



SUMMARY RECORD OF THE 17th MEETING

Chairman: Mr. RINGNALDA (Netherlands)

later: Mr. ter HORST (Venezuela)

CONTENTS

AGENDA ITEM 69: DEVELOPMENT AND INTERNATIONAL ECONOMIC CO-OPERATION (continued)

- (a) INTERNATIONAL DEVELOPMENT STRATEGY FOR THE THIRD UNITED NATIONS DEVELOPMENT DECADE
- (b) CHARTER OF ECONOMIC RIGHTS AND DUTIES OF STATES
- (d) INDUSTRIALIZATION
- (f) NATURAL RESOURCES
- (g) FOOD PROBLEMS
- (j) ENVIRONMENT
- (k) HUMAN SETTLEMENTS
- (l) EFFECTIVE MOBILIZATION AND INTEGRATION OF WOMEN IN DEVELOPMENT
- (n) UNITED NATIONS SPECIAL FUND

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The meeting was called to order at 10:35 a.m.

AGENDA ITEM 69: DEVELOPMENT AND INTERNATIONAL ECONOMIC CO-OPERATION (continued)

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The CHAIRMAN announced that the deadline for the submission of proposals under the first part of Item 69 had been advanced to 25 October.

1. Mr. BEN ATTIA (Tunisia) said that unfortunately no **tangible progress in international** economic relations had been registered over the past year; nothing had changed the alarming trends which had long caused concern. Today, international economic interdependence was such that when one part of the system did not work, the entire structure collapsed. Sufficient evidence of that could be found in the fact that the austerity policy practiced by the developed countries led to a general drop in production and, consequently, to a marked increase in unemployment, which generated social tensions within those countries and to a substantial decrease, if not total stoppage, in official development aid for third-world countries. That policy had a deplorable effect on international trade. The developing countries bore the brunt of an anachronistic protectionist policy which limited exports of their manufacture. Tunisia, among other countries, had felt its effects on textile and leather products and footwear. Naturally, the trade and balance-of-payments situation of the developing countries gave grounds for concern.

2. The food situation in some parts of the world was rapidly becoming intolerable. Although Tunisia was more fortunate than other countries in that respect, it could not remain indifferent to the thousands suffering from hunger and malnutrition in the world.

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(Mr. Ben Attia, Tunisia)

The building of food stocks sufficient to establish an infrastructure should be the concern of all. Tunisia and the European Economic Community had decided to try to solve that serious problem by means of long-term contracts for the supply of staple food products such as grains, sugar and milk. By significantly reducing the risk of cost fluctuations and ensuring an adequate supply, security became the prime mover of sound food policy.

3. Unless an immediate solution to food problems was found, the number of people dying of hunger every day might well continue to increase. Considering that 160,000 people would die of hunger in 1981, while in the wealthy countries cattle consumed 500 million tons of grain per year, an explosive situation could develop. The rich countries should take note of that because the future of all of mankind depended on it.

4. Although the target set at the Lima General Conference of UNIDO in 1975 had been designed to bring the share of the developing countries in world manufacturing output up to 25 per cent by the year 2000, it did not seem that progress was being made towards that goal. In 1980, that share had been only 10.9 per cent. Progress had been slow and uneven, for much of the third world had not contributed to it at all. It was essential for the industrialized countries to realize their responsibilities, particularly with regard to the transfer of technology, for otherwise the dependence of the developing countries would increase together with their indebtedness.

5. Since it was obvious that all States were interdependent and that all sectors of the economy were interrelated, it was high time to apply a global solution to the world economic crisis. There seemed no longer to be any opposition to the launching of the global negotiation process, as it was obviously in the interest of the industrialized countries to adjust to current world conditions. The developing countries should present a united front and support each other more than ever. Their credibility, the future of the North-South dialogue and the success of the global negotiations were at stake.

6. Mr. ZACHMANN (German Democratic Republic) said that one of the main tasks facing the General Assembly at its present session was that of easing the international situation. His delegation agreed with the view, expressed in the communique issued following the Meeting of the Ministers of Foreign Affairs and Heads of Delegations of the Non-Aligned Countries (A/36/566) and in the Declaration of the Ministers for Foreign Affairs of the Group of 77 (A/36/573), that the further deterioration in international economic relations and in the position of the developing countries was due not only to the structural problems of the world economy but also to the serious aggravation of the international situation caused by the arms race. It therefore strongly supported the demand for containment of the arms race and for effective disarmament measures. The interrelationship between disarmament and development had been pointed out in the report of the Secretary-General on the subject (A/36/356). Since the conclusions of the report touched directly or indirectly upon numerous issues which the Committee was considering under Item 69, he echoed the suggestion put forward by other delegations that the Committee should consider the relevant subjects in that report at the appropriate time.

