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SECOND COMMITTEE
39th meeting
held on
Wednesday, 14 November 1979
at 10.30 a.m.
New York

SUMMARY RECORD OF THE 39th MEETING

Chairman: Mr. MURGESCU (Romania)

CONTENTS

- AGENDA ITEM 12: REPORT OF THE ECONOMIC AND SOCIAL COUNCIL (continued)
- AGENDA ITEM 64: OFFICE OF THE UNITED NATIONS DISASTER RELIEF CO-ORDINATOR (continued)
- AGENDA ITEM 60: UNITED NATIONS ENVIRONMENT PROGRAMME (continued)
- AGENDA ITEM 56: UNITED NATIONS CONFERENCE ON TRADE AND DEVELOPMENT (continued)

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The meeting was called to order at 10.45 a.m.

AGENDA ITEM 12: REPORT OF THE ECONOMIC AND SOCIAL COUNCIL (continued)

Assistance for the reconstruction, rehabilitation and development of Equatorial Guinea (A/C.2/34/L.40)

Assistance to Botswana (A/C.2/34/L.42)

Assistance to Seychelles (A/C.2/34/L.43)

1. Mr. DHARAT (Libyan Arab Jamahiriya) said that, as Chairman of the Group of African States for the month of November, he had the honour to introduce on behalf of the sponsors three draft resolutions on assistance to the African countries of Equatorial Guinea, Botswana and the Seychelles.
2. In the preamble of the draft resolution on assistance to Equatorial Guinea (A/C.2/34/L.40), concern was expressed at the damage to the country's economic and social infrastructure and the urgent need for international action was affirmed. Operative paragraph 3 appealed for generous contributions to the reconstruction, rehabilitation and development needs of Equatorial Guinea, and paragraph 4 requested that the country should be granted the privileges and benefits of a least developed country. Paragraph 7 drew attention to the special account for Equatorial Guinea established under the United Nations Trust Fund for Special Economic Assistance Programmes. In the remainder of the operative part, the Secretary-General was requested to dispatch a mission to Equatorial Guinea and to report to the Economic and Social Council at its second regular session of 1980 and to the General Assembly at its thirty-fifth session on the assistance being provided.
3. The draft resolution on assistance to Botswana (A/C.2/34/L.42) referred in its preamble to the acts of aggression committed against the territory of Botswana by the illegal régime in Southern Rhodesia and to the relevant resolutions of the Security Council and the General Assembly and noted, inter alia, the Government's need to develop effective road, rail and air communications. Operative paragraph 1 expressed full support for the Government of Botswana in its efforts to safeguard its sovereignty and territorial integrity, and paragraph 4 drew attention particularly to the projects in the field of transport and communications recommended in the report of the Secretary-General (A/34/419). Paragraph 5 reiterated the appeal to all States and intergovernmental organizations to assist Botswana in carrying out its planned development projects and those made necessary by the current political and economic situation. Paragraph 9 drew attention to the special account established to facilitate the channelling of contributions to Botswana, and in paragraph 11 the Secretary-General was requested, inter alia, to continue his efforts to mobilize the necessary resources, to apprise the Economic and Social Council at its second regular session of 1980 of the current status of the assistance programme for Botswana and to submit a progress report to the General Assembly at its thirty-fifth session.

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(Mr. Dharat, Libyan Arab Jamahiriya)

4. The draft resolution on assistance to Seychelles (A/C.2/34/L.43) referred in its preamble to earlier General Assembly resolutions on the subject, and in operative paragraph 1 expressed appreciation to the Secretary-General for the measures he had taken to organize an international economic assistance programme for Seychelles. Paragraph 3 noted the special development problems that confronted Seychelles as a developing island country, and paragraph 4 urged the early inclusion of Seychelles in the new list of the least developed countries. Paragraph 7 drew attention once again to the special account established to facilitate the channelling of contributions to Seychelles, and paragraph 9 (b) requested the Secretary-General to pursue with the Government of Seychelles the question of organizing a meeting of donors.

5. The economic difficulties currently being experienced by the three countries made the draft resolutions particularly important, and he hoped that they would be adopted by consensus as soon as possible. He noted that Chile and France should be added to the list of sponsors of draft resolution A/C.2/34/L.40.

6. The CHAIRMAN announced that the Ivory Coast and Saudi Arabia had become sponsors of draft resolution A/C.2/34/L.42, and said that the Committee would resume its consideration of the three draft resolutions when statements of their financial implications were available.

AGENDA ITEM 64: OFFICE OF THE UNITED NATIONS DISASTER RELIEF CO-ORDINATOR
(continued)

7. The CHAIRMAN invited the representative of Pakistan to introduce draft resolution A/C.2/34/L.37 on behalf of the sponsors, and drew attention to the statement of financial implications in document A/C.2/34/L.47 and Corr.1 (English only).

8. Mr. KHAN (Pakistan) said that Ethiopia and Indonesia had become sponsors of draft resolution A/C.2/34/L.37 in addition to those listed. The preamble reaffirmed the central role of UNDRO and emphasized once more the need to remove any obstacle to the free flow of personnel and material for relief to disaster-stricken countries. UNDRO must have a sound financial basis and the funds provided in the regular budget, which were based on outdated assumptions, were no longer adequate. The operative part of the draft resolution reaffirmed the satisfaction expressed in the Committee on the work of UNDRO and on the statement by the Co-ordinator. It invited Governments, intergovernmental agencies and non-governmental organizations to consider the adoption of appropriate legislative, administrative or operational measures to remove any obstacles to the free flow of relief supplies and personnel. It welcomed the decision of the Governing Council of UNDP to consider including technical co operation activities for disaster preparedness and prevention in national and regional programmes, and requested the Preparatory Committee for the New International Development Strategy to take disaster relief, preparedness and prevention matters into account in its deliberations.

