food situation and future prospects, particularly in the medium term, and of steps to improve the present situation, including increased agricultural production to satisfy the growing needs of the world population and to eliminate the hunger and malnutrition existing in many parts of the world.

36. Experience had shown that no dynamic or large-scale increase in agricultural production or development, nor any improvement in the living standards of the rural population, could be achieved without radical social and institutional reform, the first step in which should be agrarian reform and the promotion of co-operative movements. The obsolete structure of land-ownership and of means of agricultural production was one of the basic barriers to development in that sector. In the absence of profound changes in that respect, no substantial improvement could be achieved even with the more advanced methods and technologies of plant breeding.

37. The Special Committee on Agrarian Reform of FAO had given specialist advice to the FAO Council and to the Economic and Social Council on the subject of agrarian reform dealt with in Council resolution 1707 (LIII). His delegation fully supported the special Committee's conclusions[2] and was confident that the Conference would devote sufficient attention to agrarian reform to speed up its introduction, together with that of all the other social reforms necessary for overcoming the present phenomena of hunger and malnutrition.

38. The third session of the Preparatory Committee would no doubt afford ample opportunity for discussing all the remaining substantive issues and administrative arrangements for the Conference, which should be a forum for the discussion of problems and proposals and for the adoption of decisions and recommendations. Poland would participate actively in the discussion. It was confident that the FAO secretariat would make every effort to ensure the smooth and efficient working of the Conference. His delegation was grateful to the Director-General of FAO and his staff for their efforts in that direction.

39. Mr. BARCELÓ (Mexico) commended the Preparatory Committee for its work in furthering the preparations for the World Food Conference. As his delegation had stated on other occasions, the Conference should strive to find practical means of increasing food production and consumption in the developing countries. Hence the important

[2] See E/5100, annexe I.

points to be included in the draft provisional agenda should be fair and stable prices for agricultural products of the developing countries, liberalized access to markets and an adequate supply at low prices of the requisite agricultural inputs. His delegation wished to stress the need to set up a world food bank; such an institution would be of considerable assistance in increasing agricultural production, which was vital to the development of the developing countries. His delegation would bring the matter up at the meeting of interested delegations in September 1974 with a view to agreeing on a specific proposal for discussion at the Conference.

40. Mr. MARKOVIĆ (Yugoslavia) expressed his Government's approval of the draft provisional agenda, draft provisional rules of procedure and organization of work proposed for the World Food Conference. The exchange of views at the second session of the Preparatory Committee on the preliminary assessment of the world food situation had been most useful, and the revised version of that assessment, based on the suggestions submitted to the secretariat, would be an important background document for the Conference. Its basic substance and orientation were satisfactory, but it should reflect more fully the close relationship between food production and the development of the developing countries. That would enable all countries to help to formulate appropriate international policies or measures in the matter of food production and distribution. Short-term emergency measures were urgently needed to help countries stricken by drought, for example, but the world-wide food problem called for long-term action on the part of all countries and international organizations.

41. Certain questions proposed for discussion at the second session of the Preparatory Committee, at the fifty-sixth session of the Council and elsewhere had not been included in the draft agenda. He hoped there would be an opportunity for reconsidering those proposals, either at the third session of the Preparatory Committee or at the beginning of the Conference itself. The Preparatory Committee had recommended that certain proposals not considered at its second session owing to lack of time should be discussed at the meeting of interested delegations to be held prior to the Committee's third session. The question of the establishment of a world fertilizer fund, for example, deserved special attention, since in many developing countries adequate food production depended on fertilizers. Yugoslavia was in favour of such a fund, which would help developing countries to deal with the problem of the increasing cost of fertilizers. The Peruvian proposal concerning a universal declaration on the eradication of hunger, the Mexican proposal for a world food bank and research on agricultural inputs, the proposals of Bangladesh for a world food security council, a world food bank and an international agricultural development fund, and the agricultural development fund proposed by Sierra Leone on behalf of the African countries were all extremely important. Some of them might be grouped together under a single item. The Council should authorize the Preparatory Committee to give them due attention at its third session.

42. Mr. WATANAKUN (Thailand), expressing support for the World Food Conference, said that both international co-operation and national efforts would be needed to increase food production in developing countries. To make effective use of human and land resources in the expansion of their agriculture, the developing countries needed fertilizers and pesticides, which they must be able to obtain at reasonable prices. In the longer run, however, they should also be helped to produce them from locally available raw materials. Much had been said about general inflation and imported inflation, but price increases differed widely from product to product. The increases in the prices of fertilizers, fuel and other inputs had a direct bearing on agricultural products. He agreed with the representative of Mexico that improved terms of trade and access to markets were of vital importance to developing countries. Thailand supported the Preparatory Committee's recommendations in paragraph 1 of its report.

43. Mr. DIETZE (German Democratic Republic) said that his Government has supported the decision to hold a World Food Conference because the unsatisfactory food situation in large areas of the world was incompatible with the humanitarian objectives enunciated in the United Nations Charter and called for concerted action by all States. Hunger and malnutrition were particularly prevalent in countries which had suffered colonial and neo-colonial exploitation by imperialist States, and those States were therefore under an obligation to help to eliminate those effects. At the sixth special session of the General Assembly, his Government had pressed for the elimination of the vestiges of colonialism of *apartheid* and of neo-colonialism; it therefore considered it inadmissible that the preliminary assessment should attribute hunger to poverty alone, when its primary causes were political and social, as was recognized in the Declaration on the Establishment of a New International Economic Order, adopted by the General Assembly at its sixth special session. One of the most important tasks of the World Food Conference would therefore be to identify the political and socio-economic causes of hunger and malnutrition and to find a general solution to that problem.

44. Agrarian reforms and the development of a co-operative system were essential if the developing countries were to solve their food problems themselves. His country had much experience in the intensification of agriculture through the introduction of industrial methods, based on a co-operative system designed to develop the country's food-producing potential, improve rural life and ensure reliable food supplies. It was ready to make that experience available to other countries.

45. Since the development of food production and the improvement of the food situation should be viewed in the context of economic development as a whole, his Government supported the efforts of countries to expand their trade in foodstuffs and agricultural materials. A basic principle of his Government's agrarian policy was to meet the country's growing food needs through domestic production. It was nevertheless constantly expanding its trade in agricultural, especially tropical, products with developing countries. Its long-term trade agreements with developing countries, based on equal rights and mutual benefit, offered them a guaranteed market and stable prices. The present *détente* in international political relations provided favour-

able conditions for all countries to develop their resources and solve the world's food problem.

46. The German Democratic Republic, in principle, approved of the draft provisional agenda and draft provisional rules of procedure proposed for the World Food Conference.

47. Mr. BASSIOUNY (Observer for the Organization of African Unity), speaking at the invitation of the President, said that in his statement the Secretary-General of the World Food Conference had made clear the relationship between the present world economic order and the world food shortage and related problems of the developing countries. His organization had stated on other occasions that only within a new international economic order could food shortages be permanently overcome; the same was true of the constant economic imbalance suffered by developing countries.

48. The World Food Conference was taking place at a time when thousands of people were dying of starvation in Africa. He hoped that the Conference would propose not only short-term relief measures but medium-term and long-term action. There were vast unused resources of land, water and manpower in Africa – what was lacking was the money for the requisite investment. Even in cultivated areas, the shortage and high price of fertilizers impeded agricultural production. The Preparatory Committee's report showed that many positive proposals had been made; their implementation would depend on the attitude of the developed countries at the Conference. The developed countries must realize that the world was interdependent and that participation in solving the world food problem was not a question of providing donations but of assuming their legitimate responsibilities. He assured the Secretary-General of the World Food Conference of the full political co-operation of OAU in any measures relating to Africa.

49. Mr. GATES (Australia) said that the success or failure of the World Food Conference would vitally affect the lives of millions of people. As the Secretary-General of the Conference had pointed out, its task was to provide the foundations for a world food policy. He commended the work of the Preparatory Committee, which would be of the utmost importance in achieving that objective.

50. With regard to the preliminary assessment of the world food situation, present and future, which had been discussed at the second session of the Preparatory Committee, his delegation trusted that in the revised document to be submitted to the Committee's third session the Secretary-General of the Conference would take full account of the observations on the subject set out in paragraph 12 of the Preparatory Committee's report.

51. He hoped that the Council would accept the draft rules of procedure for the Conference, which had been the subject of lengthy scrutiny at the second session of the Preparatory Committee, and that it would endorse without alteration the draft provisional agenda for the Conference, which represented a consensus arrived at after considerable discussion at both the first and second sessions of the Committee.

52. His delegation supported the proposal in paragraph 1 *(d)* of the report that the third session of the Preparatory Committee should be preceded by a meeting of interested delegations. Since such a meeting would consider the specific proposals referred to in paragraphs 19 and 20 of the report, it would play an important part in achieving the ultimate success of the Conference. It was encouraging that progress was already being made in regard to emergency supplies of fertilizers and pesticides, as advocated in Council resolution 1836 (LVI). It was a practical approach of that type that the Council should adopt in considering the world food situation.

53. Mr. SMIRNOV (Union of Soviet Socialist Republics) said that his Government shared the view that the problems created by the present world food situation were urgent and that the World Food Conference might help to solve some of them and others which could arise in the near future. The preliminary assessment of the present and future world food situation showed that the pattern of problems connected with world food production trends was varied and complex. The Conference should therefore concentrate on the cardinal problems. One of its main tasks should be to identify the primary causes of the present food supply difficulties and work out practical ways of overcoming them.

54. Although such matters as anti-tse-tse fly measures in Africa had a bearing on food production, the principal means of increasing agricultural yields lay in radical social and economic changes. Progressive agrarian reforms and the establishment of a co-operative sector, for example, would help to eliminate the survivals of colonialism, archaic forms of land ownership and land use and other obstacles not only to agricultural but to economic development. The need for agrarian reform had been admitted in resolution 1707 (LIII) adopted by the Council at its fifty-third session. As was stated in paragraph 13 of the Preparatory Committee's report, several delegations had expressed the view that, when reviewing the assessment, the secretariat should throw into relief the main decisions upon which the success of the solution to the food problem as a whole would be dependent. Unless the main problems were solved, all other remedial measures, although important in certain contexts, would be mere palliatives and might even aggravate those problems. The Conference's attention should be drawn to the harmful effects of the dominant role of multinational corporations in the economies of many developing countries.

55. The solution of the agricultural problems of developing countries called for financial resources as well as the determined efforts of their people. The continuing political *détente* and the establishment of a just, durable peace would enable countries to expand their co-operation with and assistance to developing countries and so help to solve their food problems. The USSR understood the agricultural problems of developing countries and provided appropriate assistance on a large scale. It was carrying out a comprehensive agricultural development programme at home.

56. Referring to the draft provisional agenda proposed for the World Food Conference, he said that it would be unwise to formulate items so specifically as to pre-empt the

right of the Conference to decide for itself, and restrict opportunities for initiative. That applied particularly to item 9 *(c)* (the strengthening of world food security . . .) and item 9 *(e)* (Arrangements for follow-up action . . .). Item 9 *(d)* (Specific objectives and measures in the area of international trade and adjustment . . .) could be more appropriately discussed in UNCTAD; if the Conference decided that it would be desirable to discuss that subject, it should do so in close collaboration with UNCTAD, taking into account action already taken or being taken in that organization. In his opinion, the main topics of discussion at the Conference should be the role of agrarian reform and co-operative systems in the expansion of agricultural production in developing countries; agricultural development assistance in the form of agricultural equipment supplies and the construction of fertilizer and agricultural machinery plants in developing countries; the dispatch of experts in various sectors of agriculture to help with training in developing countries; and technical assistance to facilitate the introduction of modern agricultural techniques. Such a combination of measures would help to effect qualitative changes in the agriculture of developing countries. The final decision on the agenda, however, should be left to the Conference itself. He agreed with the Preparatory Committee that the proposals mentioned in paragraph 19 of its report required careful consideration. He emphasized the importance of the timely preparation and circulation of documents for the Conference.

57. Mr. AHMAD (Pakistan) said that the World Food Conference was a recognition of the proportions which the world food crisis had assumed, as exemplified in recent events in the Sudano-Sahelian region, and of the interdependence of the world. For that reason, the General Assembly had recognized in resolution 3180 (XXVIII) that the principal task of the Conference consisted in developing ways and means whereby the international community as a whole could take specific action to resolve the world food problem within the broader world context of development and international economic co-operation.

58. The second session of the Preparatory Committee had been particularly fruitful, since, acting in the spirit of the sixth special session of the General Assembly, the Committee had addressed itself to substantive questions. Its work had been facilitated by the preliminary assessment of the world food situation submitted for its consideration; he hoped that the useful suggestions made by delegations would be duly incorporated in the revised version to be submitted to the Preparatory Committee at its third session. The Committee had also dealt with a number of important procedural points, of which the most important was the draft provisional agenda. There had been general agreement that the World Food Conference should be action-oriented; his delegation therefore considered that agenda item 9 on national and international programmes of action was of paramount importance. The need for action could be gauged from the fact that, according to FAO estimates, about one-fifth of the population of the third world was under-nourished. The situation was growing worse owing to world-wide inflation and price increases. It was estimated that food import bills of developing countries, which had increased by about $1,500 million in 1972/73, would increase by some $5,000 million in 1973/74. If current economic and demographic trends continued, the developing world would have a cereal gap of 85 million tons by 1985. Those figures showed the need to achieve increased food production in developing countries, to make the requisite inputs more easily available to them, to build national and international reserve food stocks and to stabilize market prices of cereals. Developing countries with food surpluses must be given the incentives of remunerative prices and secure markets, while food-importing developing countries must be allowed to expand their general exports in order to earn foreign exchange and must be assisted with food aid or imports at concessional prices.

59. At its second session, the Preparatory Committee had had before it a number of proposals, as listed in paragraphs 19 and 20 of its report. Pakistan had so far had time to consider only the proposals for a world fertilizer fund and an agricultural development fund, which it fully supported. The other proposals also deserved serious consideration in terms of an integrated approach to the situation which would avoid the proliferation of institutions and programmes. They should be discussed at the proposed meeting of interested delegations in September 1974.

60. He wished to draw the Council's attention to its resolution 1836 (LVI) on emergency measures in regard to the supply of fertilizers and pesticides. Production of cereals and other foodstuffs was falling in developing countries owing to shortages of fertilizers and to steeply rising prices. In such a situation, developed countries which were producers and exporters of fertilizers were better placed to maintain their own supplies than developing countries.

61. His delegation congratulated the Secretary-General of the World Food Conference on his work and endorsed his statement that there was a need for concerted international action based on co-operation, and not confrontation, between developed and developing countries.

62. Mr. KACIMAIWAI (Fiji) said that any international programme for rationalizing production, trade distribution and consumption of commodities required co-operation between the participating countries and a sufficient volume of world trade in the commodity concerned to make it possible to regulate supplies and prices. Exporters must agree not to demand unreasonably high prices when supplies of commodities were short, in return for assurances from importers that they would take up their normal requirements at not unreasonably low prices when supplies were plentiful. Apart from sugar and cocoa, the commodities most likely to be the subject of agreements were fine and coarse grains, although protein-deficient developing countries might also wish milk and other animal products to be included.

