

PRESS RELEASE

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Subject: Special session of the General Assembly

- Main points of the address delivered on 1 September 1975 by Mr Mariano RUMOR, President in office of the Council and Italian Minister for Foreign Affairs, on behalf of the European Economic Commission and its Member States

President Rumor first of all emphasized that the aim pursued by the Community and its nine Member States was the achievement of real progress towards a more balanced and equitable pattern of international economic relations, which would involve strengthening the position of the developing countries.

With this in mind, the Community would be submitting concrete proposals in all the appropriate international settings for action to be negotiated and implemented by the entire international community at the earliest opportunity. These proposals related to a balanced package of subjects which, in the Community's view, met the major concerns of the developing countries and, at the same time, afforded genuine opportunities for progress in the immediate future. Particular importance was attached to the problems of the poorest developing countries.

President RUMOR then proceeded to outline the proposals in question.

Raw materials: Here the Community proposals formed part of an overall approach comprising a series of supplementary actions which make up a single entity.

As regards measures intended to limit price fluctuations, the Community was already a party to certain agreements and, as part of the GATT multilateral negotiations, it had proposed the conclusion of a number of other products. The Community was also prepared to examine the question of which products create problems for the developing countries and that of which would be the most appropriate instruments and means for solving them. An extremely varied range of instruments, including product agreements for example, was available. A choice would only be made when specific cases were encountered. The implementation of such solutions should also promote the stability of supplies.

In the field of the stabilization of export earnings, the compensatory financing mechanisms of the International Monetary Fund should be improved. Furthermore, specific measures should be planned to assist the poorest developing countries in the event of falls in export earnings from their products. The detailed rules for implementing these measures should take account of the general situations of the countries in question.

Particular importance must also be attached to efforts to improve market access and to encourage the local utilization and processing of raw materials and economically viable conditions ⁽¹⁾. At international level, a favourable climate must be established for co-operation on the production and supply of raw materials, and exchanges of information regarding supply and demand situations must be improved.

Trade co-operation: The Community would make a constructive contribution to the international discussions with a view to achieving a substantial improvement in access to markets for primary and processed products of interest to the developing countries. In particular, in the GATT multilateral negotiations, the Community would apply itself resolutely to achieving the objective fixed by the Tokyo Declaration regarding the developing countries, namely the special consideration of their interests in the light of their requirements and specific situations. The Community would pursue its policy of constant and gradual improvement of its generalized preferences system; it considered, moreover, that the system would have to be extended for a further period after 1980. The improvement of the generalized preferences system and the results of the multilateral trade negotiations should lead to a reduction of the protection given to added value for the products of first-stage processing. These measures should be accompanied by appropriate action to encourage trade. Equitable solutions would also have to be found for the problem of export restrictions.

⁽¹⁾ See subsequent sections on trade co-operation and industrial co-operation.

Industrial co-operation and the transfer of technology:

The aim here should be to contribute to improving the industrial development of the developing countries by promoting a more efficient international division of labour through the creation of an expanding production capacity and by giving due consideration to employment problems in particular.

The Community and its Member States wished to confirm their agreement with the results of the Lima Conference, on which they had reached an unqualified consensus. They were prepared to strengthen co-operation with the governments of the developing countries not only in the traditional areas of financial, technical and trade co-operation, but also with a view to contributing to a reasonable balance between the interests of the developing countries and those of undertakings. They were counting on the developing countries to create a favourable climate for foreign operators.

Various measures could be implemented to this end, such as measures to facilitate contacts between operators and those concerned in industrial development, improving systems for exchanging information on industrial trends, continuing discussions on an international code of conduct on transfers of technology, taking into account the needs of the developing countries, and measures to improve the transparency of the industrial property market.

Transfer of real resources and the reform of the
international monetary system. After drawing attention to the
substantial increase which has recently been recorded in
Community aid, the President confirmed the determination of
the Community and of its Member States to achieve the target
of 0.7% of GNP for official development assistance and
to set themselves the common objective of bringing about an
effective increase in that assistance, taking due account
of their respective real economic capabilities. The
Community was pleased to note that part of the excess
financial resources at the disposal of certain oil-exporting
developing countries had been used to assist the development
of the Third World, and hoped that this practice would
continue. In this connection, it would be desirable to
devise structures capable of promoting three-way co-operation
on a more systematic basis. The Community recognized the
importance of transferring financial resources on favourable
terms, especially to the poorest developing countries. It
considered that greater attention should be paid to the
problems arising from the debt burden in each individual case.
The Community was in favour of setting up a financing
mechanism situated somewhere between World Bank loans
and the credits granted by the IDA, and was willing, on the
basis of a reasonable distribution of costs, to contribute
to the special IMF account set up to reduce the interest
burden payable by the hardest-hit countries under the oil
facility. As regards the reform of the international monetary
system, the current discussions should be speeded up and
should take full account of the interests of the developing
countries.

As regards food and agriculture, primary importance should be given to increasing food production in the developing countries, since, in the long term, this was the only way to deal efficiently with the problem of hunger. In view of the urgency of current needs, the Community would continue its food aid efforts, taking into account the objectives accepted at the World Food Conference.

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In concluding his address, President RUMOR expressed his conviction that the Community's proposals could offer a logical and effective reply to a considerable number of fundamental and pressing problems. The moment had come - and would be delayed no longer - to make a concerted endeavour to achieve concrete solutions to these problems. The Community would tackle the work of the 7th special session in a spirit of dialogue and conciliation with the aim of arriving at a real concensus by the negotiation of mutually acceptable compromises, since this appears to it to be the only way of providing a lasting basis for a new economic system. The Community was convinced that the present session of the General Assembly would enable decisive progress to be made.