9. Operative paragraph 8 of the draft resolution requested the provision of additional funds in the regular budget to permit a response to at least 12 requests for emergency disaster assistance in any one year, with a normal ceiling of \$30,000 per country in the case of any one disaster. A number of speakers in the general

(Mr. Khan, Pakistan)

debate on the item had commented on the insufficiency of the funds available for emergency disaster assistance. In 1965, the General Assembly had authorized the sum of \$100,000 for any one year, with a ceiling of \$20,000 per country for any one disaster. In 1969 the maximum amount had been increased to \$150,000, and in 1971 to \$200,000. However, although the total amount had been doubled, the amount per disaster had remained constant at \$20,000. Inflation in the 14 years since 1965 had greatly diminished the purchasing power of the amount allocated, and it would therefore be appropriate to increase it to \$30,000. In that regard, he had been glad to learn that the Governing Council of UNDP was considering the criteria for its response in case of natural disasters. A suggestion had been made that the amount from the Programme Reserve should be increased from \$20,000 to \$30,000. The Governing Council would consider the suggestion on its merits and decide accordingly. As the focal point for disaster relief assistance, UMDRO should have the necessary financial resources to respond to the urgent needs that arose in the aftermath of disasters. He hoped that the draft resolution could be adopted by consensus.

10. Mr. HAIDAR (India), introducing on behalf of the sponsors draft resolution A/C.2/34/L.38, concerning measures to be taken in connexion with the earthquake in Montenegro, Yugoslavia, announced that China, Hungary, Ireland, the Netherlands and Norway had now become sponsors. The draft resolution was an endorsement of resolution 1979/58 adopted by consensus by the Economic and Social Council, and he trusted that the Committee would also act by consensus. The tragic extent and impact of the earthquake in Montenegro had been widely noted, and all members of the Committee were aware of the great suffering that had been caused and the losses of life and property.

11. The preamble of the draft resolution drew attention to the facts of the disaster and noted the long-term needs for the rehabilitation and reconstruction of the affected area. It also took note of the assistance already rendered, in particular by UNDP, and the loan extended by the World Bank. The operative part expressed the sympathy which he was sure was felt by all delegations, and endorsed the Economic and Social Council's recommendations. It requested the Secretary-General and the executive heads of the specialized agencies, funds and programmes of the United Nations system to bear in mind the long-term needs of the affected area.

AGENDA ITEM 60: UNITED NATIONS ENVIRONMENT PROGRAMME (continued) (A/C.2/34/L.35)

12. Mr. EL HASSAN (Sudan), introducing on behalf of the sponsors draft resolution A/C.2/34/L.35, concerning the implementation of the Plan of Action to Combat Desertification in the Sudano-Sahelian region, said that the Federal Republic of Germany, the Ivory Coast and Saudi Arabia had now become sponsors. The draft resolution was a follow-up to General Assembly resolution 33/88 and to the resolutions and decisions of the Economic and Social Council and the Governing Councils of UNEP and UNDP. In its resolution 33/88, the Assembly had designated the United Nations Sahelian Office as the arm of the United Nations to be responsible for assisting, on behalf of UNEP, the efforts of the 15 countries of the Sudano-Sahelian region to implement the Plan of Action to Combat Desertification and had accordingly authorized the enlargement of UNSO. He was glad to note that UNEP

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(Mr. El Hassan, Sudan)

and UNDP had succeeded in establishing a highly commendable joint venture. In view of the magnitude of the problem and the danger that it represented to the existence and livelihood of the inhabitants of the region, support should continue to be provided, and he hoped that other bodies would also respond favourably to requests for assistance from the Governments of the region.

13. He hoped that the draft resolution could be adopted by consensus, since he was sure that the international community shared the alarm of the countries of the region at the serious threat posed by the creeping desert.

AGENDA ITEM 56: UNITED NATIONS CONFERENCE ON TRADE AND DEVELOPMENT (continued)
(A/34/15; TD/268 and Add.1)

14. Mr. LIEBCHEN (German Democratic Republic) said that, as the most universal organ of the General Assembly concerned with issues of international trade, UNCTAD must be assigned an important role in the restructuring of international economic relations on a democratic basis. The fifth session of UNCTAD had adopted a number of promising decisions whereby the restructuring process could be advanced in the interest of all States. It had been unable, however, to make recommendations on several essential questions, such as changes in the structure of the world economy and international trade, the elimination of discrimination and inequality in international trade relations, and control over the activities of transnational corporations. The underlying reasons were obvious. The policy of the capitalist countries was directed towards maintaining the antiquated capitalist division of labour and continuing the neo-colonialist exploitation of developing countries, and that was the main obstacle to the establishment of an international economic order based on equality. The nineteenth session of the Trade and Development Board had also been prevented by the unyielding attitude of the capitalist countries from making any progress in those matters.