7. The Charter of Economic Rights and Duties of States was one of the most important documents for the restructuring of international economic relations. That was why certain imperialist forces continued stubbornly to oppose its implementation. The attempts made

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at the current session of the General Assembly and elsewhere to advocate the so-called free market-economy system in order to promote the allegedly stimulating effects of private investments should be seen as a device for replacing the necessary democratic restructuring of international economic relations by the unbridled activities of private capital and reckless neo-colonialist policies. That was the real purpose of the proposed cooperative strategy for global growth. That strategy was not new; moreover, it had nothing to do with economic growth or with the social needs of the developing countries. Those in the advanced industrial countries, who were unable to eliminate mass unemployment and who continued to plunder the developing countries, to oppose the new international economic order and to obstruct global negotiations, must realize that their development concepts lacked credibility.

8. The German Democratic Republic was committed to the principles set forth in the Charter of Economic Rights and Duties of States and firmly opposed any attempt to modify its provisions, the importance of which should be recognized in all relevant activities of the United Nations. In addition, relevant provision of the Charter should be included in future United Nations instruments such as the code of conduct for transnational corporations and the international code of conduct on the transfer of Technology.

9. With regard to industrialization, his delegation advocated the immediate implementation of the resolutions and decisions of the Third General Conference of UNIDO and of the International Development Strategy for the Third United Nations Development Decade. UNIDO should make greater efforts to take into account the social and economic requirements of industrialization in the developing countries, as called for in the Lima Plan of Action. It should give greater priority to the role of the State and of the public sector in industrial development. In that connection, every effort must be made to thwart attempts to make UNIDO's activities the preserve of private enterprise.

10. His Government had organized basic and advanced training courses on industrial planning for senior staff from developing countries on an annual basis. It was prepared to continue those activities and to extend them to other fields. His delegation fully expected that the organizational and financial questions relating to the utilization of his Government's voluntary contributions to UNDP would soon be settled to the satisfaction of all concerned.

11. The work on the formulation of a code of conduct for transnational corporations should be stepped up; indeed, his delegation hoped that the General Assembly would adopt a resolution calling for the adoption of the code in 1982. Recent studies conducted by United Nations bodies provided fresh evidence showing that the profits from developing countries reaped by country members of the Organization of Economic Cooperation and Development amounted to more than their official development assistance. The total losses suffered by developing countries as a result of the exploitative practices of the transnational corporations could only be guessed at. According to a report published by the Club of Rome some four years earlier, annual real losses of developing countries were estimated at between \$50 billion and \$100 billion. His delegation had proposed in the Fourth Committee, that the United Nations Centre on Transnational Corporations should open a register indicating the profits reaped by transnational corporations from the exploitation of territories under colonial domination. Such a register would also be important in identifying and eliminating obstacles to the implementation of resolutions and decisions concerning the restructuring of international economic relations and would facilitate consideration of the issue in the Second Committee.

(Mr. Zachmann, German Democratic Republic)

12. Together with the other States members of the Council for Mutual Economic Assistance, the German Democratic Republic would continue to support the developing countries and national liberation movements in their efforts to secure and enhance their political and economic independence. In 1980, its trade with the developing countries had increased 29 per cent over the 1979 level. Between 1970 and 1980 it had set up more than 700 enterprises in developing countries; there were no strings attached to the enterprises. The number of citizens from developing countries receiving basic and advanced vocational training in the German Democratic Republic was increasing annually and, so far, more than 15,000 experts had been assigned to developing countries to help them establish and expand efficient economic and social infrastructures in line with their decisions and needs.
13. He urged the General Assembly at its current session to explore every possibility of guaranteeing fruitful international economic relations on an equitable basis and of eliminating discriminatory policies. His delegation reiterated its willingness to contribute to global negotiations on the basis of mutually advantageous solutions and paying due regard to the interests of all States.
14. Mr. GALEL HAK (Egypt) suggested that in future, the subitems relating to the item "Development and international economic cooperation" should be grouped according to related items under 4 or 5 separate headings. In addition, when organizing its work, the Committee might consider the possibility of discussing certain subitems once every two years instead of every year -- barring extraordinary circumstances -- given the fact that in some cases more time was needed than in others for effective implementation of measures recommended.
15. The reports submitted by the various United Nations bodies reflected the deterioration that had occurred in the world economic situation over the past year and emphasized that there was little likelihood of matters improving so long as the principal defects undermining economic and social development were not remedied.
16. Although it was estimated that growth in the developing countries had amounted to 3.6 per cent in 1980, when rapid population growth and the deterioration in the terms of trade were taken into account, that amounted, in effect, to no change or even to a reduction in real income between 1980 and 1981. According to World Bank projections, the number of people living in dire poverty would increase in the coming years, bringing with it the possibility of spreading social conflict and threats to world peace and stability. Because of the very high interest rates currently prevailing, the balance-of-payments deficit of the developing countries had risen from \$45 billion in 1979 to \$96 billion in 1981. Interest payments had been \$34 billion in 1980 and were estimated to reach \$44 billion in 1981. The external indebtedness of the developing countries was currently estimated at \$000 billion. The policies adopted by some industrialized countries to deal with their economic situation had had an adverse impact on the world economic situation.
17. The developing countries were particularly exposed to economic fluctuations and countercurrents; accordingly, there was an urgent need to give new impetus to international efforts to find coordinated solutions to national and international economic