63. Fiji was very susceptible to inflation and rising prices of transport and commodities, owing to its dependence on imported foodstuffs and its geographical position. Consequently, like other developing countries, it was concerned to establish a programme to ensure supplies of basic foodstuffs at reasonable prices. At the same time, it hoped to accelerate its plans for import substitution, with the

ultimate aim of achieving near self-sufficiency in those foodstuffs. It also hoped to increase its share of expanding agricultural trade in order to finance future economic growth.

64. The objective of many developing countries, including Fiji, was therefore to secure supplies of fine grains and coarse grains at reasonable prices, both for human consumption and for livestock consumption and production. It also required supplies of all agricultural inputs in order to expand agricultural exports and to further its drive towards self-sufficiency in basic foodstuffs. He therefore supported the decision taken by the Council in resolution 1836 (LVI) on the establishment of a fertilizer pool. In view of the existing bilateral arrangements covering supplies of fine grains such as wheat and rice, Fiji's immediate problem was to secure better terms for imports of coarse grains and agricultural inputs. Since, however, it would never be able to produce a significant quantity of wheat, it had also to cover future requirements with respect to fine grains.

65. The first step towards securing world food supplies at reasonable prices must be to ascertain what level of reserves was required, how they should be built up and who should hold them. Stocks must be held to cover emergencies such as natural disasters and poor harvests and to offset irregular supplies from exporting countries to geographically isolated importing countries. It might also be necessary to hold sufficient reserves to stabilize prices. Reserves should cover both human and livestock requirements and include commodities as well as agricultural inputs. Although the precedent was that only producing countries should hold stocks, such an arrangement was not desirable in the case of grains. In the interests of consumers, Fiji had to accept a reserve stock policy including the costs of organizing and administering such a policy and for that, it would require international financial assistance. Since the same position obtained in other developing countries, the problem constituted a world problem which required international co-operation. It was not possible, however, to build up reserve stocks until the supply position improved with regard to agricultural commodities and inputs, for otherwise further price increases would result. There should be a united effort to rationalize the distribution of present available production, with some bias in favour of the developing countries.

66. Mr. CHANG Ping-tsien (China) said that the fourth Conference of Heads of State or Government of Non-Aligned Countries had first made the proposal for the convening of an international conference to discuss the food problem, which had subsequently been adopted by the General Assembly at its twenty-eighth session. His delegation fully supported the holding of such a conference, since the problem was one of concern to the developing countries. In the preparatory work for the conference, full consideration should be given to the eight points relating to food included in the Programme of Action on the Establishment of a New International Economic Order, adopted by the General Assembly at its sixth special session. He hoped that those points would be implemented at the World Food Conference.

67. With regard to the issue of invitations to participate in the Conference, his delegation maintained the position which it had stated at the fifty-sixth session of the Council (Economic Committee, 683rd meeting).

68. Miss GHOSE (India) said that the world economic situation had deteriorated considerably since 1973, when the resolution to convene the World Food Conference had been adopted. Uncertainty of supplies and rising prices had brought about continual increases in the food import bills of developing countries. While she agreed about the necessity of improving food production in the developing countries, it was equally important to make food supplies available at reasonable prices. It was regrettable that the Programme of Action adopted by the General Assembly at its sixth special session was mentioned in only one paragraph of the Preparatory Committee's report.

69. With regard to the draft provisional agenda for the Conference, insufficient stress was laid on the action advocated in paragraph 2 *(f)* of the Programme of Action: while agenda item 9 *(c)* related to the same subject, it was not sufficient merely to examine emergency relief measures. If there was to be real belief in a new international economic order, it was essential to make regular food supplies available on terms which did not disrupt the balance of payments of developing countries. That point should be borne in mind when the Conference discussed that agenda item.

70. The PRESIDENT said that the Council was required to reach a decision on the various recommendations made by the Preparatory Committee, as set out in paragraph 1 of its report. If he heard no objection, he would take it that the Council approved the draft provisional rules of procedure of the World Food Conference (E/5533, annex I) and decided to transmit them for adoption by the Conference.

It was so decided.

71. The PRESIDENT said that, if he heard no objection, he would take it that the Council approved the draft provisional agenda of the Conference (*ibid.*, annex II) and the proposed organization of the work of the Conference (*ibid.*, annex III) and decided to transmit them to the Conference for adoption.

It was so decided.

72. The PRESIDENT said that, if he heard no objection, he would take it that the Council agreed that the third session of the Preparatory Committee should be held at Rome from 23 September to 4 October 1974 (E/5533, para. 43).

It was so decided.

73. Mr. CORDOVEZ (Secretary of the Council) said that the financial implications of convening a meeting of interested delegations at Rome from 16 to 20 September 1974, as recommended in paragraph 1 *(d)* of the Preparatory Committee's report, would be $6,000 to cover costs of documentation and interpretation.

74. The PRESIDENT said that, if he heard no objection, he would take it that the Council agreed to convene such a meeting of interested delegations at Rome from 16 to 20 September 1974 to consider certain specific proposals for possible consideration by the World Food Conference and to report thereon to the third session of the Preparatory Committee (*ibid.*, para. 20).

It was so decided.

The Council took note of the report of the Preparatory Committee for the World Food Conference on its second session (E/5533).

75. The PRESIDENT thanked the Chairman of the Preparatory Committee and the Secretary-General of the World Food Conference for their statements and participation in the discussion.

76. Mr. CAVAGLIERI (Italy) extended a cordial welcome, on behalf of his country, to all participants in the World Food Conference. His country was happy to act as host to the Conference, which was a demonstration of international solidarity and co-operation.

77. Mr. MAREI (Secretary-General, World Food Conference) said that he had been convinced by the discussion that not only developing but also developed countries shared the secretariat's approach to the world food problem.

The meeting rose at 12.55 p.m.

1917th meeting

Monday, 22 July 1974, at 3.10 p.m.

President: Mr. A. KARHILO (Finland)

E/SR.1917

AGENDA ITEM 4

Programme of action on the establishment of a new international economic order (E/5555; E/L.1608)

1. Mr. ALGAARD (Chairman, *Ad hoc* Committee on the Special Programme) reminded the Council that under the terms of section X (Special Programme) paragraph 6, of the Programme of Action on the Establishment of a New International Economic Order, adopted by the General Assembly at its sixth special session in its resolution 3202 (S-VI) of 1 May 1974, the *Ad hoc* Committee on the Special Programme had been requested to make recommendations, *inter alia*, on the scope, machinery and modes of operation of the Special Fund. Unfortunately, the *Ad hoc* Committee had found itself unable to submit specific recommendations. However, its report (E/5555) reflected the basic views expressed on the subject, and it would be useful if the Council could comment on them.

2. Another task of the *Ad hoc* Committee had been to monitor the various bilateral and multilateral measures intended to assist the most gravely affected countries, pending commencement of the operation of the Special Fund. On that question, the *Ad hoc* Committee had been in close contact with the Special Representative of the Secretary-General for the United Nations Emergency Operation who would give more detailed information on the subject.

3. The *Ad hoc* Committee had also been called to prepare, on the basis of information provided by the countries concerned and by appropriate agencies of the United Nations system, a broad assessment of the needs of the most seriously affected countries. That assessment had already been undertaken in collaboration with the World Bank and various international institutions.

4. The *Ad hoc* Committee would resume its work in the first week of September 1974 and hoped that by that time the Council would have put forward some suggestions; he also expected that a meeting of potential donor countries would have been held and that the latter would have been able to clarify their position with regard to the Special Fund.

5. He regretted that a large number of Member States did not appear to have appreciated the urgency of the situation. He wished to stress that the survival of millions of human beings depended on the United Nations, which was passing through the most serious crisis in its existence. It was for the Economic and Social Council to ensure that the Organization met the challenge, for the sake both of the countries affected and of its own reputation.

6. Mr. PREBISCH (Special Representative of the Secretary-General for the United Nations Emergency Operation)[1] stressed that the Emergency Operation had got off to a slow start if one considered the date which had been fixed for receiving contributions or announcements of contributions, and of the desperate plight of the poorest developing countries, which had worsened still further after the increase in oil prices. Nevertheless the operation had begun to take shape; as the Secretary-General had recently stated, on the assumption that the pre-conditions envisaged by certain contributors, notably as regards adequate participation by others, were realized, it appeared that pledges or expectations of bilateral and multilateral contributions already indicated by Governments would amount to over $1,000 million – the equivalent of more than one-third of

---

[1] The complete text of the statement made by the special representative of the Secretary-General for the United Nations Emergency Operation was circulated as document E/L.1610.

the estimated cost of the emergency assistance required over the next 12 months by the most seriously affected countries. That figure did not include a large number of bilateral contributions which were being made, mainly by oil-exporting countries; it remained to be decided whether such contributions, which related to the Emergency Operation but also contained an element of economic development, could be included in the global calculations.

7. The Secretary-General had convened a meeting of possible contributors on 15 June 1974, in order to speed up the rate of flow of contributions; that meeting, which was of a preparatory nature, had not resulted in definitive decisions, and the Secretary-General proposed to convene another meeting, at ministerial level, in September 1974, at which it was hoped that specific solutions would be arrived at. A note had been sent to the most seriously affected countries asking them for the information required to determine their most pressing needs. That difficult task had been undertaken immediately on the basis of information already available, with the assistance, at the technical level, of institutions such as IBRD, IMF, UNCTAD, UNDP and FAO. In spite of the difficulty of the undertaking, he proposed to submit in the near future a provisional list of countries, on the understanding that it might subsequently be modified.

8. During the visits which he had paid to OECD and EEC, as well as to a certain number of oil-exporting countries, he had been at pains to draw the attention of possible donors to the distinction that should be made between the Emergency Operation and the Special Fund which was to be set up when the work of the *Ad hoc* Committee on the Special Programme had been completed. He found that several countries, having rendered substantial assistance, felt that there was no call to participate in the Special Programme. But it was necessary to obtain information from them about the bilateral operations which they had already carried out in order to determine in each individual case what assistance was still required.

9. The Secretary-General had earnestly requested countries to pay their contributions as soon as possible or, if a contribution had been pledged subject to certain conditions, to make an advance which would enable him to undertake the operations for which he was responsible without delay.

10. During his conversations, he had encountered certain obstacles which were, however, now receding. The developed countries had pointed out that the oil-exporting countries now had very large resources to invest, while for their part the oil-exporting countries thought that it would be only right for the developed countries, which had benefited for a long time from the low prices of primary commodities from the developing countries, to come to the latter's aid. Without wishing to enter into that kind of discussion, which was out of place at a time when the need for aid was so urgent, he would observe that it was natural that the oil-exporting countries should wish to devote part of their new resources to raising the living standards of their own populations, which was still very low; as for the unsatisfactory prices obtained by the developing countries for their primary products, the United Nations had repeatedly drawn attention to that point. Events had given the lie to the generally-accepted theory that market forces determined the most appropriate price level and the most rational distribution of productive resources. It was obvious that market forces had been powerless to avert the serious problems engendered by technology. In the case of oil, they had brought a deterioration in the terms of trade between oil and manufactures. The low prices of oil, by encouraging consumption and waste and by favouring forms of technology calculated to increase that waste had aggravated the inequality in bargaining power between producer and consumer countries. That had happened not only in the case of oil but with all primary products, particularly tropical products. If it was desired to establish the new international economic order advocated by the General Assembly in the Declaration adopted at its sixth special session in resolution 3201 (S-VI) of 1 May 1974, there must be an improvement in the terms of trade and recognition of the fact that the prices of primary commodities from developing countries had started at too low a level, mainly because those exploiting them had at their disposal an abundance of low-paid labour. The aim should be not merely to prevent a deterioration in the terms of trade but, through a rational policy, to bring about a gradual rise in the level of prices of primary commodities in order to strike a balance more favourable to the developing countries than that resulting from the play of market forces.

11. The food shortage from which the developing countries were suffering arose fundamentally from the fact that the developing countries had insufficient resources to introduce expensive and complicated techniques which would make it possible for them to increase soil productivity. That was one aspect of the problem of development in the third world countries. Those countries, lacking the capital needed to accelerate development and solve their problems, were forced to follow a policy of playing for time in the hope that those problems would be solved by the spontaneous impact of economic forces. If it was really desired to establish a new economic world order, it was essential to find, with the agreement of all, a solution which would enable those countries to build up capital, which they needed all the more owing to the rapid growth of their populations. It was right to point out, however, that many developing countries did not always make the necessary effort; all too often they diverted their potential for capital formation to consumption, in imitation of the consumption characteristics of the large industrial centres which ran counter to the basic demands of development in third world countries. It had often been said that development had been characterized by a growing disparity between the industrial centres and the developing countries. In his view, it would be even more correct to say that the patterns of consumption of the large centres were rapidly gaining ground in the developing countries, thus internationalizing the consumer society. Whereas the difference between consumption by the upper social levels in the developing countries and consumption in the large industrial centres was steadily diminishing, the disparity was steadily increasing between consumption by those upper levels in the developing countries and that of the great masses of people on the periphery of development, which the World Bank had estimated at 40 per cent of the

population of the world – a figure which in any case was valid for Latin America. Consequently, and in order to solve the primary commodity problem, it was necessary to tackle the problems of those masses whose income was extremely low because it had not been possible for them to be absorbed by modern technology, precisely owing to the low rate of capital formation already mentioned.

12. He would stress the seriousness of the problem posed by the backward masses which had not been absorbed by modern technology. That problem had both an international and a domestic side. At the present moment, there was an opportunity to attack it through a series of convergent measures.

13. The oil-producing countries now had enormous resources; the figures were common knowledge. On the other hand the major consumer countries were suffering from large deficits which had to be corrected by bringing back the profits of the oil-producing countries. Without such "recycling" there would be a risk of recession in the world economy, a risk which should be avoided in the interests of everyone and above all of the developing countries, which would be the first to suffer from depression.

14. But however useful such recycling might be in the immediate future, a more radical solution would require that some of the oil resources should go direct to the developing countries. In that connexion, he recalled the theory of a well-known economist of the developed world, of which he had read in a newspaper article a few days previously. According to that theory, the imbalance of payments in the industrial centres could easily be solved; all that was required was to recycle to those centres the profits of the oil-producing countries through a series of short-term operations, long-term investments, bank issues, etc. In that and similar articles there was not the slightest reference to the developing countries. Nevertheless the capital accumulating in the oil-producing countries could play an important role if instead of returning in greater part to the developed countries it was directed to the developing countries. That would make it possible to solve three problems at once: firstly, the development of the peripheral countries would be accelerated; secondly, the injection of new resources into the developing countries would enable them to import more capital goods from the industrial centres, which would help to solve the latters' balance-of-payments problems; thirdly, the oil-producing countries would find in the developing countries a vast field for productive investment which would enable them to make good the probable diminution of earnings from oil. Such use of oil resources to promote development was, in his view, of supreme importance. If the earnings of the oil-producing countries reverted to the industrial centres, the existing state of affairs would remain unchanged. The peripheral developing countries would continue to suffer from insufficient capital formation.