15. The development of equal and mutually beneficial trade and economic relations was increasingly impeded by the protectionist measures practised by the capitalist countries. Effective measures to overcome that protectionism were very important for the further development of international economic co-operation, as were recommendations for a halt to the proliferation of trade barriers. Such measures must be universal and not restricted to partial solutions for certain groups of countries. UNCTAD should give increased attention to combating those forms of discrimination and should also take them into account in preparing its contribution to the new International Development Strategy.

16. The successful conclusion of an international Rubber Agreement had been a first step towards the implementation of the Integrated Programme for Commodities. On the whole, however, the results achieved so far were not satisfactory. The main responsibility for the difficulties experienced rested with the transnational corporations. It was obvious that normalization of world commodity markets largely depended on the effectiveness of control over the activities of those corporations and on the success of measures to restrict their penetration of the raw material

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(Mr. Liebchen, German Democratic Republic)

economies of developing countries. In future, more attention should be given to that aspect, which was closely related to the implementation of the Integrated Programme.

17. In its future activities, UNCTAD should also play an active part in limiting the negative influence of foreign private capital on the economies of developing countries and restricting the outflow of financial resources from developing countries to capitalist States. It was alarming to see estimates by the UNCTAD secretariat that between 1977 and 1980 private corporations and banks of capitalist countries would earn more than \$88 billion from developing countries in the form of profit remittances and interest. However, the increasing expansion of foreign private capital in recent years had not only caused the developing countries economic damage; it posed serious dangers to their entire future development. Foreign private capital increased the dependence of developing countries on the centres of the world capitalist economy. Such capital was an obstacle to economic co-operation among developing countries and also impeded the expansion of equal and mutually beneficial relations between the developing countries and the socialist States.

18. Another important field of activity for UNCTAD was the transfer of technology, for which a Code of Conduct was being formulated. The German Democratic Republic was convinced that the Code could become an effective instrument, provided that it was universally applied, corresponded to the interests of all States and excluded any discrimination. His delegation hoped that the current second session of the Conference on an International Code of Conduct would be able to solve the outstanding issues.

19. His delegation also attached great importance to the United Nations Conference on Restrictive Business Practices. The German Democratic Republic advocated an agreement on principles and rules to restrict and eliminate the negative influence of restrictive business practices, notably of transnational corporations, on international trade and the economic progress of the developing countries.

20. In the 30 years since its establishment, the German Democratic Republic had worked constantly to develop international trade and economic relations in accordance with the principles of sovereignty, non-interference in internal affairs, equality and mutual benefit. It had concluded governmental agreements with 52 developing countries on commercial and economic co-operation. In 1978, foreign trade turnover with those countries had increased by 32 per cent. It also pursued a consistent policy of expanding trade and economic relations with the capitalist industrial countries on the basis of equality and mutual benefit. In that context, he emphasized that UNCTAD should give priority attention to the comprehensive promotion of trade relations between States having different economic and social systems. Under the terms of its mandate, UNCTAD was a universal organization which dealt with the development of all three flows of international trade. It would contradict that universal character if one or more flows were excluded from the process.

21. With regard to the way in which UNCTAD was conducting its work, he noted that

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(Mr. Liebchen, German Democratic Republic)

the number of meetings was constantly growing, to the point where thorough preparation by the secretariat and by Member States could no longer be assured, thus impairing the effectiveness of the work. Resolution 114 (V), on the rationalization of UNCTAD's machinery was most opportune. Unfortunately, at its nineteenth session the Trade and Development Board had not been in a position to decide how to begin implementing it. His delegation was in favour of an exact implementation of the resolution, notably with regard to systematic co-ordination of UNCTAD's activities with those of other bodies in the United Nations system, enhancement of the role of the Trade and Development Board's Main Committees, reduction of the number of ad hoc groups, and better-prepared and shorter meetings. It therefore attached great importance to, and would actively participate in, the work of the ad hoc committee established under paragraph 12 of the resolution.

22. Mr. TRUCCO (Chile) said that the disappointment and concern felt by the countries of the Group of 77 at the lack of progress in the negotiations for the establishment of a new international economic order were reflected in the Declaration of the Ministers for Foreign Affairs of the Group of 77 (A/34/533). Little of consequence had been achieved at the fifth session of UNCTAD, with the possible exception of resolution 127 (V) on economic co-operation among developing countries; but, even there, the industrialized countries had expressed reservations concerning paragraph 15. The Trade and Development Board had subsequently postponed to its twentieth session its discussion concerning the paragraph and had been unable to break the deadlock concerning the other items referred to it by the Conference.

23. There was obviously a lack of political will to reach agreements and thus avoid the potential grave consequences of the current inaction. The developing countries must not allow the defects of the existing negotiating machinery to become a screen concealing that lack of will, even though it was obviously not the kind of machinery best suited to promote the political will to establish a new international economic order. By the time the high-level delegations arrived for sessions of UNCTAD, all they should have to do was formally declare their Governments' political will to implement agreements already reached. Between sessions of UNCTAD, the Trade and Development Board and other bodies, there should be constant informal consultations on substantive issues selected on the basis of the respective agendas. Experience at Manila had shown that effective or major agreements could not be reached without adequate, timely and serious preparation and advance negotiation. The continued presentation of weighty positions and proposals without prior consultation would lead to further sterile confrontations that could weaken or destroy UNCTAD's position as an appropriate forum for negotiations on the establishment of the new international economic order. To add more issues to the agenda for the negotiations before any appreciable progress had been made on the outstanding ones would serve only to widen the areas of disagreement.