(Mr. Zachmann, German Democratic Republic)

problems. The developing countries had sought to increase their cooperation and to achieve collective and individual self-reliance. The CARACAS PROGRAM OF ACTION was a good starting point and marked an important transition from the planning to the implementation stage. However, such cooperation complemented but could not be a substitute for the North-South dialogue.

18. Turning to some of the specific subitems, he said that the world food situation had reached a critical point. Agricultural production in the African countries had been declining steadily over the past 20 years, while food imports had increased, placing a further burden on those countries' balance of payments. However, it was generally thought that agriculture would remain the basis for development in most African countries for years to come. The report of the Secretary-General on Food Problems (A/36/149) described the food situation in Africa and contained proposals on how those problems might be solved. Those proposals should be carefully considered and implemented. At the same time, African countries should be helped to deal with the food problems scientifically and should be helped to plan their agricultural policies and encouraged to use modern technology appropriate to the various local situations.

19. His delegation welcomed resolution 54 (XV) concerning the Industrial Development Decade for Africa adopted by the Industrial Development Board. The General Assembly should ensure the availability of the necessary financial resources to accelerate the industrialization of Africa as approved in the Lagos Plan of Action, particularly since Africa's share in world industrial production amounted to only one per cent. He paid a tribute to the Board's unanimity regarding the need to provide the Industrial and Technological Information Bank with funds and hoped that the General Assembly would give due attention to that proposal.

20. Referring to the report of the Secretary-General on a World Development Fund (A/36/572), he said that the proposal to establish a new multilateral financial institution which would meet a range of financial needs that were catered to neither by the International Monetary Fund nor by the World Bank was very promising. The proposals concerning membership, voting and management of the fund would prevent any group of countries from having control of the decision-making process and would thus ensure that the developing countries had a say in decisions. His delegation supported the suggestion, in paragraph 40 of the report, that the issues relating to the establishment of the fund should be studied further. That could be done either by an Intergovernmental group of experts or in some other manner. The General Assembly should adopt a resolution at the current session emphasizing the need to pursue the matter.

21. The report of the Secretary-General on the role of United Nations agencies and organizations in assisting Governments to facilitate the integration of women in rural development (A/36/475) merely enumerated the activities of those organizations without evaluating them or making any proposals. He hoped that comment would be taken into account in future reports.

22. With regard to the report of UNIDO (A/36/470) concerning UNIDO's activities in 1980 designed to secure greater involvement of women in industrial development, his delegation hoped that UNIDO would continue to make practical proposals to attain that objective. His delegation reserved its right to comment on the comprehensive outline of a world survey concerning the role of women in development (A/36/590) at a later date.

(Mr. Zadhmann, German Democratic Republic)

23. Finally, he said that the report of the Committee for Development Planning (E/1981/27) drew attention to the responsibility that lay on all industrialized States, both socialist and market-economy countries, to remedy the world economic situation. It was essential that all should recognize that relations between developed and developing countries were at the center of the present world economic disorder and that the issue should be addressed forthwith. The various solutions proposed to revitalize the world economy deserved serious and immediate consideration for it was clear that world economic problems must be dealt with in an integrated manner. His delegation hoped that the Cancun Conference would set the global negotiations in motion. Whatever the results of that Conference, the international community would have to strive to initiate such negotiations within the framework of the United Nations. Existing policies should be modified so that the world economy could be restored and so that the targets established in the Declaration and the Programme of Action on the Establishment of a New International Economic Order and the Charter of Economic Rights and Duties of States could be achieved.