15. Despite the General Assembly's recommendation in resolution 3176 (XXVIII), the percentage of resources transferred to the developing countries had attained neither 1 per cent of GNP nor even 0.7 per cent of GNP in official assistance. There had been a setback in that respect. It might be possible to remedy the situation if oil revenues were mobilized in part in favour of the developing countries, not as a philanthropic gesture but on the basis of mutual interest. The industrial centres themselves would benefit because of the resultant increase in the developing countries' imports of their capital goods. That effort would have to be accompanied by undertakings on the part of the developing countries to mobilize their internal resources more intensively; for the international effort had to be accompanied by a domestic counterpart. From that point of view he envisaged three types of convergent measures: a progressive directing of oil resources investment into the developing countries; an adequate contribution, larger than in the past, from the industrial centres; and a greater mobilization of the domestic resources of the developing countries. Those steps would help to solve one of the basic problems confronting the developing countries, namely that of capital formation.

16. Another major problem confronting the developing countries was that of their balance of payments. Most of those countries had suffered from a persistent deficit during the past 25 years. One of the reasons for that state of affairs was that trade between the developing countries themselves had not been sufficiently stimulated. It was doubtful whether the imbalance of trade from which many peripheral countries suffered could be corrected by increasing the prices of the commodities they exported to the industrial centres. The investment of oil revenues could play an appreciable role in helping to establish industries which, while not neglecting exports to the industrial centres, would serve to sustain reciprocal trade among developing countries.

17. It had been predicted in certain quarters that the rate of growth of the industrial centres would decline in coming years; without wishing to make any predictions on the subject, he was of opinion that the developing countries could not anticipate any action on the part of the industrial centres that would enable them to remedy the persistent disequilibrium in their balance of payments. They should count rather on trade among themselves; an effort had already been made in that direction by the creation of markets, mutual concessions, etc., but that effort was insufficient. The investment of oil revenues could play a tremendous role in helping the poorest countries to enter the circuit of reciprocal trade. It was necessary not only to create a favourable commercial setting for reciprocal trade, and to encourage investments to stimulate such trade, but also to establish an appropriate system of payments. Such an effort had to be made, whether in the framework of free trade areas or under common market agreements within sub-regional or regional groups, etc. A certain amount of doctrinaire resistance had been encountered, however, particularly in Latin America.

18. The stimulation of reciprocal trade required a certain dynamism; the countries or groups of countries with resources at their disposal should make every effort to direct their requests for imports increasingly at other developing countries of the sub-region or region, or even at such countries in other parts of the world. If the oil-producing countries were to procure a growing share of their imports from developing countries, that would have an important multiplier effect on reciprocal trade; if a

developing country increased its export to an oil-producing country, the resultant introduction of a system of payments would have advantages for other developing countries, thus creating an ever-widening circuit – which must, however, be kept open. Such systems of payment, and the payments union which would be the ultimate objective, called for a firm foundation of convertibility. It was difficult for the developing countries to establish such a foundation, but if they could be helped by bringing oil resources into play, a foundation of convertibility could be established for any currency of account and a system of reciprocal trade would thus be backed by a monetary stimulus. In that perspective there was now an opportunity, unprecedented in the history of the industrialization of the developing countries, of establishing a favourable framework for development.

19. Analysing, in the light of Latin American experience, the role of multinational corporations in stimulating world trade, he said that the corporations, by reason of their organization, technology and capability, were in the best position to profit from the trading facilities established to stimulate reciprocal trade. Recent studies had provided interesting information on the advantages and disadvantages of the activities of multinational corporations to peripheral States. He referred in that connexion to the inferiority, not only technical but financial, of those countries *vis-à-vis* the corporations. If the developing countries had at their disposal resources that were independent of the multinational corporations – notably resources derived from oil – they would be in a better position to negotiate with the latter. They could thus secure better conditions of association with the multinational corporations, or more simply form their own multinational corporations.

20. The observations he had made showed that the present crisis afforded great opportunities for solving the structural problems which impeded the acceleration of the rate of development of the peripheral countries. There was a Chinese proverb to the effect that great crises entailed huge risks, but also brought great opportunities. It was now possible to create the new order, the concept of which had, after many years of discussion, been enshrined in a historic United Nations resolution.

21. When the Secretary-General had asked him to become his Special Representative for the United Nations Emergency Operation, he had accepted with gratitude towards the United Nations and with a desire to help to solve the urgent problems confronting the countries worst hit by the present economic crisis. Those countries, representing a large proportion of the world's population, should have the benefit of mankind's solidarity. That would be in the interest of the world as a whole, since the world economy was now highly vulnerable: if the economies of the poorest countries were to collapse, a chain reaction might result. In those circumstances, the United Nations had a great role to play; population problems, environmental and commodity problems, and problems of the utilization of natural resources and of the transfer of technology arose at the world level and required its presence. No other body could assume such responsibilities. For that purpose, however, the structure of the United Nations system had to be reformed. In the countries he had visited in Latin America and elsewhere, there was a lack of integration between the functions of economic analysis performed by the United Nations and practical action, particularly in technical assistance matters. The United Nations system must adjust its structure to achieve relevance to problems which had acquired a significance they had not possessed at its inception. The General Assembly had been wise to adopt resolution 3172 (XXVIII) providing for a special session devoted to development and to those problems; the United Nations system should reform its structures so that it could mount a vigorous attack on the great problems confronting it and give real meaning to the new international economic order.

22. Mr. MACKENZIE (United Kingdom) said that he had two suggestions to make with regard to the Emergency Operation for assistance to the countries hardest hit by the crisis. First, the Special Representative of the Secretary-General should issue as early as possible a list of the countries which all parties had agreed to recognize as fulfilling the necessary conditions for receiving emergency assistance; secondly, the conditions under which pledges of funds could be considered as contributions to the Emergency Operation should be defined.

23. Mr. PÉREZ GUERRERO (Venezuela) said that the steps to be taken to meet the present economic crisis were of two kinds. First, there were the urgent problems faced by many countries as a result of the latest series of economic events, added to pre-existing factors. Secondly, there was the problem of the world economic structure, which had been the subject of the Declaration and of the Programme of Action adopted by the General Assembly at its sixth special session. It was encouraging to note that, so short a time after the Secretary-General's meeting in New York with actual and prospective contributors, an emergency programme was already being prepared. He stressed that the question was not one of forcing countries with greater liquidities, or the oil-producing countries, to bear the entire financial burden of assistance, but a question of sharing the responsibility among all countries standing in a favourable position in the concert of nations. His delegation was certain that other oil-producing countries would, like Venezuela, rise to their responsibilities. Some had already given proof of that spirit by responding favourably to the Secretary-General's appeal for contributions towards emergency assistance to the developing countries most seriously affected by the crisis, as recorded in the Secretary-General's note on the subject (E/L.1608).

24. The initiative of bringing together prospective contributors at the ministerial level should be encouraged. Venezuela would participate in such a meeting since an opportunity would thus be afforded of finding a solution satisfactory to the countries that attached conditions to their prospectives contributions to the emergency programme; those contributions would have to be made sufficiently flexible to be really effective.

25. He regretted that the report of the *Ad hoc* Committee on the Special Programme was so sketchy and hoped that its next report would be more detailed. In his opinion, the Emergency Operation should not entail an increase in the bureaucratic machinery of the United Nations; the international or regional financial institutions could help the

United Nations to carry out the task involved in the establishment and functioning of an emergency programme.

26. Mr. BARCELÓ (Mexico) agreed that action must be taken at two levels: firstly by emergency measures in the 30 or 40 most seriously affected countries, and then by seeking a solution to problems deriving from the economic and social structure, throughout the world and in the developing countries in particular. In that context, the World Population Conference and the World Food Conference to be held during the year should concentrate on solving the problems not only of the current emergency but the problems which would arise in the longer term. In his opinion the whole United Nations machinery, beginning with the Economic and Social Council itself, should engage in a search for guidelines and patterns of action. Indeed it was the duty of the Council and of all other United Nations bodies to adapt themselves to the needs of the hour.

27. Mr. FERGUSON (United States of America) said that he wished to make his delegation's position clear on the subject of emergency operations on the one hand and a new international economic order on the other. The Special Representative of the Secretary-General had said that the present crisis involved a series of problems arising from deep-rooted causes and from imbalances in the international economic order. The United States of America acknowledged the existence of those imbalances and of certain injustices but with regard to the countries most seriously affected by the crisis it made a definitive distinction between problems requiring immediate short-term assistance and long-term development problems. It rejected the theory under which the adoption of a new international economic order as defined by the General Assembly at its sixth special session, with all its attendant premises and hypotheses, was a necessary pre-condition for the solution of the urgent problem facing some 35 most seriously affected countries. Those reservations had already been expressed in the United States Government's reply to the Secretary-General.

28. Nevertheless the United States was prepared to participate in the Emergency Operation and his Government would very shortly announce, as soon as the result of the present year's harvests were known, the nature of its participation. That support, however, should not be taken to imply approval of the Programme of Action: the United States had already declared that it would not contribute to the Special Fund envisaged in section X of the Programme of Action. But it supported fully the emergency assistance programme, in the belief that those countries which had the resources available to do so should come to the help of those hardest hit by the crisis.

29. It was not a question of deciding there and then whether the increase in oil prices had been provoked or whether it had come about spontaneously. Another error to be avoided, in his delegation's view, was the over-simplified distinction made between developed and developing countries. There were in reality countries which were at different stages of development. Similarly, the distinction between consumer and producer countries was an artificial one. The United States, for instance, was probably the largest consumer country and at the same time the largest producer, not of manufactured goods, but of primary commodities. It imported manufactured articles, and therefore faced the same problems and the same difficulties as the producers of primary commodities and importers of manufactured articles.

30. Mr. DUMAS (France) reminded the Council, on behalf of the nine members of EEC, that the Community had announced its intention of participating in the special emergency operations, and had indicated the substantial amount and the conditions of its participation in its reply to the Secretary-General (E/L.1608). The Community and its members, individually and collectively, were following the development of the situation with interest and would study carefully the suggestions made by the Special Representative of the Secretary-General.

31. Mr. LAGERFELT (Sweden) said that the present crisis had seriously affected a number of developing countries; according to several estimates, those countries would need from $3,000 to $4,000 million of additional resources over a period of 12 months.

32. The Special Programme adopted by the General Assembly at its sixth special session had been most timely. It was now incumbent on the whole United Nations system on the one hand, and the industrialized and potential donor countries on the other, to make strenuous efforts to implement that programme and, as a first step, to meet short-term needs. Sweden itself had channelled assistance in the most flexible and speedy manner possible to the most seriously affected countries; his Government had decided to increase by some $20 million its bilateral aid to a certain number of those countries and had made that sum freely available to cover their import requirements. Other countries had been enabled to redirect their input of Swedish assistance in order to augment their import capacity.

33. The report of the *Ad hoc* Committee on the Special Programme was a useful document, but his delegation had hoped for more specific recommendations to the Economic and Social Council. It was now urgent for the Council to consider the establishment of the Special Fund. It should therefore at the present session give its attention to such questions as how the governing body of the Fund was to be composed; how secretarial services should be supplied; how adequate funds could be secured; what countries should receive assistance from the Fund; what types of activities should be conducted; and whether those activities should be conducted through contracts with executing agencies or by machinery attached to the Fund itself.

34. As the Swedish representative had stated in the general debate (1904th meeting), the Swedish Government expected that Special Fund arrangements would be adopted in accordance with the principles laid down at the sixth special session of the General Assembly regarding the influence of developing countries in the decision-making process of multilateral financial institutions. That being its basic attitude, his Government would support proposals ensuring that the developing countries, whether recipients or donors, had a decisive voice in the governing body of the Fund.

35. Moreover his delegation was not convinced of the necessity to create new operational machinery for the Special Fund; it would be better to explore possible relationships with existing international organizations. As regards contributions to the Special Fund, his Government was prepared to act swiftly once a solution had been adopted which commanded wide support in the United Nations.

36. Mr. PREBISCH (Special Representative of the Secretary-General for the United Nations Emergency Operation), answering the two points raised by the United Kingdom representative, said, first, that a preliminary list of countries would be distributed in a week's time. Secondly, a reporting system would be organized whereby bilateral or multilateral contributions made in the next 12 months could be properly co-ordinated and combined. As part of that system, he and his colleagues would establish clear criteria for defining the type of contribution suitable for emergency operations. Some of the specialized agencies were also giving valuable help in that undertaking.

37. The PRESIDENT drew the Council's attention to paragraph 15 of the *Ad hoc* Committee's report, where it was suggested that the *Ad hoc* Committee should meet again early in September 1974, which called for a decision by the Council. The Council would perhaps wish to decide that the question be referred to the Economic Committee.

It was so decided.

The meeting rose at 5.5 p.m.

1918th meeting

Wednesday, 31 July 1974, at 10.35 a.m.

President: Mr. A. KARHILO (Finland)

E/SR.1918

Organization of work

1. The PRESIDENT reminded the Council that during the general debate a number of delegations had made substantive statements on the important issue of collective economic security, which the Council had intended to consider in plenary. Since one of the informal draft resolutions being discussed at the level of the Economic Committee dealt with that item, he proposed that it should be formally allocated to the Economic Committee for action.

It was so decided.

Human rights questions: Allegations regarding infringements of trade union rights (E/5565)

2. The PRESIDENT drew the Council's attention to the note on allegations regarding infringements of trade union rights (E/5565), which had been submitted by the Secretary-General in accordance with the relevant statutory provisions. In paragraph 5 of the note, the Secretary-General suggested that the Council should transmit the two communications from international trade union organizations relating to allegations of infringements of trade union rights in South Africa to the *Ad hoc* Working Group of Experts of the Commission on Human Rights and that the Working Group should be requested to include its findings on the matter in its report to the Council at the fifty-eighth session. He reminded the Council that a similar procedure had been adopted at its fifty-sixth session with regard to an identical issue. If there was no objection, he would take it that the Council wished to act accordingly.

It was so decided.

AGENDA ITEM 9

World Food Conference *(concluded)
(E/5533; E/L.1609, E/L.1611/Rev.1; E/NGO/18)

3. The PRESIDENT invited the Council to revert to the question of the implementation of resolution 1836 (LVI) on emergency measures in regard to the supply of fertilizers and pesticides. In accordance with operative paragraph 1 of that resolution, the Council of FAO had considered at its sixty-third session the emergency plan of operations drawn up by the Director-General of FAO for increasing the supply of fertilizers to developing countries, including the establishment of a fertilizer pool. The relevant extracts of the report of that session were annexed to the letter of transmittal of the Director-General of FAO (E/L.1609).