24. His Government attached great importance to the question of economic co-operation among developing countries and would do its utmost to ensure that the work programme contained in UNCTAD resolution 127 (V) was implemented as soon as possible. It had established an international fund for scientific and technological co-operation to finance a programme involving the sending of

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(Mr. Trucco, Chile)

Chilean experts and the award of highly specialized fellowships in areas of science and technology where Chile had attained a high degree of development. In January 1980, it would initiate a system of tariff preferences for the least developed countries. With regard to the latter countries, it was essential that the international community should, as a matter of urgency, give practical support to the Comprehensive New Programme of Action launched under UNCTAD resolution 122 (V).

25. The results of the nineteenth session of the Trade and Development Board had been less than satisfactory for the developing countries. The Board had deferred consideration of such major items as protectionism, the indebtedness of the developing countries and the multilateral trade negotiations. Despite the general recognition of the dangers of protectionism, it had proved impossible to consider it calmly and in depth at the fifth session of UNCTAD and the nineteenth session of the Board. It was to be feared that, by the time the multilateral trade negotiations were finally concluded, they would have lost all practical usefulness.

26. In its resolution 114 (V), the Manila Conference had invited the General Assembly to take necessary actions for strengthening UNCTAD, in recognition of its role as a principal instrument of the Assembly for negotiations on relevant areas of international trade and related issues of international economic co-operation, particularly in the context of negotiations on the establishment of the new international economic order. In the same resolution, the Conference had referred to the need for further adapting the permanent intergovernmental machinery of UNCTAD, bearing in mind in particular its increased activity as a negotiating forum. The Ad Hoc Intergovernmental Committee on the Rationalization of UNCTAD's Machinery, established pursuant to paragraph 12 of the resolution, had met at Geneva from 5 to 9 November; it had endorsed the proposals to initiate intersessional informal consultations with a view to moving forward negotiations in the various areas and to establish an unofficial committee within UNCTAD to improve the flow of information between the Secretary-General of UNCTAD and the delegations of member States. The co-ordinators of the regional groups would form the nucleus of that unofficial committee. The General Assembly should give urgent attention to those proposals and take action to remedy the defects in the institutional machinery.

27. Mr. JÖDAHL (Sweden) noted that slower growth, higher inflation and a sharp deterioration in balances of payments were affecting developed and developing countries alike, although developing countries as a group had experienced steadier economic growth than the industrialized world in recent years. They had seen progress in their participation in trade, and imports from developing countries by OECD countries had increased more than six times between 1968 and 1978. Those developments were to be welcomed.

28. Import demand in the developing countries had been a factor for stability in the international economy; if that was to continue, the exports of developing countries should equally be allowed to grow. It was deplorable that the poorest developing countries had had a different experience. Non-oil-producing developing countries, especially the least developed among them, would be in serious trouble

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(Mr. Jödahl, Sweden)

in the 1980s if policy measures were not taken. Governments had demonstrated their commitment to continued free trade by bringing the multilateral trade negotiations to a successful conclusion in the midst of unparalleled economic difficulties. All of the objectives had not been reached, but substantial benefits for future trade would accrue to all countries, developed and developing, as a result of the negotiations. The strengthened multilateral discipline should be of particular importance to developing countries in their future efforts to expand their export markets.

29. The fundamental agreement on the establishment of a Common Fund was a concrete step forward, and had recently been followed by an agreement on natural rubber. There was reason to hope that an agreement on cocoa would soon be reached, and that the final content of an understanding on the Common Fund, whereby all countries must be prepared fully to assume their responsibilities for both the first and the second account, would be worked out.

30. It seemed that the negotiating package on the International Code of Conduct on the Transfer of Technology might soon be finalized. An important part of that negotiating package must be efficient follow-up machinery to ensure that the provisions of the Code of Conduct would be well understood by Governments and enterprises. He wished to reiterate the suggestion made by Sweden at the fifth session of UNCTAD for a study of the possible role of small and medium-sized enterprises in transferring technological know-how. It was gratifying to note that that suggestion had been accepted by the Conference in its resolution on strengthening the technological capacity of developing countries.

31. Among the other resolutions adopted by the Conference, the programme to resist protectionism and facilitate structural adjustment was particularly important and should be followed up in a constructive way. Sustained and balanced world economic growth would not be achieved without adjustment to new economic realities and to changing patterns of comparative advantage. Governments must play an important role in that process, particularly by facilitating the transfer of productive resources from declining sectors to sectors that were expected to be viable in the future. The need for an international dialogue on mutual world responsibilities in the adjustment process was clear, and all Governments must make efforts to find the proper place for UNCTAD and UNIDO in that dialogue.

32. Increased concessional and non-concessional resource flows to developing countries were an indispensable factor of growth and a real stimulus to world-wide economic activity. UNCTAD resolution 129 (V), on the transfer of real resources to developing countries, was therefore another positive achievement of the Conference. The concept of massive transfer of resources was perhaps the most innovative approach to development in recent years. His delegation hoped that the different studies under way could be dealt with at early intergovernmental discussions leading to at least some preliminary decision at the special session of the General Assembly in 1980. The massive transfer of resources should complement the existing flows of official development assistance. It was absolutely essential that the strong economies of the world should reach as soon as possible the 0.7 per cent target. So far, only a few small countries had attained that objective, at a time when forecasts pointed to magnified external financial problems for non-oil-producing developing countries.