24. Mr. MARDOVICH (Byelorussian Soviet Socialist Republic) said that developments during the year since the General Assembly had adopted its resolution on the new International Development Strategy for the Third United Nations Development Decade had not been promising. The industrially developed capitalist States were trying at all costs to safeguard their privileged position in the world economic system to keep the developing countries dependent within that system and to control the natural resources and use the territories of these countries for their own strategic goals. At the expense of the developing countries, those States were trying to solve their own economic difficulties, which were caused by worsening crises in the international capitalist economy. The imperialist monopolies and transnational corporations held the developing countries in the fetters of economic dependence and tried to use them as reservoirs of raw materials, semi-manufacturers, cheap labor and a market for their manufacturers, and dumped ecologically harmful industrial waste in their territories.

25. The drastic price fluctuations in international trade and the intensification by capitalist countries of protectionism against imports of manufacturers and semi-manufacturers from the developing countries undermined the capacities of those countries to increase their financial resources on a sound economic basis. Their external indebtedness was growing and as a result, the credits they received went mainly to re-finance their current payments and made no contribution to their development. The limitation of the State sector's ability to import, which meant that foreign currency was spent to repay foreign loans and credits, likewise led to currency imbalances in the debtor countries.

26. The efforts of the developing countries to change inequity of their situation had not yet yielded the desired results. Although seven years had elapsed since their adoption, the relevant provisions of the Charter of Economic Rights and Duties of States had not been implemented. Global negotiations, on which the developing countries placed so much hope, had not yet been initiated, for which the leading Western States were to blame. Recent events clearly showed that those who grossly violated the provisions of the Charter of Economic Rights and Duties of States were doing everything possible to slow down the process of restructuring international economic relations and lead it on a false course. At Cancun, the developing countries would be offered essentially cosmetic repairs of the existing system of international economic relations measures, which were by no means

(Mr. Mardovich, Byelorussian Soviet Socialist Republic)

directed towards radical change. The Western States saw the problem mainly as one of facilitating and even expanding secure access for their transnational corporations to the energy and raw material resources of the developing countries. As hitherto, the imperialist strategists were concerned not with normalizing international economic relations but with their desire to extract even more profit from them.

27. At Cancun, it would also be suggested that the developing countries should take a positive attitude towards the expansion of the activities of international private banks. It was well known that financial aid was predicated on profit: for every dollar invested in IBRD and IMF since their foundation, the contributors had earned three in 1977-1978. There was no doubt as to who was feeding whom.

28. On the eve of the Cancun meeting, the Western States were again arguing that responsibility for the difficult economic situation of the third world States should be shared with them by the Soviet Union and other socialist countries. That idea was not new; it was based on a distortion of the facts. The Soviet Union had not extorted resources from those countries or exploited their populations. It had always viewed the attempts of the developing countries finally to break away from the coils of colonialism and neo-colonialism and to overcome their economic backwardness, poverty, hunger and disease with understanding and deep sympathy. It supported their struggle to eliminate exploitation by imperialist monopolies and for the right of peoples to use their natural resources for their own development. It had helped the peoples of colonial and dependent countries to achieve political independence, and continued to provide all-around support in their struggle for economic independence. The goal of that assistance was to enable young States to generate their own industrial and economic potential and to free themselves from foreign dependence. No matter how hard they tried Western delegations would not succeed in disparaging that cooperation..

29. The aggravation of the international situation, for which aggressive imperialist circles were to blame, had a disastrous effect on the international economic situation. Claiming a guiding role in the world and arbitrarily declaring some countries to be spheres of its vital interest, the United States tried to impose its will on other countries and subject developing States to its hegemony. Another Power which spoke of its support for developing countries but, in fact, had made a military-political agreement with a leading imperialist Power, an agreement wholly directed against the interests of all peoples, including those of the developing countries, also had a dangerous impact on peace and progress.

30. In its attempts to gain control of energy and raw materials resources, the right-wing imperialists increasingly and more openly resorted to force or the threat of force. They sought to suppress national liberation struggles, choosing the developing countries as their primary target. The achievement of the goals of the new International Development Strategy and the Charter of Economic Rights and Duties of States was inextricably tied to the elimination of those and similar actions, and largely depended on how consistently and firmly the developing countries themselves carried on the struggle against the policy of neo-colonialism, defended their sovereignty over their natural resources and achieved proper control over transnational corporations operating in their territories.