4. Mr. CORDOVEZ (Secretary of the Council), presenting a preliminary oral report on the replies received by the Secretary-General in response to Council resolution 1836 (LVI), said that so far replies had been received from the Governments of Canada, Denmark, Netherlands, Sweden and United States.

5. The Government of Canada had indicated that, in recognition of the urgency of the situation, it had increased its planned assistance for the year 1974/75 by $US 1 million, of which approximately one fifth would be devoted to the purchase of fertilizers, in addition to the

---

* Resumed from the 1916th meeting.

$US 20 million already earmarked for that purpose in its regular bilateral programmes.

6. The Government of Denmark had stated that as a non-exporter of fertilizer it could most appropriately assist by providing technical assistance on a bilateral or multilateral basis to the most seriously affected developing countries.

7. The Government of the Netherlands had informed the Secretary-General that it was considering how it could contribute to the financing arrangements for long-term fertilizer contracts which would be offered as part of bilateral agreements with developing countries. It had indicated that, in its opinion, the emergency fund for the benefit of the most seriously affected countries should also be used that purpose.

8. The Government of Sweden had announced its decision to increase direct assistance to the most seriously affected countries receiving Swedish assistance by about $20 million. The funds were being made available for an immediate increase of imports, including fertilizers, by recipient countries.

9. The Government of the United States of America had announced its intention of responding as far as possible to the urgent need of developing countries for increased supplies of fertilizers and had stated its view that the primary need was for increased fertilizer supplies rather than for funds, although it was true that the massive increase in fertilizer prices had produced an additional foreign exchange burden for developing countries.

10. Miss GHOSE (India), introducing draft resolution E/L.1611/Rev.1 concerning emergency measures in regard to the supply of fertilizers and pesticides on behalf of the sponsors and of Sri Lanka, whose representative was present as an observer, said that it was a follow-up to Council resolution 1836 (LVI), which had been unanimously adopted earlier in 1974. The sponsors appreciated the prompt action taken by the Director-General of FAO and the quick response by five developed countries. The draft resolution, which conveyed the Council's endorsement of the action taken by the Council of FAO in its resolution on the subject, dealt specifically with an emergency situation. There was an actual shortage of supplies of fertilizers and pesticides and, as was indicated in the report of the FAO Council (E/L.1609, annex, para. 20), the currently high prices reflected their scarcity value rather than their cost of production and a reasonable return on investment. The sponsors of the draft resolution therefore appreciated the appeal made by the Council of FAO not only to Governments but also to the fertilizer industry. It now lay with Governments to ensure that fertilizers reached the countries where they were most needed in time for the forthcoming planting season.

11. In order to meet the situation, an emergency operation would have to be conducted by all those concerned, including the shipping industry. Countries producing fertilizers should encourage maximum local production and should try to ensure that the domestic use of fertilizers for purposes other than food production was reduced to a minimum. Although the developing countries themselves were primarily responsible, it was common knowledge that the current economic crisis had made it difficult for them to implement their plans for increased domestic production. In view of the urgency of the need, the sponsors of the draft resolution had requested the Director-General of FAO to report on the progress of the International Fertilizer Supply Scheme to the Council at the end of the year. Her delegation would welcome any further information already available from FAO about the Scheme's chances of success. The fertilizer pool was not to be envisaged as a physical bank, in view of the storage difficulties which that would entail; the intention was that countries which could earmark certain quantities of fertilizer as their contribution to the pool should ship them direct to the places where they were needed.

12. Developing countries which produced fertilizers should be helped by financial and technical assistance to make full use of their potential capacity. The local fertilizer plants were at present hampered by the high cost of equipment and the lack of essential spare parts.

13. The draft resolution related only to emergency measures to cover the current planting season, but since the medium-term supply prospects were also uncertain the draft resolution invited Governments of both producer and importing countries to make known to FAO their future production plans and requirements. Full information from both sides would obviate any risk of world prices being affected.

14. Mr. MARKEY (United States of America) said that his delegation fully endorsed the resolution adopted by the Council of FAO and therefore supported draft resolution E/L.1611/Rev.1, which was along similar lines. His Government had already taken steps in the spirit of the draft resolution, particularly operative paragraphs 1 *(b), (c), (d)* (ii) and 2, 3 and 4. As part of the United States bilateral assistance programmes, his Government offered technical assistance where fertilizer plants in developing countries were operating below capacity, as also with regard to the improved use of fertilizers. It was prepared to assist in research regarding the most appropriate fertilizers for various soils, particularly tropical soil, which had a high potential productivity. United States fertilizer plants were producing nearly their maximum capacity. In normal circumstances, they produced only for the domestic market but they would be responsive to increased needs abroad. His Government was also prepared to extend concessionary financing in appropiate cases where developing countries could find supplies of fertilizers but not the necessary funds to purchase them. The United States Congress had been asked to increase official bilateral assistance, including fertilizers.

15. He proposed that operative paragraph 1 *(a)* of the draft resolution should be amended to read: "Re-emphasizes the need for the immediate implementation of the International Fertilizer Supply Scheme", in view of the fact that the Director-General of FAO had already been requested by the FAO Council to implement the Scheme.

16. Mr. CORKERY (Australia) associated himself with the Indian representative in commending the work of FAO on the subject. As a significant exporter of primary products, deriving 50 per cent of its income from agricultural products, Australia fully understood the importance of the subject. Although he would not press the point, he would be glad if the sponsors of the draft resolution would agree to incorporate in operative paragraph 3 the phrase "wherever possible" after "to ensure". In Australia, the Government had no means of ensuring that low priority uses of fertilizer were reduced to a minimum owing to the nature of the trade and the federal structure of the Constitution. The Australian Government had the question of a fertilizer supply scheme under active consideration.

17. Mr. PU Ming (China) said that his delegation was in complete sympathy with the developing countries which were facing shortages of fertilizers and pesticides and price increases. The developed countries and the competent United Nations organs should take emergency measures to supply them. His delegation hoped that the International Fertilizer Supply Scheme would be implemented without delay, in order to help developing countries to overcome their difficulties. In its view, the developing countries were right to request Governments of exporting countries to make fertilizers available at reasonable prices.

18. In general, his delegation supported draft resolution E/L.1611/Rev.1 but it had reservations about the implications of operative paragraph 1 *(d)*, which might be taken to relate to the fertilizer trade. It had therefore been obliged to refer the draft resolution back to the Chinese Government for instructions.

19. Mr. PANYARACHUN (Thailand) said that his delegation fully endorsed draft resolution E/L.1611/Rev.1, which should be immediately implemented. As one of the world's largest rice producers, Thailand was in the fortunate position of having surplus food supplies but it had not realized its full productive potential. It intended to increase its production of rice and to make supplies available to both developed and developing countries. Increased production depended, however, on increased supplies of fertilizers at reasonable prices. It was the Government's intention to take full advantage of the International Fertilizer Supply Scheme and he appreciated the offers of help already made by five countries. Once increased rice production was achieved, however, it would be essential to provide the requisite transport, which had been seriously affected by the increase in oil prices. He hoped that donor countries would take both factors into account. If it was assisted in such ways, Thailand was prepared to do its best to alleviate the current food shortage.

20. Mr. BARCELÓ (Mexico) commended the five countries which had promised additional supplies of fertilizers. On behalf of the sponsors of draft resolution E/L.1611/Rev.1, he accepted the amendment to operative paragraph 1 *(a)* proposed by the United States representative, which improved the text. With regard to the amendment to operative paragraph 3 proposed by the Australian representative, the present wording called for the restriction of low-priority uses of fertilizers as far as possible and he would prefer not to accept the amendment. With regard to the comments made by the Chinese representative, the sponsors were concerned only that FAO should dispose of the fullest information so that the best use could be made of the available supplies of fertilizer and pesticides. No reference was intended to international trade.

21. Mr. KAUFMANN (Netherlands) said that his delegation supported the draft resolution under consideration. He commended the FAO Council on its rapid action in response to the requests of the Economic and Social Council and of the General Assembly at its sixth special session. His country was among those which had already begun to implement the International Fertilizer Supply Scheme by taking steps for its industry to make available 20,000 tons of fertilizer products. No formal pledge could be made at present, however, since the question of financing had yet to be determined.

22. Mr. PATTISON (United Kingdom) said that his delegation realized the difficulties faced by developing countries in securing fertilizer supplies, and the need for urgent action. It supported the draft resolution, with the Australian and United States amendments. He thanked the sponsors for their readiness to accept amendments before the draft resolution had been formally tabled.

23. Although it had not yet replied to the Secretary-General's appeal, his Government had considered possible ways and means of helping. Despite its own fertilizer problems, it had requested its manufacturing industry to make available for export, possibly to the FAO pool, an additional 5,000 tons of compound, for shipment before the end of December 1974.

24. It had also asked the industry to consider giving higher priority to orders from developing countries which were suffering particularly from serious shortages of fertilizers for the production of basic food crops. It would be prepared to give bilateral aid in suitable cases, within the funds available to each country, for the purchase of fertilizers and the improvement of local fertilizer industries, for which interested countries could submit requests in the usual way. Despite the difficulty of obtaining supplies of straight nitrogen fertilizers, his country would continue to seek ways and means of maintaining its contributions to projects under the FAO programme, which it had long supported.

25. Mr. ROUGET (Federal Republic of Germany) said that his country, which had participated both in the first session of the FAO Commission on Fertilizers and in the sixty-third session of the FAO Council, realized that many developing countries were faced with serious food shortages and rapidly increasing food prices and that the provision of adequate food supplies was a matter of first priority for them. It was also aware of the serious problems resulting from the insufficiency of nutrients and fertilizers, and it agreed with the Secretary-General that the most important solution to the world food problem was to increase production in developing countries by using more fully the under-utilized physical and human resources in those countries (E/5533, para. 7). In view of the fact that at least 10 to 15 per cent of the world's population was underfed,

short-term as well as long-term action by the international community was urgently needed.

26. That type of aid enjoyed high priority in the development policy of his country, which promoted action to increase and diversify agricultural production, to create additional employment and to improve rural structures. The share of agricultural assistance in its over-all official development assistance had been rising continuously in recent years, having amounted in 1973 to 32 per cent for the technical assistance component and 23 per cent for the capital aid component. At the end of 1973, 574 German experts had been working in 167 technical assistance projects and 58 capital aid projects had been under way in the agricultural sector.

27. His country had so far provided more than DM 4,400 million for official agricultural aid to the developing countries. Its contribution to the Food Aid Convention had amounted to DM 97 million in 1973. Its foodstuff aid had increased from DM 5 million in 1970 to DM 20 million in 1973 and its contribution to WFP during the same period had risen from DM 12 million to DM 18 million. It intended to continue those various measures.

28. The emphasis in its agricultural assistance had shifted increasingly in recent years from pure production projects to integrated measures covering advisory services, training and research. Initial attempts had been made to move away from isolated projects towards measures in which increasing importance was attached to the storing, distribution and processing of agricultural products and to the establishment of suitable production, loan and sales organizations. The supply of fertilizers and pesticides had proved to be a prompt and effective instrument in increasing agricultural production in many developing countries.

29. In addition to the problems created by the world food crisis, many developing countries were encountering difficulties because of the shortages and high cost of certain agricultural production requisites. That was particularly regrettable since it was the socially weak groups in the countries concerned who were the hardest hit. His country therefore supported any steps to increase supplies of such requisites for developing countries. Since the beginning of the energy crisis, his Government had allotted greatly increased funds for that purpose and it intended to intensify those measures.

30. His Government, which had supported the resolution of the FAO Council attached particular importance to the inclusion of bilateral measures in the International Fertilizer Supply Scheme. It had endorsed the idea that the Scheme should be a comprehensive framework within which urgent action could be initiated bilaterally and multilaterally and had approved the establishment of an FAO information system on fertilizer supply and demand, which would be an important element in the clearing-house function of FAO in the over-all scheme.

31. Although its own bilateral aid measures would not call for the establishment of a fertilizer pool, his delegation would have no objection to that idea since it would enable countries not otherwise engaged in such activities to make financial and material contributions.

32. In view of the emergency measures the Federal Republic was undertaking bilaterally, his delegation interpreted operative paragraph 1 *(c)* of draft resolution E/L.1611/Rev.1 as implying no commitment for his Government to make direct contributions to the fertilizer pool. It would support the draft resolution, with the Australian and United States amendments, on that understanding. It hoped that the World Food Conference and the emergency measures envisaged would pave the way for a basic solution of the fertilizer and pesticides problem and of the world food problem as a whole.

33. Mr. NESTERENKO (Union of Soviet Socialist Republics) said that his country attached great importance to the question of fertilizers and to international action to deal with it. Its chemical fertilizer industry produced fertilizers not only for domestic use but also for export. It had exported 5.7 million tons of fertilizers in 1972 and slightly more in 1973, much of which had gone to developing countries.

34. The best means of dealing with the problem on a world basis was to help the developing countries to produce fertilizers themselves. His country was prepared to increase its co-operation in that direction. His delegation would support the adoption by consensus of the draft resolution, with the Australian and United States amendments. If the draft resolution were put to the vote it would have to abstain, since his country, as a non-member of FAO, would be unable to fulfil the provisions of operative paragraph 1*(d)* (ii).

35. Mr. HATEGA (Uganda) said that his delegation, which attached great importance to the production of fertilizers, considered that draft resolution E/L.1611/Rev.1 did not go far enough to satisfy the wishes of some developing countries. Provision should be made for assistance from developed countries and lending institutions to expand existing fertilizer plants in developing countries, thus making it possible for those countries to increase production and stimulate trade among themselves. Nevertheless, his delegation would not oppose the adoption of the draft resolution.

36. Mr. THOMAS (Liberia) said that his delegation, which would have liked to join in sponsoring the draft resolution, recognized the urgent necessity of making available the necessary supply of fertilizers and pesticides to alleviate the serious world food crisis, which was affecting the developing countries in particular. Liberia and many other countries used rice as their staple food; and production of rice and of many other foodstuffs required an adequate supply of fertilizers. His delegation therefore supported the draft resolution, with the United States amendment.

37. Mr. DIARRA (Mali) said that his delegation supported draft resolution E/L.1611/Rev.1. The shortage of fertilizers and pesticides was one of the most inhibiting factors in the agricultural development of the developing countries. The provisions of the draft resolution would help

those countries in their efforts to increase their agricultural production.

38. Referring to operative paragraph 4, he said that, since very few developing countries had any fertilizer production capacity, consideration might have been given to the idea of establishing fertilizer production units.

39. Mr. SILVA DAVIDSON (Chile) said that his delegation supported the draft resolution, with the Australian and United States amendments, and thanked the five developed countries which had offered to supply fertilizers and financial assistance. The International Fertilizer Supply Scheme could help to give a new impetus to his country's nitrogen fertilizer industry, which in the past had had an important export production, and could help all countries to increase their production of foodstuffs.