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(Mr. Jödahl, Sweden)

33. His delegation welcomed UNCTAD resolution 122 (V) on a Comprehensive New Programme of Action for the Least Developed Countries, including the recommendation to convene a United Nations conference. Substantially increased aid resources should be put at the disposal of the least developed countries. The criteria for constituting the category of least developed countries should be carefully reviewed and if necessary revised to take into account developments since the time of their adoption.

34. The developing countries had rightly emphasized the importance of furthering economic co-operation among themselves, which was one important way to promote a balanced and equitable process of global economic development. His delegation therefore welcomed UNCTAD resolution 127 (V).

35. The Manila Conference had failed to reach agreement on a number of important issues, and many problems had been referred to the permanent machinery of UNCTAD. It was regrettable that, at its nineteenth session, the Trade and Development Board had failed to reach agreement on the question of the high-level expert group for global consultations in the field of trade, money, development and finance and had been unable to arrive at a final conclusion on the question of debt. There was a risk that UNCTAD would suffer if such important subjects were not dealt with more expeditiously by the Board.

36. One positive result of the nineteenth session of the Board was the decision that a high-level intergovernmental group would elaborate UNCTAD's contribution to the new International Development Strategy. His Government hoped that the deliberations within the group would result in well-defined and action-oriented initiatives which could be translated into concrete policies and commitments for developed and developing countries. The results of the various conferences in recent years falling within the competence of UNCTAD should be taken fully into account. Effective assistance from the UNCTAD secretariat would be necessary if the UNCTAD contribution to the Strategy was to be prepared in time. His delegation was convinced that all States would seize the opportunity to concert their interests in order to present to the Preparatory Committee for the New International Development Strategy a realistic, balanced and progress-oriented contribution. The work of the Ad Hoc Intergovernmental Committee on the Rationalization of UNCTAD's Machinery, established pursuant to paragraph 12 of Conference resolution 114 (V) should be accorded high priority, given the important contributions UNCTAD should be able to make in the North-South dialogue and in the work towards establishing a new international economic order.

37. Mr. MIERVA (Spain) said that the fifth session of UNCTAD had taken place at a time of global economic and political crisis. The Group of 77 had put forward proposals designed (a) to ensure equitable participation in the management and development of the world economy; (b) to secure some positive results in the North-South negotiations; (c) to promote a massive transfer of financial resources and transfers of technology to get the economies of the developing countries off the ground; (d) to establish a permanent technical secretariat similar to the Group B secretariat of OECD and the CMTA secretariat. Lacking a focal point for its negotiations, the Manila Conference had made slow and difficult progress, with excessive political confrontation hampering the negotiating process.

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(Mr. Nerva, Spain)

38. Sluggish world economic growth was partly due to the failure of the developing countries to produce a more comprehensive and co-ordinated framework for their contacts with the industrialized world that would lead to more rapid and global economic development. The developing countries must fully mobilize their own resources and engage in objective and effective dialogue with the industrialized countries.

39. At the fifth session of the Conference, the Group of 77 had stressed the need to make UNCTAD a forum for negotiation rather than deliberation and to give it a co-ordinating role within the United Nations system in matters within its competence. The new UNCTAD would thus become a supervisory and negotiating body in all matters dealt with in the North-South dialogue. The Group B countries and the socialist States, on the other hand, while accepting the need to rationalize the structure of UNCTAD for the sake of greater efficiency and flexibility, had argued that the original constitutional terms of reference should be retained. In the final compromise, the Conference had decided to retain those terms of reference, emphasizing UNCTAD's role as a subsidiary organ of the General Assembly and referring the administrative proposals made by the Group of 77 to consultations between the Secretary-General of the United Nations and the Secretary-General of UNCTAD. In its resolution 114 (V), the Conference had decided to establish an ad hoc intergovernmental committee on the rationalization of UNCTAD's machinery.

40. The negotiating groups in Manila had achieved some positive if limited results, including the adoption of resolutions 104 (V) on tungsten, 106 (V) on developments pertaining to the Convention on a Code of Conduct for Liner Conferences, 122 (V) on the Comprehensive New Programme of Action for the Least Developed Countries, 125 (V) on the complementary facility for commodity-related shortfalls in export earnings and 129 (V) on the transfer of real resources to developing countries.

41. Because of insufficient outlets in their domestic markets, companies were compelled to move into the larger world market and participate in that increasingly competitive arena if they wished to survive the world trade struggle. In the medium term, it would become very difficult for individual countries to continue to determine their economic programmes and policies arbitrarily and without uniformity. There was a danger that, if certain forms of co-operation among various groups of countries were not established freely through dialogue and negotiation, they would be introduced by violent means. Against that background, it was apparently being recognized, even by the industrialized countries, that UNCTAD should be a co-ordinating agency not only for different regions and countries, but also for other United Nations organizations. It must, however, be an objective body animated by the political will to secure valid and freely accepted international agreements. Only through collaboration among all States in devising practical formulae by consensus would it be possible to accelerate the spread of economic progress and development.