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(Mr. Mardovich, Byelorussian Soviet Socialist Republic)

31. One of the most important elements of social and economic development was industrialization. However, many developing States did not really participate in the industrialization process and some which had thrown open wide the door to the unbridled activities of foreign private capital, had experienced a distortion in their industrial development, reflected in the one-sided orientation of industry towards exports, sometimes of only one type of commodity, and that not only intensified the economic dependence but also enhanced the ability of international monopolies to take arbitrary action against them. Consequently, his delegation rejected the notion that the socio-economic development of developing countries should be based primarily on the economic growth of capitalist States, the results of which would, it was claimed, subsequently be disseminated with the help of the market mechanism. Binding the developing countries in the name of partnership and mutual dependence, that policy was a serious threat to their industrialization and political independence.

32. The need to strengthen the State sector and planning in developing countries, to assist them in training national cadres and to make recommendations to defend them against the negative consequences of the actions of transnational corporations was of prime importance for their industrialization. Unfortunately, it could not be said that UNIDO gave proper consideration to those requirements and pre-conditions. His delegation fully shared the justified concern of a number of others at the expansion of UNIDO's activities involving the promotion of foreign private investment, for example, through the opening of new UNIDO branches in capitalist countries. That practice exploited UNIDO's authority in order to maintain and even strengthen the position of those who extracted capital from developing countries and adapted industrialization to suit those purposes.

33. With regard to UNIDO's System of Consultations, his delegation opposed the expansion of the number of meetings and believed that even at the regional level, they should be decided on and strictly controlled by the Industrial Development Board and be devoted to defending the interests of the developing countries from infringements by foreign private capital. His delegation approved of the idea of an Industrial Development Decade for Africa, but felt that the proposal should not involve an increase in UNIDO's staff or extra budgetary expenditures.

34. In speaking of ways and means for the industrialization of developing countries, the Byelorussian SSR could draw on its positive experience. In a relatively short period, despite the most barbarous actions by enemies of peace and socialism, the Byelorussian economy had attained a high level of science and technology through industrialization. The country's industry currently specialized in machine-building, electronic, chemical and petrochemical goods which were shipped to approximately 100 countries. Byelorussian specialists provided technical assistance to newly liberated States, thereby facilitating their development.

35. It was clear that international cooperation in respect of the environment was becoming more stable and regularized and UNEP's work to establish a Global Environmental Monitoring System should be mentioned in that connection. UNEP had also made some progress in promoting international cooperation to prevent marine pollution and its work to implement the decisions taken at the high-level, all-European meeting on cooperation in the environment protecting had been of some use. UNEP should continue to finance posts and projects within the framework of the Economic Commission for Europe.

(Mr. Mardovich, Byelorussian Soviet Socialist Republic)

36. The greatest contribution to the improvement and protection of the environment was undoubtedly made at the national level. The Byelorussian SSR implemented a whole series of scientific measures aimed at the elimination of pollution and more rational use of natural resources. Prognoses had been made of possible changes in the biosphere up to the year 2000, resulting from the development of various branches of the economy and on the use and protection of various types of natural resources, for example, the earth, up to the year 1990.

37. UNEP should intensify its activities aimed at implementing General Assembly Resolution 35/8 and UNEP Governing Council Resolution 9/4, both of which had been sponsored by his delegation. It would be useful if information on such activities could be included in the yearly reports to the Economic and Social Council and the General Assembly and a report on the disastrous impact of the arms race on nature prepared.

38. His delegation appreciated the work of the United Nations Center for Human Settlements (HABITAT), but felt that its work should be carried out with existing financial resources. The Human Settlements work programmes of HABITAT and the regional commissions for 1982-1983 should be closely linked with the overall United Nations budgetary cycles. The Center's participation in the international year to be devoted to the problems of the homeless should take the form of assistance and be carried out with its existing resources, while the program and measures should be financed from voluntary sources.

39. Referring to the documents on the living conditions of the Palestinian people (A/36/260 and Add. 1 and 2), he said that the crux of the Middle Eastern crisis was Israel's expansionism, which had deprived the Palestinian Arabs of a homeland. The imperialist circles which directly supported Israel's expansionism and used the Middle East conflict in their opposition to the national liberation movements of that region, bore heavy responsibility for that situation. No matter how cleverly representatives and supporters of Israel tried to reduce the Palestinian problem to the status of a refugee problem, the world knew that was one of the keys to Middle East settlement and that the inalienable rights of the Palestinian Arabs, including the right to create an independent State, must be implemented.