40. Mr. JODKO (Poland) said that his country, which paid great attention to pesticide and fertilizer problems, was ready to co-operate with the developing countries in that area. It would support the adoption of the draft resolution by consensus on the understanding that the measures envisaged would be of a voluntary nature.

41. Mr. W. RAHMAN (Observer for Bangladesh), speaking at the invitation of the President, said that his delegation associated itself with previous speakers in commending the draft resolution for unanimous adoption. In view of the present world economic situation, the need for emergency assistance was particularly acute in the field of food production, which depended on an uninterrupted supply of fertilizers. Bangladesh was one of the countries requiring such assistance. Its agricultural production was suffering for lack of fertilizer supplies, which had been affected by rocketing prices. The situation was desperate and required urgent action. His delegation therefore urged the immediate implementation of the International Fertilizer Supply Scheme.

42. It would have wished to co-sponsor the draft resolution if Bangladesh had been a member of the Council.

43. The PRESIDENT announced that the sponsors of the draft resolution had expressed their willingness to accept the amendments proposed by the United States and Australia.

44. Mr. KACIMAIWAI (Fiji) said that his delegation appreciated the prompt response of the FAO Council to Economic and Social Council resolution 1836 (LVI) and commended the sponsors of draft resolution E/L.1611/Rev.1. Improved fertilizer and pesticide supplies were essential for increasing the agricultural productivity of the developing countries, whose economies were largely agriculture-based. His delegation therefore whole-heartedly supported the draft resolution.

45. Mr. CHABALA (Zambia) said that his delegation welcomed the draft resolution and was grateful to the FAO Council for the action it had taken so far. The importance of the draft resolution for ensuring the ready and adequate availability of fertilizers and pesticides as a means of solving the critical problems of food scarcity and increased prices could not be over-emphasized. His delegation, which attached particular importance to operative paragraphs 2 and 4, would interpret operative paragraph 4 as meaning that the proposed assistance would be used to help developing countries not only to improve their fertilizer production but to develop their capacity in that area.

46. Miss GHOSE (India) said that the representatives of Uganda, Mali, and Zambia had raised a valid point. The sponsors of the draft resolution intended to support any medium-term measures designed to alleviate the fertilizer problems of developing countries. The draft resolution under discussion, however, was intended to cover only emergency measures pertaining to the coming sowing season.

Draft resolution E/L.1611/Rev.1, as amended, was adopted.

47. Mr. SCHUMANN (German Democratic Republic) said that he had supported the draft resolution on the understanding that the action required of Member States would be of a purely voluntary nature and based on good will.

48. Mr. CORDOVEZ (Secretary of the Council) said that, as the Preparatory Committee for the World Food Conference would hold its third session shortly before the Conference met in Rome, there would not be time for the Council to take appropriate action on the Preparatory Committee's report on that session before the Conference opened. Since that session had been envisaged in all substantive respects as part of the Conference, the Council might wish to consider the report of the Preparatory Committee on its third session together with the report of the Conference as soon as the latter became available in New York.

It was so decided.

AGENDA ITEM 15

Operational activities for development:

- ***(a)*** **Comprehensive policy review of operational activities throughout the United Nations system**
- ***(b)*** **United Nations Development Programme**
- ***(c)*** **United Nations Capital Development Fund**
- ***(d)*** **Technical co-operation activities undertaken by the Secretary-General**
- ***(e)*** **United Nations Fund for Population Activities**
- ***(f)*** **United Nations Children's Fund**
- ***(g)*** **World Food Programme**
- ***(h)*** **Co-operation among developing countries in the United Nations technical co-operation programmes and increased efficiency of the capacity of the United Nations development system**
- ***(i)*** **United Nations Volunteers Programme**

REPORT OF THE POLICY AND PROGRAMME CO-ORDINATION COMMITTEE (E/5567)

49. The PRESIDENT suggested that, when considering the reports of the Policy and Programme Co-ordination

Committee and the Economic Committee, the Council should adopt the same procedure as at its fifty-sixth session, first taking a decision on all the draft resolutions or decisions in each of the reports and then hearing explanations of vote and reservations. That procedure would enable the Council to deal efficiently with the Sessional Committees' reports but would not prevent delegations from expressing their views on any of the questions dealt with in those reports.

It was so agreed.

50. The PRESIDENT said that the Policy and Programme Co-ordination Committee had recommended two draft resolutions and five draft decisions for adoption by the Council (E/5567, para. 25). As draft resolution I (Report of the Executive Board of the United Nations Children's Fund) had been approved in the Policy and Programme Co-ordination Committee without a vote, he suggested that the Council too should adopt draft resolution I without a vote.

It was so decided.

51. The PRESIDENT said that draft resolution II (Proposal for an International Children's Year) had been approved by the Policy and Programme Co-ordination Committee without a vote. He suggested that the Council should adopt draft resolution II without a vote.

It was so decided.

52. The PRESIDENT said that draft decisions I to V, whereby the Council would take note of the reports submitted under agenda item 15 *(a)*, *(b)*, *(c)*, *(g)* and *(i)*, had been approved in the Policy and Programme Co-ordination Committee without a vote. He suggested that the Council should adopt them without a vote.

It was so decided.

AGENDA ITEM 16

International environment co-operation:

***(a)* Report of the Governing Council of the United Nations Environment Programme**

***(b)* Measures for protecting and enhancing the human environment**

***(c)* Natural resources and environment**

REPORT OF THE POLICY AND PROGRAMME CO-ORDINATION COMMITTEE (E/5568)

53. The PRESIDENT said that the Policy and Programme Co-ordination Committee had recommended two draft resolutions for adoption by the Council (E/5568, para. 23). Draft resolution I (Establishment of an international habitat and human settlements foundation) had been approved in the Policy and Programme Co-ordination Committee without a vote. He suggested that the Council should adopt draft resolution I without a vote.

It was so decided.

54. The PRESIDENT said that draft resolution II (Report of the Governing Council of the United Nations Environment Programme) had been approved in the Policy and Programme Co-ordination Committee without a vote. He suggested that the Council should adopt draft resolution II without a vote.

It was so decided.

55. Mr. DUMAS (France) said that his delegation maintained the reservation it had entered at the sixth special session of the General Assembly (2229th plenary meeting) with regard to General Assembly resolutions 3201 (S-VI) and 3202 (S-VI), which were mentioned in the second preambular paragraph and operative paragraph 3 of draft resolution II.

56. Mr. WENBAN-SMITH (United Kingdom) explained that he had supported draft resolution II on the understanding that the references to General Assembly resolutions 3201 (S-VI) and 3202 (S-VI) related solely to the environmental aspects of those resolutions and were without prejudice to the United Kingdom's position with regard to those resolutions as a whole.

AGENDA ITEM 20

Housing, building and planning

REPORT OF THE POLICY AND PROGRAMME CO-ORDINATION COMMITTEE (E/5569)

57. THE PRESIDENT said that the Policy and Programme Co-ordination Committee had recommended three draft resolutions and one draft decision for adoption by the Council (E/5569, para. 14). Draft resolution I (Technical assistance activities of the United Nations in housing, building and planning) had been approved in the Policy and Programme Co-ordination Committee without a vote. He suggested that the Council should adopt draft resolution I without a vote.

It was so decided.

58. The PRESIDENT invited the Council to take a decision on draft resolution II (World Housing Survey), which the Policy and Programme Co-ordination Committee had approved by 25 votes to 1, with 12 abstentions.

Draft resolution II was adopted by 32 votes to 1, with 11 abstentions.

59. Mr. ROUGET (Federal Republic of Germany) said that his delegation wished to be included among those which had abstained on draft resolution II, bringing the number of abstentions to 12.

60. Mr. DUMAS (France) said that his delegation had abstained in the vote on General Assembly resolution 3093 (XXVIII) and that, since his Government's position in the matter remained unchanged, he had abstained on draft resolution II.

61. Mr. PU Ming (China) said that he had voted against draft resolution II because it was not in accordance with

the spirit of the decisions adopted at the sixth special session of the General Assembly. His delegation had explained its vote in the Policy and Programme Co-ordination Committee.

62. Mr. SULLIVAN (Canada) said that he had abstained on draft resolution II because operative paragraph 1 contained provisions which Canada considered premature.

63. The PRESIDENT said that draft resolution III (Improvement and development of building technologies based on locally available materials), had been approved in the Policy and Programme Co-ordination Committee without a vote. He suggested that the Council should adopt draft resolution III without a vote.

It was so decided.

64. The PRESIDENT said that the draft decision had been approved in the Policy and Programme Co-ordination Committee without a vote. He suggested that the Council should adopt it without a vote.

It was so decided.

AGENDA ITEM 21

Programme and Co-ordination:

***(b)* Reports of the specialized agencies and the International Atomic Energy Agency**

REPORT OF THE POLICY AND PROGRAMME CO-ORDINATION COMMITTEE (E/5562/Add.1)

65. The PRESIDENT said that the Policy and Programme Co-ordination Committee had recommended two draft resolutions for adoption by the Council (E/5562/Add.1, para. 12). Draft resolution I (International Book Year, 1972, and the Second United Nations Development Decade: report of the secretariat of the United Nations Educational, Scientific and Cultural Organization) had been approved in the Policy and Programme Co-ordination Committee without a vote. He suggested that the Council should adopt draft resolution I without a vote.

It was so decided.

66. The PRESIDENT said that draft resolution II (Reports of the specialized agencies and the International Atomic Energy Agency) had been approved in the Policy and Programme Co-ordination Committee without a vote. He suggested that the Council should adopt draft resolution II without a vote.

It was so decided.

***(c)* Reports of the administrative Committee on Co-ordination**

***(d)* Report on the joint meetings of the Committee for Programme and Co-ordination and the Administrative Committee on Co-ordination**

REPORT OF THE POLICY AND PROGRAMME CO-ORDINATION COMMITTEE (E/5562/Add.2)

67. The PRESIDENT said that the Policy and Programme Co-ordination Committee had recommended a draft resolution and a draft decision for adoption by the Council (E/5562/Add.2, para. 13). He invited the Council to take a decision on the draft resolution (Special report of the Administrative Committee on Co-ordination on information systems).

The draft resolution was adopted by 37 votes to none, with 6 abstentions.

68. The PRESIDENT said that the draft decision had been approved in the Policy and Programme Co-ordination Committee without a vote. He suggested that the Council should adopt it without a vote.

It was so decided.

69. Mr. MARTINS (Brazil) explained that his delegation had voted in favour of the draft resolution because it was aware of the positive contribution the Common Register of Development Activities might make to system-wide planning and programming. It was also aware, however, of the financial and operational implications of adopting such a system and it therefore considered that, before the system was adopted, those implications should be carefully considered in preliminary studies. There should also be progress reports on the implementation of the system.

70. Mr. LOBANOV (Union of Soviet Socialist Republics) said that his delegation had abstained on the draft resolution for the reasons it had given in the Policy and Programme Co-ordination Committee. It wished to reaffirm its position, drawing attention to the financial implications. The estimated cost seemed excessive. His delegation would therefore reserve its position until the matter came up for consideration in the Fifth Committee of the General Assembly.

***(f)* Relations with the World Intellectual Property Organization**

REPORT OF THE POLICY AND PROGRAMME CO-ORDINATION COMMITTEE (E/5562)

71. The PRESIDENT said that the Policy and Programme Co-ordination Committee had recommended a draft resolution on an agreement with WIPO, for adoption by the Council (E/5562, para. 18). As the Committee had approved the draft resolution without a vote, he suggested that the Council should adopt it without a vote.

It was so decided.

72. Mr. LOBANOV (Union of Soviet Socialist Republics) said that, although his delegation had not objected to the adoption of the draft resolution, it reserved the right to submit comments on and suggest amendments to some of the provisions of the proposed draft agreement over the next few months, whenever the matter came up for discussion.

73. Mr. YAMADA (Japan) said that the views expressed by his delegation, as mentioned in paragraph 13 of the report, were recorded in the summary record of the 518th

meeting of the Policy and Programme Co-ordination Committee.

74. Mr. DUMAS (France) said that, although he had supported the draft resolution, he maintained his reservation regarding article 11 of the draft agreement, for which he had proposed an alternative text which had not been adopted.

75. Mr. WENBAN-SMITH (United Kingdom) said that, although the United Kingdom was one of the sponsors of the draft resolution, it recognized that the draft agreement, which represented a compromise, was not entirely satisfactory. He agreed with the French representative's views on the wording of article 11 and drew attention to his own delegation's comments on the subject, as recorded in paragraph 15 of document E/5535 (Report on negotiations with the World Intellectual Property Organization).

AGENDA ITEM 23

Assistance in cases of natural disaster and other disaster situations

REPORT OF THE POLICY AND PROGRAMME CO-ORDINATION COMMITTEE (E/5571)

76. The PRESIDENT said that the Policy and Programme Co-ordination Committee had recommended a draft resolution on assistance in cases of natural disaster and other disaster situations for adoption by the Council (E/5571, para. 10). The Committee had approved the draft resolution without a vote. He suggested that the Council should adopt it without a vote.

It was so decided.

77. Mr. WENBAN-SMITH (United Kingdom) drew attention to the reservation entered by the United Kingdom in the Policy and Programme Co-ordination Committee, and mentioned in paragraph 9 of the Committee's report.

AGENDA ITEM 25

Reports of the Joint Inspection Unit: pending reports

REPORT OF THE POLICY AND PROGRAMME CO-ORDINATION COMMITTEE (E/5572)

78. The PRESIDENT said that the Policy and Programme Co-ordination Committee had recommended a draft decision for adoption by the Council (E/5572, para. 5). As the Committee had approved the draft decision without a vote, he suggested that the Council should adopt it without a vote.

It was so decided.

Report of the United Nations High Commissioner for Refugees

79. The PRESIDENT recalled that the Council had decided at its resumed forty-seventh session that in the future the annual report of the United Nations High Commissioner for Refugees would be transmitted to the General Assembly without debate, unless, at the specific request of one or more of its members or of the High Commissioner, the Council should decide otherwise. Since no request for consideration of the current annual report (E/5484 and Add.1 and Add.1/Corr.1) had been received, he assumed that the Council would wish to transmit it to the General Assembly at its twenty-ninth session.

It was so decided.

The meeting rose at 12.40 p.m.

1919th meeting

Thursday, 1 August 1974, at 3.30 p.m.

President: Mr. A. KARHILO (Finland)

E/SR.1919

AGENDA ITEM 21

Programme and Co-ordination *(continued)*:

***(a)* Machinery for programme and co-ordination**

REPORT OF THE POLICY AND PROGRAMME CO-ORDINATION COMMITTEE (E/5562/Add.3 (Part I))

1. The PRESIDENT drew attention to the two draft decisions recommended for adoption by the Policy and Programme Co-ordination Committee in paragraph 19 of its report (E/5562/Add.3, (Part I)). Draft decision I (Machinery for programme and co-ordination) had been adopted in the Committee without a vote. In the absence of objection, he would take it that the Council would likewise wish to adopt the draft decision without a vote.