42. Mr. MARKER (Pakistan) said that, as the Group of 77 saw it, the central aim of the fifth session of UNCTAD had been to treat the issues in an interrelated manner as part of a broad effort to initiate the process of changing the character of North-South relations. That broad approach had represented an important watershed

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(Mr. Marker, Pakistan)

in UNCTAD's development. Nevertheless, the practical results had left much to be desired, and the disappointment expressed by the Ministers for Foreign Affairs of the Group of 77 was understandable. While the Conference had made some progress in the areas of commodities, protectionism and transfer of resources and had adopted important decisions, its response had been inadequate on the central question of structural change - an issue on which it should have achieved decisive success.

43. Although the Manila Conference represented an important milestone on the road to restructuring, it had also exposed the continuing resistance of the developed countries to basic and far-reaching changes in the system of relationships governing world production, trade and finance. Negotiations on such key items as the interrelationships between trade, development, money and finance, reform of the international monetary system, structural adjustments and debt problems of developing countries had remained infructuous.

44. The stalemate on the important issues in the North-South dialogue was not insurmountable, because the need for interdependence among all nations could not long be ignored; the international community must soon face the fundamental problems of trade, development and finance. His delegation reaffirmed its faith in UNCTAD as an invaluable instrument for negotiating agreements in areas within its purview, and foresaw a strengthened and growing role for it in the coming phase of the North-South dialogue. It was to be hoped that real progress would be achieved regarding many of the important matters referred back to the Trade and Development Board by the Conference. By instituting global consultations on the interrelationships between trade, development, money and finance, the Board could make an indispensable contribution to the proposed round of global negotiations between developed and developing countries.

45. With regard to commodities, his delegation hoped that the study on complementary financing facilities to compensate for shortfalls in earnings on specific commodities would serve as a basis for concrete agreement in that area. It also hoped that a consensus would soon be reached on the articles of agreement of the Common Fund, and that the pace of negotiations on individual commodity agreements would be accelerated significantly, with a view to launching the Integrated Programme as soon as possible.

46. The lack of progress on trade in manufactures and semi-manufactures had been particularly disappointing. The resolution on protectionism would not be adequate to prevent the escalation of protectionist policies; nor could the results of the multilateral trade negotiations be regarded as being of any significant benefit to developing countries. In fact, the problems of trade between developed and developing countries had remained on the periphery of consideration. There was an urgent need to launch negotiations aimed at redressing the trade problems of developing countries, with a view to reducing and eventually eliminating all tariff and non-tariff barriers to their exports of manufactures and semi-manufactures.

47. The limited agreements reached in the Committee of the Whole and at the fifth session of UNCTAD on transfer of resources needed to be implemented immediately.

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(Mr. Marker, Pakistan)

His delegation also urged full and effective implementation of the Trade and Development Board's agreement on debt in the case of all least developed and most seriously affected countries.

48. UNCTAD's agenda and programme of action for the immediate future was considerable, and there was a compelling need to strengthen a body which had evolved in the past 15 years into an indispensable forum for North-South negotiations. His delegation therefore urged the full and effective implementation of UNCTAD resolution 114 (V), and hoped that the necessary process would be set in motion during the current session of the General Assembly.

49. All of the basic themes under negotiation in UNCTAD were directly relevant to the preparation of the new International Development Strategy. It was clear to developing countries that the conceptual framework for the new Strategy would have to be based on some perceptions of the major constraints and the major stimuli affecting the development process. The principal external constraint was the inadequate support provided by the existing system of international economic relations. His delegation welcomed the agreement reached in the Trade and Development Board on the setting up of an Intergovernmental Group of Experts and on its guidelines, and had no doubt that the Group's work, as well as that of the UNCTAD secretariat, would be of great value for the Preparatory Committee for the New International Development Strategy.

50. Mr. TOURE (Guinea-Bissau) said that the fifth session of UNCTAD had been held at a decisive moment in the history of international economic relations, but it had failed to reach the intended goals. The objectives of the Second United Nations Development Decade - a better distribution of resources and income to the benefit of the developing countries, increased employment opportunities in those countries and the establishment of adequate infrastructures in the fields of education, health, nutrition, housing, environmental protection, transport, and so on - had not been achieved.

51. During the past decade, the developing countries had been faced with even greater difficulties in their efforts to promote national development and provide their peoples with a modicum of material security. Those difficulties had been aggravated by the world economic crisis, characterized by a slowing of economic growth, an unprecedented increase in unemployment and runaway inflation. The world economic situation had had a very adverse impact on the international strategy for the establishment of a new international economic order. The developing countries had once again been left alone to face their monumental problems, including economic stagnation, accelerated deterioration of their terms of trade, worsening balance-of-trade deficits and increased economic dependence on the industrialized countries. The main task of the Second Committee and the General Assembly at the current session was to give more attention to those problems and find more equitable solutions for them.

52. The special measures for the least developed countries under the International Development Strategy for the Second Development Decade had not for the most part

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(Mr. Toure, Guinea-Bissau)

been implemented. The economic situation of those countries had declined, especially in the case of countries which had suffered the dual impact of the world economic crisis and drought. For example, in Guinea-Bissau economic conditions had deteriorated dangerously over the past two years as a result of decreased rainfall and economic and financial difficulties. In 1977 there had been an unexpected decline in food production, and it was feared that in 1979, production would not be adequate to meet the food needs of a growing population, leading to serious shortages of food which the country could not meet without international assistance. He urgently appealed to the international community to exert even greater efforts to assist Guinea-Bissau.