40. The achievement of the goals of the new International Development Strategy and the implementation of numerous measures, including socio-economic change, required the participation of great masses of people, including women. Equality between men and women in all areas of life were of special importance in that connection. It should be guaranteed by giving women equal opportunities with men for education, vocational training and employment and participation in social, political and cultural activities. It should be ensured through special measures governing women's labor and health and the creation of conditions facilitating the combination of work with motherhood, legal protection and material and moral support for mothers and children. History showed that true progress in social and economic development was achieved by those people and Governments which implemented such measures. In his country, women had gained true equality with the victory of socialism and played a very active part in the labor sector and social and cultural life. Women comprised 37 per cent of the highest organ of State power, the Supreme Soviet, and constituted nearly half of the deputies to local councils.

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(Mr. Mardovich, Byelorussian Soviet Socialist Republic)

41. The predominant requirements for progress in any sphere of human activity were peace on earth and its constant reinforcement, the strengthening of detente and the curbing of the arms race. The arms race diverted massive resources from the economy, led to direct and indirect intervention in the internal affairs of other States and complicated the development of intergovernmental trade relations and scientific, technological and economic cooperation. Consequently, detente and disarmament would eliminate many barriers which currently hindered the restructuring of international economic relations, allow significant additional resources to be released for economic and social development needs of young States, and increase the assistance provided for their development by the industrially developed countries. The USSR and other socialist countries consistently advocated that very course in international forums and would support any delegations willing to work toward those goals.

42. Miss HIGGIE (New Zealand) said that splitting Item 69 into clusters made it easier to deal with the individual subitems and also gave delegations the opportunity to comment on the wider issues that were fundamental to the deliberations of the Committee. There was now greater economic instability and a more serious decline in economic growth than there had been at any time since the Second World War. The World Bank had concluded that there was not much cause for optimism in the global outlook for the near term. Developed and developing countries were affected by many of the same problems, such as world-wide inflation, low growth in output and trade, high interest rates and large external payments imbalances; the burden, however, fell disproportionately on the developing countries. It was the plight of those countries that was a challenge to the International Development Strategy agreed on in 1980. Interdependence of the world economy was particularly evident in international trade, which basically depended on a willingness on the part of industrialized countries to open up their markets to the commodities and manufacture of others. In spite of the self-evident convergence of interest in reducing barriers, protectionism remained firmly entrenched and was on the increase. A higher level of prosperity and economic stability throughout the world could only be achieved by a continuing expansion of international trade; that required a reduction in protectionist measures and a better balance between access for manufactured goods and access for agricultural products.

43. Food was central to development. Accordingly, food problems deserved the highest priority in international forums. For that reason, her delegation fully supported the dynamic mandate of the World Food Council, reaffirmed in the report of its seventh sessions; it agreed in particular with the Council's recommendations that there should be greater efforts at both the national and international levels to increase food self-sufficiency in developing countries and to expand international trade in food commodities. It also agreed with the Council's view that more bilateral aid should be directed to helping countries increase their own food production. New Zealand had consistently sought to take that into account in the implementation of its own aid programme. During the previous calendar year, 22 per cent of its bilateral aid had gone to the agricultural sector as compared with 17 per cent two years before. New Zealand had also supported multilateral agencies which founded agricultural development; in 1981, its contribution to UNDP had increased and it was among the countries which had made an advance contribution to the International Development Agency to tide it over delays in replenishment.

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(Miss Higgle (New Zealand))

New Zealand was also ready to participate in the replenishment of the International Fund for Agricultural Development.

44. The United Nations Environment Programme had a vital role to play in promoting a full understanding of the interrelations between people, resources and the environment which was essential to global economic development. The focus of the UNEP programme should be on its primary catalytic function; UNEP should not become too deeply involved in national projects. Its basic role was to remind the world, and particularly the other United Nations agencies, of the need to protect the environment. In that respect, her delegation had supported the system-wide medium-term plan concept as a vehicle for greater coordination within the United Nations system. It was hoped that the plan would enable UNEP to identify those activities which it should itself undertake and the activities that should be undertaken by other agencies; that would allow resources to be released for those activities, such as the Earth Watch Programme, which had provided the rationale for the establishment of UNEP. In keeping with UNEP's catalytic role, environmental aspects should be part and parcel of the operational approach of cooperating agencies. What was needed was more vigorous action to reinforce that approach.

45. The indications were that the level of contributions to UNEP over the next biennium would fall short of that proposed in the budget. New Zealand's contribution in the current year had increased 15 per cent over 1980 but it would be difficult to hold that level next year or increase it in real terms. Given the tight financial situation, it was evident that UNEP had to select priorities. It could not afford to allow a large proportion of its funds to go to national projects; UNEP's efforts should be principally directed towards activities of global benefit. Her delegation hoped that the "session of special character" in the following year and the tenth session of the Governing Council would renew the commitment to revitalize global activity on environmental matters, despite the economic difficulties facing the international community.