It was so decided.

2. The PRESIDENT noted that draft decision II (Creation of an informal group to examine the machinery for programme and co-ordination) had been adopted in the Committee without a vote. In the absence of objection, he would take it that the Council would likewise wish to adopt draft decision II without a vote.

It was so decided.

AGENDA ITEM 24

Implementation of the Declaration on the Granting of Independence to Colonial Countries and Peoples by the specialized agencies and the international institutions associated with the United Nations

REPORT OF THE POLICY AND PROGRAMME CO-ORDINATION COMMITTEE (E/5574)

3. The PRESIDENT drew the Council's attention to the report of the Policy and Programme Co-ordination Committee on the agenda item before it (E/5574) and in particular to the draft resolution in paragraph 11; the Council might wish to adopt the draft resolution without a vote, bearing in mind that the statements made on the subject in the Committee would be duly reflected in the relevant summary records.

It was so decided.

4. Mr. FAURIS (France), speaking in explanation of vote, pointed out that his delegation had already expressed certain reservations concerning the original text of the draft resolution (E/AC.24/L.499). Although suitable amendments had been made to the original version, his delegation still had serious reservations regarding the text just adopted.

5. First, his Government's position on the question of exercise of the right to free determination without recourse to violence and without intervention in internal affairs was well known. Assistance to the populations referred to in the resolution just adopted was given in a humanitarian perspective. The Council must not alter the institutional framework adopted by the international community.

6. Moreover the resolution was unjustly hard on, and inordinately critical of, the specialized agencies. Lastly, his Government refused to recognize the representative character of the self-styled "national liberation movements" which claimed to represent the populations of French territories.

7. His delegation had abstained on the draft resolution in the Policy and Programme Co-ordination Committee; it would have done the same in the Council had a vote been taken.

8. Mr. PU Ming (China) said that his delegation was in favour of the resolution as a whole but had a reservation to make on the fifth preambular paragraph: the declarations of the Portuguese Government referred to in that paragraph could not be accepted for what they were worth; it had to be seen whether they were put into effect.

9. Mr. SANDERS (United States of America) said that the United States representative on the Committee had already expressed his country's reservations concerning the resolution just adopted (540th and 543rd meetings). He would like those reservations to be duly noted along with the Council's decision.

10. Mr. ROUGET (Federal Republic of Germany) recalled that his delegation had abstained on the draft resolution in the Committee for the reasons given on that occasion.

11. Mr. WENBAN-SMITH (United Kingdom) said that his delegation had abstained in the Committee for the reasons then given. It would have adopted the same position had a vote been taken in the Council.

12. Mr. SULLIVAN (Canada) and Mr. KAUFMANN (Netherlands) said that their delegations had voted in favour of the draft resolution in the Committee but had made certain comments of which note had been taken at the time.

13. Mr. GEBRU (Ethiopia), Mr. CHAVANAVIRAJ (Thailand), Mr. WYZNER (Poland), Mr BANZER (Bolivia), Mr. KACIMAIWAI (Fiji) and Mr. AKSOY (Turkey) said that their delegations would have voted in favour of the draft resolution in the Committee if they had been present when the vote was taken.

AGENDA ITEM 26

Calendar of conferences

REPORT OF THE POLICY AND PROGRAMME CO-ORDINATION COMMITTEE (E/5573)

14. The PRESIDENT drew the Council's attention to the report of the Policy and Programme Co-ordination Committee on agenda item 26 (E/5573), and invited the Council to take a decision on the two draft resolutions and the draft decision contained in paragraph 13. Draft resolution I related to meetings of working groups of the Intergovernmental Oceanographic Commission and draft resolution II to rationalization of the work of the Council. Both draft resolutions, as also the draft decision on the programme of meetings, had been adopted in the Committee without a vote. In the absence of objection, he would take it that the Council also wished to adopt the three texts without a vote.

It was so decided.

AGENDA ITEM 13

Permanent sovereignty over natural resources

REPORT OF THE ECONOMIC COMMITTEE (E/5566)

15. The PRESIDENT drew the Council's attention to the report of the Economic Committee on the item (E/5566), and in particular to the draft decision in paragraph 6. Since the draft decision had been adopted in the Committee without a vote, he would consider, in the absence of objection, that the Council likewise wished to adopt it without a vote.

It was so decided.

AGENDA ITEM 18

Regional co-operation:

***(a)* Reports of the regional economic commissions**

***(b)* Report on the meetings of the Executive Secretaries of the regional economic commissions**

REPORT OF THE ECONOMIC COMMITTEE (E/5564)

16. The PRESIDENT drew the Council's attention to the report of the Economic Committee on the item (E/5564), and in particular to the two draft resolutions and six draft decisions reproduced in paragraph 18. Draft resolution I (Change of name from "Economic Commission for Asia and the Far East" to "Economic and Social Commission for Asia and the Pacific") had been adopted in the Committee without a vote. The Council might also wish to adopt draft resolution I without a vote.

It was so decided.

17. The PRESIDENT noted that draft resolution II (Regional co-operation) had likewise been adopted without a vote.

18. Mr. SANDERS (United States of America) said that he wished to submit a few amendments to the text, in view of important discussions which had taken place since its adoption in the Economic Committee. First, the words 'the need to ensure the accomplishment of", in the first preambular paragraph, should be deleted. Secondly, the words "The urgent implementation of", at the beginning of operative paragraph 1 *(a)* of part I, should be replaced by the words "Taking into account"; some consequential editorial changes would be required in the remainder of the paragraph. Lastly, the words "contribute fully to the establishment", in operative paragraph 1 *(c)* of part I should be replaced by the words "take fully into account the regional aspects".

19. Mr. HAQ (Pakistan) expressed surprise at the fact that the United States representative should have submitted amendments to the draft resolution after its adoption in Committee by a consensus. Admittedly any delegation had the right to submit amendments to the Council, but when it did so at the last moment other delegations did not have time for consideration. It was true that the subject had been under discussion elsewhere and that modifications had been made to texts under consideration in other bodies; but the countries which had requested them had clearly indicated that the modifications were to apply to the texts being discussed in the bodies in question and not to other texts. In any case, the draft resolution under consideration had been adopted well before those modifications had come in question. He therefore urged the United States representative not to press his amendments.

20. Mr. BOOTHE (Jamaica), Mr. LAZAREVIĆ (Yugoslavia), Mr. BOUZARBIA (Algeria), and Miss BALASUBRAMANIAN (India) said that they shared the view expressed by the representative of Pakistan and stressed that the Economic Committee had arrived at a consensus after protracted negotiations. They also requested the United States representative not to press for the adoption of his amendments.

21. Mr. SANDERS (United States of America) agreed; but asked that a separate vote be taken on the first preambular paragraph, operative paragraph 1, and draft resolution II as a whole.

The first preambular paragraph was adopted by 30 votes to 1, with 11 abstentions.

Operative paragraph 1 was adopted by 32 votes to 1, with 9 abstentions.

Draft resolution II, as a whole, was adopted by 46 votes to none, with 1 abstention.

22. The PRESIDENT invited the Council to take a decision on draft decisions I-VI as recommended for adoption. Since the draft decisions had been approved without a vote in the Economic Committee, he proposed that the Council should proceed in the same manner.

Draft decisions I-VI were adopted.

AGENDA ITEM 19

Science and technology: Report of the Committee on Science and Technology for Development on its second session

REPORT OF THE ECONOMIC COMMITTEE (E/5563)

23. The PRESIDENT drew the attention of the Council to paragraph 20 of the report of the Economic Committee (E/5563), containing nine draft resolutions and one draft decision recommended for adoption by the Council. Draft resolutions I-VIII had been approved in the Committee without a vote. If there were no objections, he would take it that the Council wished to adopt draft resolutions I-VIII without a vote.

Draft resolutions I-VIII were adopted.

24. The PRESIDENT invited the Council to adopt without a vote draft resolution IX, relating to institutional arrangements for science and technology.

Draft resolution IX was adopted.

25. Mr. CORDOVEZ (Secretary of the Council) pointed out that in paragraph 1 of draft resolution IX as just adopted, the Secretary-General was requested to make a study, with the advice of the Advisory Committee on the Application of Science and Technology to Development, and after consultation with all interested agencies and bodies within the United Nations system, on the feasibility of establishing a United Nations science and technology programme; and that in operative paragraph 2, the Secretary-General was further requested to submit a report to the intergovernmental working group of the Committee on Science and Technology for Development to be convened in 1975. In order to enable the Secretary-General to carry out the consultations thus called for it would be necessary to alter the date of the meeting of the Advisory Committee, and the Secretary-General requested the Economic and Social Council's approval for the Committee to meet from 4 to 15 November 1974. That change of date would have no additional financial implications.

It was so decided.

26. The PRESIDENT invited the Council to adopt without a vote the draft decision recommended for adoption by the Economic Committee.

The draft decision was adopted.

27. Mr. NEUHOFF (Federal Republic of Germany) referring to draft resolution IX relating to institutional arrangements for science and technology, said that, as had been the case in the Economic Committee, his delegation was prepared to associate itself with the consensus on the draft resolution. At the same time, it wished to make plain that its attitude did not imply any undertaking on the part of the Government of the Federal Republic of Germany with regard to any specific steps which might later be taken as a result of the study to be made on the establishment of a United Nations science and technology programme, including the establishment of a special fund. The Government of the Federal Republic had explained on a number of occasions the reasons for its attitude regarding the proliferation of administrative bodies and special funds in the United Nations system, and he would refrain from repeating the arguments already put forward in that respect.

28. Mr. DUMAS (France) expressed his delegation's reservations on the financial implications of draft resolution III, as adopted. The French delegation would revert to the question during discussion of the United Nations budget in the Fifth Committee of the General Assembly. It was unacceptable that the contemplated publication of regional plans for Asia and Latin America should proceed without any French version, since both regions contained French-speaking areas. With regard to draft resolution IX as adopted, his delegation maintained the reservations which it had expressed in the Economic Committee, and which were recorded in the summary record of its 703rd meeting.

29. Mr. LOBANOV (Union of Soviet Socialist Republics) said that his delegation wished to reserve its position with regard to any financial implications of the draft resolutions on the application of science and technology to development until the consideration of the budget by the Fifth Committee.

AGENDA ITEM 5

Study of the problems of raw materials and development: Consideration of draft resolutions referred to the Council by the General Assembly

REPORT OF THE ECONOMIC COMMITTEE (E/5576)

30. The PRESIDENT drew the Council's attention to the recommendation of the Economic Committee set out in paragraph 8 of its report (E/5576), which had been adopted in the Committee without a vote. If there were no objections, he would take it that the Council wished to adopt the draft decision without a vote.

It was so decided.

Draft provisional agenda of the resumed fifty-seventh session of the Council (E/L.1612)

31. Mr. CORDOVEZ (Secretary of the Council) submitted the draft provisional agenda of the resumed fifty-seventh session (E/L.1612) to the Council for approval. Agenda item 7 (The impact of multinational corporations on the development process and on international relations) had been included, subject to the approval by the Council of the draft resolution on the question, the consideration of which was still pending.

32. Mr. WENBAN-SMITH (United Kingdom) asked whether the draft provisional agenda would have any budgetary implications, in view of the number and importance of the items appearing on it.

33. Mr. CORDOVEZ (Secretary of the Council) said that a statement on the financial implications of all the decisions taken by the Council at the present session would be submitted the following day. Nevertheless it was already possible to indicate that with regard to Council meetings, the financial implications would depend on the services available. Until now, the practice followed by the Council had been to meet when the Second Committee of the General Assembly was not in session. The position would be different in 1974, when the Council would hold a series of meetings between the months of October and December.

34. The PRESIDENT invited the Council to adopt the draft provisional agenda of the resumed fifty-seventh session. If there were no objections, he would take it that the draft agenda was adopted.

It was so agreed.[1]

The meeting rose at 4.35 p.m.

---

[1] The text of the provisional agenda, as adopted, was subsequently issued under the symbol E/5581.

1920th meeting

Friday, 2 August 1974, at 10.30 a.m.

President: Mr. A. KARHILO (Finland)

E/SR.1920

AGENDA ITEM 21

Programme and co-ordination *(continued)*:

***(e)* Review of the agreements between the United Nations and the specialized agencies and the International Atomic Energy Agency**

***(g)* Priorities in the economic, social and human rights fields**

REPORT OF THE POLICY AND PROGRAMME CO-ORDINATION COMMITTEE (E/5562/Add.3 (Part II))

1. The PRESIDENT invited the Council to consider the report of the Policy and Programme Co-ordination Committee on item 21 *(e)* and *(g)* (E/5562/Add.3 (Part II)). In paragraph 31, the Committee recommended two draft resolutions for adoption by the Council. He invited the Council to take a decision on draft resolution I (Review of the agreements between the United Nations and the specialized agencies and the International Atomic Energy Agency), which the Policy and Programme Co-ordination Committee had approved without a vote. He suggested that the Council might likewise wish to adopt draft resolution I without a vote.

It was so decided.

2. Mr. CORKERY (Australia), drawing attention to the high cost of the activities which the Council was responsible for co-ordinating and programming, said that, although his delegation had supported the convening of three meetings early in 1975, as well as an informal group meeting and the Council's organizational session, it doubted whether such a piecemal approach to the problem of co-ordination and programming would ensure the best use of available resources. He had been impressed by the degree of co-ordination between the secretariats of the various United Nations organizations, revealed in the course of the Economic Committee's consideration of draft resolutions on raw materials. However, more precise information on the whole range of co-ordination and programming activities should be made available before the resumed fifty-seventh session to enable the Council to decide whether the arrangements made for those activities were adequate. Otherwise, the meetings he had mentioned might merely result in the continuation of the present situation. Events were often the product of current action and it was sometimes difficult to change their course later. At its resumed fifty-seventh session, therefore, the Council should consider what further action to take in regard to co-ordination and programming. At some future date, it might devote an entire organizational session to co-ordination and programming, or perhaps hold a special session for that purpose.

3. Mr. BARCELÓ (Mexico) and Mr. OLIVIERI (Argentina) agreed with the representative of Australia.

4. The PRESIDENT invited the Council to take a decision on draft resolution II (Priorities in the economic, social and human rights fields), which the Policy and Programme Co-ordination Committee had approved with a vote.

5. Mr. LAWRENCE (United States of America) said that a number of delegations had held informal consultations with a view to revising draft resolution II in a way that would enable the Council to adopt it without a vote. He thought that the draft resolution would be generally acceptable if operative paragraph 3 was redrafted to read:

> "*Requests* the Secretary-General, in preparing his draft programme budget and medium-term plan, to review carefully the activities being undertaken under each programme in the economic, social and human rights fields, in order to permit the General Assembly, with the recommendations of the Council, to redeploy, where appropriate, resources allocated to those areas, taking fully into account:
>
> "*(a)* The major objectives of the International Development Strategy and the Programme of Action on the Establishment of a New International Economic Order, including the attainment of fundamental freedoms and human rights;
>
> "*(b)* The desirability of ensuring a meaningful element of real growth in programmes which are particularly responsive to those major objectives".