53. In order to alleviate the difficulties of the least developed countries, both national and international action should be taken, including a more just ordering of international trade, the adoption of more advantageous and more flexible financial and technical assistance policies, and special measures in such fields as regional integration, diversification of production and trade, shipping and insurance. Those special measures should, of course, be supplemented by the ones envisaged for all developing countries in accordance with the United Nations resolution on the establishment of a new international economic order.

54. No problem was insoluble, and his delegation was convinced that the current session would give some hope to the millions of human beings in the developing countries, for whom all Member States should join forces in order to establish a new world economic equilibrium.

55. Mr. ARAPI (Albania) said that the fifth conference of UNCTAD had once again shown that, in spite of the just demands of the developing countries for the establishment of new international economic relations, no concrete results had been achieved. The imperialist super-Powers, the United States of America and the Soviet Union, and their economic blocs such as CMEA and EEC, imposed very low prices for the purchase of raw materials from developing countries and sold industrial goods to them at very high prices. Through discriminatory practices and protectionist measures, they tried to hamper the access of goods from the developing countries to their markets, in order to keep intact the old relationship of exploitation.

56. All economic relations between the capitalist and revisionist countries and the developing countries were typical capitalist relations. In the field of prices and of the terms on which "aid" and "credits" were accorded, the imperialist super-Powers had dominated trade relations in order to reap colossal profits. To carry out their oppressive and exploitative policies, they had created the Council for Mutual Economic Assistance and the European Common Market. The latter was a tool used by the Western monopolist bourgeoisie to exploit as much as possible the working people of its member countries and to impose inequitable relations and trade on other countries. It was an obstacle to the normal development of economic relations and international trade exchanges, the elimination of inequality and the establishment of more just relations. CMEA had the same features. Within that

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(Mr. Arapi, Albania)

bloc, the Soviet social-imperialists applied a typical neo-colonialist policy. Through agreements and joint development programmes, they aimed at gaining control over the economies of the CMEA countries and plundering their resources and labour. In addition, they were trying to use CMEA as a means of economic penetration in other areas of the world and as a counterbalance to the competition of the Common Market.

57. His country's success in promoting trade relations with various countries testified to the correctness of its economic policy, the stability of its economy, and its self-reliance and ability to cope with the imperialist-revisionist economic blockade. That success was particularly manifested in the improvement of the export goods structure, with processing-industry goods outnumbering products of the extractive industries, although output of the latter had also increased. The People's Socialist Republic of Albania conducted trade relations with many countries on the basis of mutual benefit and interest, and it would continue to develop such relations with all States that respected those principles. Socialist Albania had never based the development of its economy on foreign trade, much less on foreign aid and credits, but on the over-all development of industry and agriculture.

58. His delegation supported the just struggle of the peoples of Asia, Africa and Latin America to put an end to imperialist and revisionist policies, discrimination and pressure in trade and to achieve a fairer ratio in the prices of raw materials and of industrial goods, abolish artificial barriers and establish economic and trade relations on the basis of equality and mutual benefit.

59. Mrs. PUÑEZ (Observer, Council for Mutual Economic Assistance) said that economic co-operation among CMEA member countries and between them and third countries was gaining increasing influence in all spheres of trade and economic relations in the contemporary world. Trade among CMEA members in 1978 had exceeded 103 billion roubles, 22 times greater than in 1950. Through such trade, CMEA members to a significant extent met their import needs for basic raw materials, fuels, food products, machinery and equipment and consumer goods. That was all the more significant in view of the fact that those countries supplied each other in a planned and stable manner, on a basis agreed for five-year periods. Long-term trade agreements in force were being successfully implemented. Special attention was given to the development of trade in machinery and equipment on the basis of the development of specialization and co-operation. That was the most dynamic sector of trade among the CMEA countries, now accounting for 45 per cent of the total.

60. The basic form of economic relations between the socialist countries and the developing countries was mutual trade. That was indicated in the Declaration adopted on the occasion of the thirtieth anniversary of CMEA, which stated that the member countries of CMEA consistently acted for the development of mutually advantageous economic co-operation on a basis of equal rights with developing countries and other States, irrespective of their social systems; those principles derived from the very essence of socialism and fidelity of the socialist countries to the cause of peace, and constituted an essential element in the policy of détente.

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(Mrs. Nuñez, Observer, CMEA)

61. During the years 1951-1978, trade between CMEA member countries and developing States increased approximately 32 times. The CMEA countries, by extensively developing their economic and trade relations with developing countries on the basis of equity and mutual advantage, helped to promote the independence of their national economies and to strengthen their sovereignty and their positions at the world level. The share of the CMEA countries in the external trade of developing countries was constantly increasing. By the mid-1970s, the annual volume of exports of machinery and equipment from CMEA countries to developing countries had exceeded 2 billion roubles. As light industries were developed in developing countries, the proportion of consumer goods exported by CMEA countries to those States was decreasing. The CMEA countries, particularly the Soviet Union, also supplied developing countries with raw materials, fuels and food products. With a view to expanding imports from developing countries, a number of CMEA countries had adopted measures to guarantee preferential access to their markets for goods from those countries.