46. The commission on Human Settlements had a central role to play in improving human settlements problems in developing countries. Her delegation looked forward to contributing to the development of a common approach to problems of human settlements and, in particular, wished the focus to be laid on the human settlement concerns of the South Pacific.

47. Although women accounted for one-third of the current official work force, their unrecorded input was much more. It was not enough to acknowledge that women had an essential role in development; that would not in itself ensure that development projects would take account of the interests of women from the planning stage onwards, and that their participation was integrated into development activities at all stages. Her delegation therefore welcomed the steps being taken within the United Nations system to turn principle into practice. Projects to promote the role of women in development should be designed and executed in such a way that they would not have the effect of lowering the economic or social status of women but would instead ensure that women have the opportunity to participate in development projects in ways that benefited them as much as anyone else. It was imperative, as has been recognized at the Copenhagen Conference, that all agencies should establish procedures and mechanisms to ensure the achievement of that goal. New Zealand had introduced a series of measures to ensure that women's interests were fully taken into account in the implementation of its bilateral aid programmes.

48. Mr. TER HORST (Venezuela) took the Chair.

49. Mr. BAKALOV (Bulgaria) said that the results achieved thus far in finding solutions conducive to the reconstruction of international economic relations on an equitable and democratic basis were far from satisfactory. He wondered whether the means and the good will could be found to overcome the existing contradictions. The improvement of the international climate in the 1970's had had a beneficial impact on world socio-economic and political development as a whole. Today, however, his delegation was concerned at the recent deterioration of international relations following the dramatic aggravation of the economic, social and other problems in the capitalist countries. Now, more than ever before, it was necessary for the peoples of the world to strive towards achieving mutual respect, security and cooperation.

50. Bulgaria attached great importance to the international economic, industrial, scientific, technological and trade contacts. The position adopted by a number of eminent political figures in some Western countries who saw economic, scientific, scientific, technological and commercial ties as a means of applying pressure and heightening confrontation was incompatible with many basic instruments of the United Nations such as the Charter of Economic Rights and Duties of States and the New International Development Strategy for the 1980's. Those instruments embodied the fundamental principles for the development of international economic relations, including equality, mutual advantage and sovereignty over natural resources.

51. Although the developing countries had enhanced their freedom of action during the period of detente, the weaknesses and underdevelopment of the economies of most of those countries were still evident. A number of countries were still dependent on the international capitalist division of labour which widened the gap in the level of economic development between the developed and the developing countries, as well as the gap in income distribution. Some Western countries were using the polarization of the world into "rich North" and "poor South" as a means of shirking their responsibility for the economic backwardness of the developing countries. Although Bulgaria had repeatedly rejected responsibility for the economic inheritance of developing countries, it was alive to their economic problems and future and was in favor of expanding assistance to and cooperation with them.

52. Bulgaria had repeatedly stressed the importance of UNIDO in accelerating the industrialization of the developing countries; there was no doubt that the basic problem of those countries was industrial development. The problem of selecting industrial technology was of special significance to UNIDO's activities and was closely linked with the enhancement of UNIDO's informational capability. While UNIDO should take measures to enhance that capability, it should at the same time make sure that such measures would not clash with its aim of using available resources effectively. His delegation was of the opinion that the system of consultations could, to a certain extent, contribute to reaching the industrial development goals of UNIDO as set forth in the Lima Declaration and in the Declaration and Plan of Action of the Third General Conference in New Delhi; at the same time, such consultations should not replace well-established UNIDO practice, which had proved its effectiveness and expediency. In the future, more attention should be paid to improving the quality of those consultations.

53. It was increasingly important to make greater use of the experience of all groups of countries regardless of their social systems and political orientations. Bulgaria attached great importance to the problems of industrialization and would continue to

(Mr. Bakalov, Bulgaria)

contribute and assist the activities of UNIDO.

54. Bulgaria was concerned that, despite the increase in world agricultural production and food assistance, millions of people in Asia, Africa and Latin America were suffering from malnutrition and hunger. That concern had been expressed in a joint statement of the socialist countries in the General Assembly on the occasion of World Food Day. Foreign food assistance was necessary as a short-term measure to meet the immediate needs of the starving. In the long run, in order to solve the food problem, it was necessary, first of all, for the developing countries to mobilize their internal resources and draw up national programmes for the intensification of agriculture, with the aim of bridging, as soon as possible, the gap between needs and production.