6. The PRESIDENT asked the Council whether it was prepared to adopt draft resolution II, as orally amended, without a vote.

7. Mr. BOOTH (Jamaica) said that at first sight the United States amendment appeared to be acceptable but, as the consultations among the delegations directly affected had not yet been completed, he requested that the vote on the draft resolution should be postponed until the following meeting.

It was so decided.

AGENDA ITEM 26

Calendar of conferences *(concluded)*

REPORT OF THE POLICY AND PROGRAMME CO-ORDINATION COMMITTEE (E/5573/Add.1)

8. The PRESIDENT said that the Policy and Programme Co-ordination Committee, in paragraph 11 of its report

(E/5573/Add.1), recommended a draft resolution entitled "Revised pattern of meetings" for adoption by the Council. As the Committee had approved the draft resolution without a vote, he suggested that the Council might wish to adopt it without a vote.

It was so decided.

9. Mr. DUMAS (France) and Mr. SCHUMM (Federal Republic of Germany) said that their support of draft resolutions referring to the Programme of Action on the Establishment of a New International Economic Order was always subject to the reservations entered by their delegations on that subject at the sixth special session of the General Assembly.

10. Mr. LÓPEZ AGUILAR (Spain) recalled that, during the discussion on the Policy and Programme Co-ordination Committee, his delegation had proposed the insertion of the words "administrative and legal" before the word "implications" at the end of operative paragraph 3. Although his delegation had subsequently withdrawn that amendment, it hoped that the Secretary-General would nevertheless take into account the administrative and legal implications of his recommendations on the Council's pattern of meetings.

AGENDA ITEM 17

Industrial development co-operation

REPORT OF THE ECONOMIC COMMITTEE (E/5577)

11. The PRESIDENT said that the Economic Committee recommended a draft resolution on UNIDO (E/5577, para. 13) for adoption by the Council. As the Committee had approved the draft resolution without a vote, he suggested that the Council might wish to adopt it without a vote.

It was so decided.

12. Mr. NEUHOFF (Federal Republic of Germany) said that, although the second preambular paragraph of the draft resolution referred to the Programme of Action, the reference related to specific tasks under that Programme, with respect to which his delegation had entered no reservations at the time of the draft resolution's approval in the Economic Committee. It had therefore been in a position to agree to the adoption of the draft resolution as a whole by the Council.

AGENDA ITEM 8

The impact of multinational corporations on the development process and on international relations

REPORT OF THE ECONOMIC COMMITTEE (E/5575 (Parts I and II))

13. The PRESIDENT said that the Economic Committee recommended a draft resolution entitled "The impact of multinational corporations on the development process and on international relations" (E/5575 (Part II), para. 20) for adoption by the Council. As the Committee had approved the draft resolution without a vote, he suggested that the Council might wish to adopt it without a vote.

It was so decided.

14. Mr. MISHRA (India) asked the representative of France to confirm that he had entered no reservations on behalf of the EEC countries with regard to the provisions of the draft resolution just adopted.

15. Mr. DUMAS (France) confirmed that no such reservations had been entered on behalf of those countries in the Economic Committee.

AGENDA ITEMS 4, 6, 7 AND 14

Programme of action on the establishment of a new international economic order *(continued)

Special session of the General Assembly devoted to development and international economic co-operation

Collective economic security

Second United Nations Development Decade:

***(a)* Development planning and projections**

***(b)* Special measures in favour of the least-developed countries**

***(c)* Special measures related to the particular needs of the land-locked developing countries**

***(d)* Preparations for the mid-term review and appraisal of the international development strategy for the Second United Nations Development Decade, including further consideration of the machinery for review and appraisal of the strategy**

REPORT OF THE ECONOMIC COMMITTEE (E/5579 (Part I))

16. The PRESIDENT said that the Economic Committee recommended four draft decisions in connexion with agenda items 4, 6, 7 and 14 (E/5579 (Part I), para. 28) for adoption by the Council. As the Committee had approved those four draft decisions without a vote, he suggested that the Council might wish to adopt them without a vote.

It was so decided.

17. Mr. FRAZÃO (Brazil) said that, during the discussion on draft decision II in the Economic Committee (718th meeting), his delegation had expressed strong reservations about the report of CDP on its tenth session (E/5478). It wished those reservations to be duly considered when the matter was referred to the Second General Conference of UNIDO, in 1975.

The meeting rose at 11.10 a.m.

---

* Resumed from the 1917th meeting.

1921st meeting

Friday, 2 August 1974, at 5.30 p.m.

President: Mr. A. KARHILO (Finland)

E/SR.1921

AGENDA ITEM 21

Programme and co-ordination *(concluded)*:

(g)* Priorities in the economic, social and human rights fields *(concluded)

REPORT OF THE POLICY AND PROGRAMME CO-ORDINATION COMMITTEE (E/5562/Add.3 (Part II))

1. The PRESIDENT invited the Council to take a decision on draft resolution II, entitled "Priorities in the economic, social and human rights fields", appearing in paragraph 31 of the report of the Policy and Programme Co-ordination Committee (E/5562/Add.3 (Part II)). An oral amendment to operative paragraph 3 had been submitted by the representative of the United States of America at the 1920th meeting.

2. Mr. YAMADA (Japan), speaking on behalf of the delegations which had taken part in the preparation of the draft resolution, stated that, after consultations, those delegations had decided that they could accept the United States amendment. He hoped that the Council would now be prepared to adopt draft resolution II, as amended, by consensus.

3. The PRESIDENT asked whether the Council wished to adopt draft resolution II, as amended, without a vote.

It was so decided.

4. Mr. OLIVIERI (Argentina) said that in the Policy and Programme Co-ordination Committee his delegation had abstained in the vote on the original text of draft resolution II. The present version seemed to him to be a more positive text, including elements which would facilitate the taking of decisions.

5. Mr. DUMAS (France) expressed his gratitude to the sponsors of the draft resolution for the understanding they had shown; they knew what the French delegation meant by "Programme of Action".

6. Mr. ROUGET (Federal Republic of Germany), Mr. CAVAGLIERI (Italy), Mr. MACKENZIE (United Kingdom), Mr. MASSONET (Belgium) and Mr. SULLIVAN (Canada) made comments similar to those of the representative of France explaining their delegations' interpretation of the Programme of Action on the Establishment of a New International Economic Order.

AGENDA ITEMS 4, 6, 7 AND 14

Programme of action on the establishment of a new international economic order *(concluded)*

Special session of the General Assembly devoted to development and international economic co-operation *(concluded)*

Collective economic security *(concluded)*

Second United Nations Development Decade *(concluded)*:

(a)* Development planning and projections *(concluded)

(b)* Special measures in favour of the least-developed countries *(concluded)

(c)* Special measures related to the particular needs of the land-locked developing countries *(concluded)

(d)* Preparations for the mid-term review and appraisal of the international development strategy for the Second United Nations Development Decade, including further consideration of the machinery for review and appraisal of the strategy *(concluded)

REPORT OF THE ECONOMIC COMMITTEE (E/5579 (Part II))

7. The PRESIDENT drew the Council's attention to the draft resolution on agenda items 4, 6, 7 and 14 and to an amendment to that draft resolution submitted by the United Kingdom, as annexed to the report of the Economic Committee (E/5579 (Part II)).

8. Mr. CORDOVEZ (Secretary of the Council) drew attention to the financial implications of operative paragraph 10 of section A of the draft resolution before the Council. The *Ad hoc* Committee on the Special Programme could meet at Headquarters from 9 to 13 September 1974. Interpretation costs for a one-week meeting would amount to $12,356 if the team of interpreters was recruited outside the United States of America, or to $5,006 if the team was recruited locally. In view of the fact that the schedule of conferences would be heavy at that period and that the major part of the permanent or temporary staff would be assigned to other meetings, the Secretary-General would find it difficult to provide the necessary services for the *Ad hoc* Committee to meet beyond 13 September 1974. He would nevertheless endeavour to make it possible for the Committee to hold some meetings during the two weeks following that date, but would be unable to give a date for those meetings until the *Ad hoc* Committee met in New York.

9. In addition, should the draft resolution be adopted, the *Ad hoc* Committee, in accordance with the same paragraph, would have to report to the General Assembly at its twenty-ninth session through the Economic and Social Council at its resumed fifty-seventh session. In that case it would be necessary to add a further item to the agenda

which had already been adopted for the Council's resumed fifty-seventh session.

10. The PRESIDENT announced that the United Kingdom delegation would not press its proposed amendment.

11. Mr. TANK (United States of America) declared that the "omnibus" draft resolution now submitted to the Council dealt with what should be regarded as the major feature of the Council's work in 1975. The text affected the whole structure of the United Nations system. It was fortunate, from that point of view, that the United Nations had a frame of reference such as the International Development Strategy, and machinery such as that provided for review and appraisal. The activities envisaged would reach their culminating point at the 1975 special session of the General Assembly.

12. The United States accepted the concept on which the draft resolution was based but had serious reservations regarding the content, in particular because there were references, in a wide-ranging text, to features of the Programme of Action which had not yet been examined. His delegation was therefore unable to accept certain parts of the draft resolution, namely, the tenth and eleventh preambular paragraphs and operative paragraphs 1, 2, 3 and 4 in section A. It asked for a separate vote on those paragraphs.

13. Mr. NESTERENKO (Union of Soviet Socialist Republics) said that his delegation requested a separate vote on operative paragraph 9 of section A of the draft resolution.

14. Mr. NAIK (Pakistan) said that his delegation asked for separate votes on operative paragraphs 6, 7, 8 and 10 of section A, and on sections B and C each taken as a whole.

15. The PRESIDENT said that, in accordance with the wishes expressed by a number of delegations, various parts of the draft resolution would be put to the vote separately.

The tenth preambular paragraph was adopted by 45 votes to 1, with 5 abstentions.

The eleventh preambular paragraph was adopted by 44 votes to 1, with 6 abstentions.

Operative paragraph 1 of section A was adopted by 43 votes to 1, with 7 abstentions.

Operative paragraph 2 of section A was adopted by 45 votes to 1, with 5 abstentions.

Operative paragraph 3 of section A was adopted by 50 votes to 1.

Operative paragraph 4 of section A was adopted by 50 votes to 1.

Operative paragraph 6 of section A was adopted by 51 votes to none.

Operative paragraph 7 of section A was adopted by 51 votes to none.

Operative paragraph 8 of section A was adopted by 46 votes to none, with 5 abstentions.

Operative paragraph 9 of section A was adopted by 46 votes to none, with 5 abstentions.

Operative paragraph 10 of section A was adopted by 51 votes to none.

Section B as a whole was adopted by 51 votes to none.

Section C as a whole was adopted by 46 votes to 1, with 4 abstentions.

16. The PRESIDENT invited the Council to vote on the draft resolution as a whole.

The draft resolution on agenda items 4, 6, 7 and 14 (E/5579 (Part II) annex), was adopted by 44 votes to 1, with 6 abstentions.

17. Mr. DUMAS (France) said that his delegation had abstained, with regret, in the vote on the draft resolution. His Government, whose attitude towards the aspirations of the third world was well known, endorsed the general objectives of the new economic order. It would have liked to support the measures proposed in the text for their attainment if it had found those measures reasonable.

18. The joint efforts made to arrive at a text acceptable to all delegations had unfortunately not succeeded. There were, however, grounds for satisfaction with the substance of the discussions which had taken place; although they had so far led to no satisfactory conclusion, agreement had been reached on a number of points.

19. His delegation maintained the reservations it had expressed in the Economic Committee (696th meeting) because it feared that some of the steps proposed would do nothing to promote the order which it was desired to establish. It had abstained in the vote on the eleventh preambular paragraph, on operative paragraph 1 of section A and on the draft resolution as a whole in order to show that its reservations still stood. Its abstention was, however, an amicable one which represented an invitation to continue the efforts embarked upon with a view to achieving the co-operation called for in the Programme of Action.

20. On behalf of the countries members of EEC, he said that that body maintained the reservations expressed on its behalf at the sixth special session of the General Assembly by the representative of the Federal Republic of Germany (2229th plenary meeting). The Community nevertheless viewed with sympathy the establishment of the new economic order; it had had an opportunity to give practical proof of that sympathy at Kingston (Jamaica) two days earlier.

21. Mr. BREITENSTEIN (Finland) said that his country had made no formal reservation on the Declaration and the Programme of Action at the sixth special session of the General Assembly; although both texts had caused it some difficulties, it had supported them in a desire to contribute to the establishment of the new economic order. His delegation would therefore have liked the Council to reach a consensus on the draft resolution. Much goodwill had been shown, however, and some positive results had been achieved.

22. Mr. NESTERENKO (Union of Soviet Socialist Republics) said that the injustices which charaterized present economic relations were obstacles to progress; they were the result of the activities of monopolistic capitalism and of the exploitation which it had practised throughout history. From that angle, the draft resolution just adopted demonstrated a true desire for improvement.

23. While he commended the attitude of the Group of 77, which had agreed at the sixth special session of the General Assembly to take the wishes of the socialist countries into account, he regretted that the draft resolution in question had failed to give complete satisfaction to his country. His delegation had abstained in the vote on operative paragraph 9 of section A, firstly because it had not considered that there was sufficient justification for the action proposed, and secondly because it had not received precise instructions from its Government. In other parts of the draft resolution, too, his delegation would have liked to be able to take a decision on more precise wording; it had explained its position on that point in the contact group. It was now to be hoped that, rising above the differences of opinion, the necessary goodwill for the development of international economic co-operation, and in particular for the economic and social progress of the third world, would be forthcoming.

24. Mr. WANG Tzu-chuan (China) said that his delegation endorsed the substance of the draft resolution submitted by the Group of 77 and wished to indicate the points of which it particularly approved. Firstly, China associated itself with the appeal to Governments of Member States (section A) to take the necessary specific measures for the implementation of the provision of the Declaration and the Programme of Action, which meant, in essence, putting an end to the pillage to which the developing countries were subjected through colonialism, neo-colonialism and imperialism. China also agreed that the organizations, institutions, subsidiary bodies and conferences of the United Nations system should take measures to implement those provisions within their respective fields of competence and should submit reports to the Economic and Social Council at its fifty-eighth session.

25. Secondly, his delegation endorsed the over-all review of the implementation of the International Development Strategy and of the Programme of Action and the Declaration (section B). Thirdly, the seventh special session of the General Assembly would be as important for the third world as the sixth special session had been and should be the subject of serious preparation (section C). Lastly, although some of the provisions of the draft resolution submitted by the Group of 77 had been weakened to satisfy the developed countries, the resolution as adopted fundamentally expressed the aspirations of the developing countries.

26. Mr. BERLIS (Canada) said that his delegation, much to its regret, had been obliged to make reservations on certain aspects of the Programme of Action adopted at the sixth special session of the General Assembly (2229th plenary meeting). His country maintained its reservations and had abstained in the vote which had just been taken.