62. The technical co-operation provided to recently independent States by the socialist countries had assumed significant dimensions and had had a considerable and positive influence on the system of international division of labour currently being developed. The CMEA countries had implemented or were implementing in developing countries in Asia, Africa and Latin America some 4,000 industrial construction projects, most of which were already in operation. Agreements on economic co-operation concluded with CMEA member countries would enable the productive capacity of developing countries to be increased. A significant contribution to the industrialization of the countries of Asia, Africa and Latin America was the dozens of ferrous and non-ferrous metallurgical plants which had been or were being constructed with the participation of CMEA countries. The long-term nature of the trade agreements and technical assistance agreements provided a stable basis for trade and enabled developing countries to count on a stable market, not only for their traditional goods but also for goods processed in the industrial plants built in those countries.

63. Seeking to develop active participation in the international division of labour on the basis of the principles of peaceful coexistence between countries with different social systems, the CMEA countries had developed economic relations with developed industrialized capitalist countries. Between 1951 and 1978, trade with those countries had increased 16.5 times. Together with bilateral co-operation, multilateral relations also had undisputed benefits. An example of the latter was the multilateral co-operation between CMEA and the Republic of Finland, which was being successfully carried out on the basis of the Agreement signed in 1973. In accordance with the recommendations of the Commission for Co-operation between CMEA and Finland, 22 multilateral and bilateral agreements had been concluded between CMEA countries and Finland in various fields of economic, industrial and scientific and technical co-operation.

64. The Final Act of the Conference on Security and Co-operation in Europe provided a good basis for the future broadening and deepening of economic relations among all European States. The Council for Mutual Economic Assistance fully intended

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(Mrs. Nuñez, Observer, CMEA)

to make its contribution, within its competence, to the realization of the relevant principles and positions set forth in the chapter of the Final Act entitled "Co-operation in the Field of Economics, of Science and Technology and of the Environment" by actively co-operating with the Economic Commission for Europe, UNESCO and other international organizations.

65. Co-operation between CMEA and UNCTAD was broadening and becoming increasingly concrete. Regular meetings were held between senior officials of the CMEA and UNCTAD secretariats, at which the mutual interest in broadening contacts were confirmed and practical measures to that end were decided upon. The CMEA secretariat had provided the developing countries through various channels, primarily the Secretariat of the United Nations, the secretariats of UNCTAD and UNIDO, the regional commissions and other international organizations, with information and documentation on CMEA activities. The CMEA secretariat had participated actively in the execution of the UNDP/UNCTAD technical assistance project aimed at acquainting developing countries with the possibilities for the future development of trade and economic co-operation with the CMEA member countries.

66. In keeping with its policy of broad, equitable and mutually advantageous international co-operation in the interest of peace and the socio-economic progress of all peoples, CMEA would participate in the restructuring of international economic relations on the basis of democratic and just principles and was prepared to lend its support with a view to its successful completion.

67. Mr. BA-ISSA (Democratic Yemen) said that, since the sixth special session of the General Assembly, UNCTAD had become the main forum for the establishment of the new international economic order. That long and difficult task had begun at the fourth session of UNCTAD, and since then no real progress had been made. Prior to the fifth session at Manila, the Group of 77 had set forth its position in the document adopted in February 1979 at Arusha, with a view to obtaining changes in international economic relations. The sixth Conference of Heads of State or Government of Non-Aligned Countries had also expressed its dissatisfaction at the lack of progress, which was the result of the inflexible position adopted by the capitalist countries and repeatedly stated in the Committee of the Whole, the Preparatory Committee for the New International Development Strategy and other forums. The partial agreement reached at the fifth session of UNCTAD had been due to the flexibility of the Group of 77. However, that agreement related only to general principles, and the methods of implementing them had not been spelt out.

68. The Manila Conference had demonstrated the importance of obtaining tangible results with a view to establishing the new international economic order. To that end, efforts were required to implement the Integrated Programme for Commodities, obtain reforms in the international monetary system, change the current unjust international economic system and obtain the transfer of technology to developing countries. The international community now recognized that the developed countries must show the necessary political will and discontinue their out-of-date tactics, because their era of political domination had ended. The current economic domination and the activities of transnational corporations could not last for ever in a world in change. It was not logical for a minority to live in luxury at the expense of the majority.

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(Mr. Ba-Issa, Democratic Yemen)

69. One of the most successful results of the fifth session of UNCTAD had been the resolution in favour of the least developed countries. Those countries were the ones most seriously affected by the present state of the world economy. His delegation hoped that Governments and international organizations would shoulder their responsibilities and that certain developed countries would alter their positions so that that resolution and others similar to it could be implemented in order to obtain better living conditions for the peoples of the least developed countries.

70. He hoped that there would be a new approach to international trade in order to establish the new international economic order based on justice and equality. To that end, it was important to put into operation the Integrated Programme for Commodities and the Common Fund, to effect monetary reform and to establish the Code of Conduct on the Transfer of Technology.

71. Equally important was the Manila Conference's resolution on assistance to national liberation movements recognized by regional intergovernmental organizations. The peoples concerned were struggling for their political and economic independence, and his delegation regretted the objectives pursued by some countries, regardless of the excuses made. Imperialism, zionism, apartheid and exploitation were obstacles to development, but the people oppressed by those ills would certainly one day achieve their sovereignty and all should work towards that end.

72. Lastly, his delegation hoped that UNCTAD would recognize the principle of equitable geographical distribution and accordingly provide Arabic language services.

The meeting rose at 1.10 p.m.