27. Mr. NAIK (Pakistan), speaking on behalf of the delegations of the Group of 77, said that it was regrettable that it had not proved possible for the draft resolution to be adopted by consensus, despite the efforts of the sponsors. They had made substantial concessions during the informal consultations in order to take account of the views of other delegations. He thanked the Swedish representative for the way in which he had led the deliberations of the contact group and he commended the President for all he had done to try to make a consensus possible.

28. The Group of 77 nevertheless hoped that, in the context of the resolution just adopted, the world community would take steps to carry out the Programme of Action adopted at the sixth special session of the General Assembly. It also hoped that all States members of the Council would show a spirit of co-operation at the inter-sessional meetings of the Council, at the resumed fifty-seventh session and in the General Assembly.

29. Mr. CORKERY (Australia) said that his delegation maintained the reservations which it had expressed on certain points at the sixth special session of the General Assembly (2229th plenary meeting).

30. Mr. MASSONET (Belgium) said that he wished to explain why his delegation had abstained in the vote on the draft resolution which had just been adopted. It had not voted against the draft resolution, because it included a number of provision of which it approved, but it had been unable to vote in its favour for various reasons. In the first place, the draft resolution had been negotiated in somewhat inequitable conditions, since the sponsors had taken only partial account of the observations and proposed amendments of other countries. Furthermore, the draft resolution failed to recognize the existence of many important reservations which had been expressed by the Governments of sovereign States at the time of the adoption of the Programme of Action. Moreover, a number of the preambular paragraphs expressed incomplete and one-sided views on basic issues which it was unnecessay to evoke in a resolution submitted by the sponsors as a procedural proposal; that was the case in particular with the paragraphs on collective economic security. Lastly, his delegation was not convinced of the need to establish a preparatory committee for the 1975 special session of the General Assembly at the present stage, although it recognized the necessity of preparing for the session in the most serious manner and in an atmosphere of true co-operation.

31. Mr. ROUGET (Federal Republic of Germany) said that his country's delegation to the sixth special session of the General Assembly had declared its agreement with the broad aims set forth in the Declaration and the Programme of Action *(ibid.)*. It had always been the policy of his Government to encourage economic development and to promote greater integration of the world economy. In that spirit, it was determined to support all steps calculated to improve the international economic order. That attitude of his Government was reflected in the fact that over the past 20 years it had provided more than DM 31,000 million in official development assistance to over 100 developing countries. Over the past ten years, the developing countries had consistently had an annual trading surplus of DM 2,000 to 3,000 million with his country.

32. In the general debate at the present session (1906th meeting), his delegation had reaffirmed his Government's intention to continue that policy, which meant that some of the proposals in the Programme of Action met with its entire approval. His country had nevertheless expressed reservations on certain parts of the Programme at the time

of its adoption by consensus, since they were incompatible with the legal framework on which the economic order of his country was based. It would be highly regrettable if the reservations expressed were interpreted as a desire to jeopardize the results of the sixth special session of the General Assembly; on the contrary, they were the expression of an honest effort to reach a realistic compromise by means of negotiation. His delegation would have been glad if its reservations had been taken into account specifically in the draft resolution just adopted, for they had obviously not disappeared since they had been made in May 1974.

33. Those were the reasons why his delegation had abstained in the vote which had just been taken; the same reasons applied to all the resolutions adopted at the fifty-seventh session of the Council in which mention was made of the Declaration and the Programme of Action in terms which took no account of the reservations to which he had referred. However, as the French representative had stated on behalf of the countries members of EEC, those comments did not apply to section X, paragraph 2, of the Programme of Action, since the emergency measures proposed therein represented a realistic and practical effort towards the establishment of a new international economic order.

34. Mr. CAVAGLIERI (Italy) said that his delegation had abstained in the vote because the draft resolution failed to take account of the reservations made by the Italian delegation at the sixth special session of the General Assembly on the Programme of Action (2230th plenary meeting); Italy would nevertheless continue to co-operate with the developing countries in all fields of economic and social development.

35. Mr. KAUFMANN (Netherlands) said that his delegation had associated itself with the consensus when the Declaration and the Programme of Action had been adopted. It had voted in favour of the draft resolution as a whole and of the paragraphs and sections which had been put to the vote separately; it regretted that it had not been possible to adopt the draft resolution by consensus and that the reservations expressed (2230th meeting) after the adoption of resolution 3202 (S-VI) were not explicitly referred to in the text. His delegation hoped that at the resumed fifty-seventh session of the Council and at the seventh special session of the General Assembly efforts would be made to rectify the situation and to make it possible to undertake a close study of the steps to be taken for the implementation of the Declaration and the Programme on a universally acceptable basis.

36. Mr. MACKENZIE (United Kingdom) said that it was regrettable that so many resolutions, some of them directly concerned with the Declaration, had been adopted by consensus. His delegation had abstained in the vote which had just been taken because it maintained the reservations which it had expressed at the sixth special session of the General Assembly (2231st plenary meeting) and which had not been properly taken into consideration in the draft resolution just adopted. Moreover, the text was a poor reflection of the objectives adopted in New York.

37. There was a difference between universal approval and the consensus as defined at the sixth special session. A real consensus was necessary in the case of a text which called upon nearly all countries to undertake to attain certain objectives. He hoped that the next series of discussions on that important question would take place on a better and more realistic basis and that more progress would be made than at the present session.

38. Mr. LAGERFELT (Sweden) said that his delegation had voted in favour of the draft resolution although it maintained the reservations it had expressed regarding the Programme of Action at the sixth special session (2229th meeting).

39. Mr. KUNIYASU (Japan) said that he had voted in favour of the draft resolution as a whole, although operative paragraph 1 of section A had raised some difficulties. Japan had approved the Declaration and Programme of Action, which it intended to implement as soon as possible, but the reservations formulated by the Japanese delegation on their adoption at the sixth special session were maintained (2230th plenary meeting).

40. Mr. FERGUSON (United States of America) said that he would once again outline his delegation's position regarding the Declaration and Programme of Action. In its opinion, those resolutions had not been the subject of a true consensus; their adoption had really been a matter of aquiescence with reservations, whereas the procedure proposed to the delegations at the sixth special session of the General Assembly had been adoption without a vote if there were no objections. The reservations expressed at that time (2229th plenary meeting), however, had been more than a simple statement of opinion or an interpretation of the text. In any case, as far as the United States of America was concerned, the reservations it had expressed had made it known to other Member States that the United States had had no intention of undertaking to implement the Programme of Action. The United States recognized the existence of certain imbalances and certain injustices, as also the need to reform the international economic order to a certain extent in order to correct those imbalances and injustices, but it would not associate itself with the establishment of the new international economic order as envisaged in the Programme of Action.

41. Moreover, the way in which the Declaration and Programme of Action had been adopted called for some reservations. No account had been taken in the Programme of Action of the views of the United States delegation, which had even sometimes been refused the opportunity of speaking. That was why his delegation took every opportunity it had to express its opinion. It maintained the United States reservations, but wished to make it clear that it was not seeking in any way to obstruct the work of the Council or of any other organization in the United Nations system.

42. Mr. BOUDJAKDJI (Algeria) agreed with the representative of Pakistan that certain Member States should withdraw their reservations in the interests of international relations and economic development. His delegation had voted in favour of the draft resolution, but considered that

the text did not show clearly enough the objectives of the new international economic order, which demanded that the highest priority should be given to the vital needs of the developing countries. The decisions adopted by the General Assembly in resolutions 3201 (S-VI) and 3202 (S-VI) were in line with historical trends and the evolution of international relations, in both the political and the economic fields, and no procedural contrivance could conceal that fact. The severity of the world economic crisis created the necessary conditions to arouse mankind to the need to transform the present world so as to establish a new order, which would be more viable because it would be more equitable. The General Assembly had merely traced the outlines of that vast enterprise for the development and improvement of international economic relations and it was the responsibility of the Economic and Social Council to study its practical implementation. The agreement reached at the sixth special session of the General Assembly was admittedly not the equivalent of unanimity and some differences of opinion had remained, but it had nevertheless represented substantial progress towards better understanding among the members of the international community and there had been reason to hope that, during the informal talks which would follow, the States which had expressed reservations would modify those reservations with respect to the implementation of the Declaration and of the Programme of Action. Nothing of the sort had happened, however, and those delegations had tried to call into question the historic decisions of the General Assembly, alleging that, in the absence of the agreement of one or two States, the international community should refrain from giving full effect to the resolutions of the General Assembly. Such an attitude would be tantamount to the Council taking a decision annulling the decisions of the General Assembly. The outcome of the vote on the draft resolution, however, showed that the Council refused to adopt such a position, which would run counter to the march of history and to the legitimate aspirations of the developing countries.

Financial implications of actions taken by the Council at its fifty-sixth and fifty-seventh sessions (E/5578 and Add.1; E/L.1613)

43. Mr. SCHLAFF (Secretariat) pointed out that the summaries of financial implications contained in documents E/5578 and Add.1 and E/L.1613 had been prepared before the final decisions of the Economic and Social Council were known and would be revised, if necessary, before their submission to the General Assembly. He would like, however, to amplify some of the information given in those two documents. The addendum to document E/5578 took account of the expenditure necessitated by the provisions of resolution 1842 (LVI) on channels of communication with youth and international youth organizations. Referring to the preparatory committee mentioned in paragraph 3 of section C of the draft resolution which had just been adopted by the Council, he said that the average cost of the interpretation services for that committee would amount to $6,000 a week and that the cost of documentation, including summary records, would be $16,000 per 100 pages.

44. The PRESIDENT suggested that the Council take note of the Secretary-General's reports on the financial implications of actions taken by the Council at its fifty-sixth and fifty-seventh sessions (E/5578 and Add.1, E/L.1613).

It was so decided.

Adjournment of the session

45. The PRESIDENT emphasized the arduous nature of the task entrusted to the Council in the present year in the economic and social fields, following the resolutions adopted at the sixth special session of the General Assembly. The adoption at that session of a Declaration of principles and a Programme of Action was a major first step towards a re-evaluation of past policies and practices in international economic relations. The fact that the international community had adopted those resolutions without opposition showed that it had reached a sufficient degree of maturity to become aware of the need for a reform of international relations and for gradual progress towards a new world economic order. Nobody was more qualified than the Economic and Social Council to consider the practical measures to give effect to those exceptionally important decisions.

46. In addition to the economic and social problems which followed from the implementation of those decisions, the Council had also had on its agenda issues of far-reaching importance, such as the impact of multinational corporations on the development process and on international relations, preparations for the mid-term review and appraisal of the International Development Strategy for the Second United Nations Development Decade, preparations for the 1975 special session of the General Assembly devoted to development and international economic co-operation, and the question of collective economic security. The interrelationship of all those questions was obvious and it was essential to consider them as one major issue. The starting point for the whole process of re-evaluation was the significantly increased awareness of the interdependence of nations and the interrelationships of the various factors of economic and social development. From that point of view, the resolution which had just been adopted on those four issues, after lengthy negotiations, was without any doubt the most important of the fifty-seventh session. He hoped that it would be given serious consideration by all the Members of the United Nations and by all the components of the United Nations system. The difficulties it had encountered from the outset and the reservations expressed by several delegations should not obscure the positive aspects represented by the great amount of work, goodwill and give-and-take that had gone into its drafting. In recent years, emphasis had rightly been placed on the importance of adopting resolutions by consensus, after informal consultations. That trend was welcome and deserved to be strengthened, since it avoided recourse to a vote and enabled constructive work to be done. It was essential, however, to be realistic and not to expect all difficulties to be overcome by that method or all delegations to abandon their objections.

47. Turning to the specific role of the Economic and Social Council in the implementation of the resolution in question, he said that the Council should be given prompt support by the Governments of Members States and by the United Nations system to enable it to carry out its policy-guiding and co-ordinating functions between its present session and the thirtieth session of the General Assembly. For instance, the organizations in the United Nations system should establish new orders of priority which would enable the Council to carry out its task unhampered by the regular calendar of conferences and the limited availability of services. Member Governments should ask themselves whether the problems referred to the Economic and Social Council were not as urgent as those brought before the Security Council. There was no doubt that extraordinary measures were called for if the Council was to be able to fulfil its role. If the year 1974 could be called the year of re-evaluation of policies and programmes, he hoped that the year 1975 would be the year of decision in the economic and social field.

48. Summing up the Council's work, he emphasized that the fifty-seventh session had above all shown the political will of the countries members of the Council to achieve results worthy of the statements that had been made. Never before had informal negotiations between geographical groups been so important and never before had they made possible such a positive dialogue, in the sense that all the parties had shown themselves willing to accept compromises in order to make progress towards the attainment of the new objectives set in the framework of re-evaluation. If that dialogue could be continued at the political level, it could be said that at its fifty-seventh session the Council had made an important contribution to the implementation of the decisions recently adopted by the international community.

49. After an exchange of courtesies, the PRESIDENT declared the fifty-seventh session of the Economic and Social Council adjourned.

The meeting rose at 7.40 p.m.

كيفية الحصول على منشورات الامم المتحدة

يمكن الحصول على منشورات الامم المتحدة من المكتبات ودور التوزيع في جميع انحاء العالم . استعلم عنها من المكتبة التي تتعامل معها أو اكتب الى : الامم المتحدة ،قسم البيع في نيويورك او في جنيف .

如何购取联合国出版物

联合国出版物在全世界各地的书店和经售处均有发售。请向书店询问或写信到纽约或日内瓦的联合国销售组。

HOW TO OBTAIN UNITED NATIONS PUBLICATIONS

United Nations publications may be obtained from bookstores and distributors throughout the world. Consult your bookstore or write to: United Nations, Sales Section, New York or Geneva.

COMMENT SE PROCURER LES PUBLICATIONS DES NATIONS UNIES

Les publications des Nations Unies sont en vente dans les librairies et les agences dépositaires du monde entier. Informez-vous auprès de votre libraire ou adressez-vous à : Nations Unies, Section des ventes, New York ou Genève.

КАК ПОЛУЧИТЬ ИЗДАНИЯ ОРГАНИЗАЦИИ ОБЪЕДИНЕННЫХ НАЦИЙ

Издания Организации Объединенных Наций можно купить в книжных магазинах и агентствах во всех районах мира. Наводите справки об изданиях в вашем книжном магазине или пишите по адресу: Организация Объединенных Наций, Секция по продаже изданий, Нью-Йорк или Женева.

COMO CONSEGUIR PUBLICACIONES DE LAS NACIONES UNIDAS

Las publicaciones de las Naciones Unidas están en venta en librerías y casas distribuidoras en todas partes del mundo. Consulte a su librero o diríjase a: Naciones Unidas, Sección de Ventas, Nueva York o Ginebra.

Printed at U.N. Geneva

Price: $U.S. 8.00
(or equivalent in other currencies)

GE.74-10047 (74-85039)
April 1975–1,900