55. The problems of natural resources and population growth were explicitly set out in the New International Strategy for Development in the 1980s. His Government attached prime importance to the problems of environment protection. Bulgaria was keenly interested in the development of regional and interregional international co-operation on environmental issues and felt that the work of UNEP aimed at mobilizing national and international efforts to solve the problems of environment protection was positive. Bulgaria participated actively in the work of the UNEP Governing Council. Bulgaria welcomed the proposal of the Soviet Union to hold, under the auspices of the Economic Commission for Europe, a European conference on environment protection. At the ninth session of the Governing Council, the Bulgarian delegation had supported decision 9/4 based on resolution 35/8 submitted by the Soviet Union and adopted at the thirty-fifth regular session of the General Assembly.

56. The Bulgarian delegation hoped that at its current session the General Assembly would be able to take positive steps towards restructuring international economic relations on the basis of the principles laid down in the Declaration, the Programme of Action, the Charter of Economic Rights and Duties of States and the New International Development Strategy.

57. Mr. ARAPI (Albania) said that his delegation recognized and fully supported the aspirations of the developing countries to economic and industrial development. Those aspirations had been reflected in many resolutions and documents adopted within and outside the United Nations system and at various international conferences. Unfortunately, hardly any of those resolutions had been implemented because of the obstructionist policy of the major capitalist Powers.

58. The results achieved so far showed that the industrialization process of the developing countries was slow and far from reaching the targets set at various international meetings and conferences and reflected in many plans of action and other documents. Although the imperialist Powers, and particularly the two super-Powers, had orally expressed regret for the economic backwardness of the developing countries, they were in fact doing everything in their power to perpetuate the great injustices in the system of international economic relations and to turn the non-industrialized countries into appendages of their economies in order to retain them as sources of raw materials and markets for their industrial products.

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(Mr. Arapi, Albania)

59. The solution of existing economic problems and specifically that of raising the industrial level of the developing countries, was inextricably linked with the elimination of the prevailing fundamental economic and social contradictions. In order to weather the economic crises facing them, such as stagnation, soaring levels of inflation and unemployment and rises in the cost of living, the capitalist and revisionist Powers were doing their utmost to shift the burden onto other countries. They were constantly increasing the prices of their industrial exports and trying to impose low prices for the raw materials they imported.

60. The People's Socialist Republic of Albania supported the right of all countries to aspire to independence and to decide freely how to develop their economies and exploit their natural resources. It welcomed the measures taken in recent years by several countries to nationalize foreign enterprises and capital and to restrict the activities of foreign monopolies.

61. Great achievements in industrialization had been made in Albania. Vigorous efforts were being pursued in a spirit of self-reliance to establish new modern industries. In 1980, over-all industrial production had grown by 7.1 per cent as against 1979. The production of fuel, gas and electric power had risen in 1980. It was estimated that in 1981, as compared with 1980, social production would grow by 7.6 per cent, total industrial output by 7.2 per cent and national incomes by 8.9 per cent. During the seventh five-year development plan, social, industrial and agricultural output and the production of the other branches of the economy would rise three times faster than population growth. Capital investment during that five-year period would be equal to the total investment made in the period 1951-1970. Industrial output in 1985 would be between 34 to 36 per cent higher than that of 1980. Existing branches of industry would be further strengthened and new branches would be established, giving priority to heavy industry; the highest priority would be assigned to the power, mining and engineering industries. The seventh five-year plan would be carried out relying solely on Albanian resources.

62. Mr. AL-ZAABI (United Arab Emirates) said that his delegation, noting with deep concern the deterioration in the world economy, considered it necessary to re-examine the existing world economic order with a view to making it more just in the interests of mankind. It had followed with interest the programme for survival issued by the Brandt Commission in 1980, noting the broad outlines it proposed for the conduct of the North-South dialogue on international trade problems. Those outlines did not reflect adherence to the principle of aid to developing nations but the fact that the world had become closely interlinked in various political, economic and social areas.

63. The protective policies adopted by the developed countries had had adverse results and there was therefore no substitute for international co-operation on the grounds that the linkage between world economic problems called for a global solution. The industrialized countries should look with understanding upon the proposals of the developing countries, which hoped for a greater positive contribution to their economic development.

64. The information given in the recent World Bank report to the effect that 36 per cent of the trade of the United States, 38 per cent of that of Western Europe and 46 per cent of that of Japan was with third-world countries, proved conclusively that

(Mr. Al-Zaabi, United Arab Emirates)

the reform of the economy of the developing countries ultimately involved the aid of the developed Western economies, particularly since it was estimated that the share of the third world in international trade would rise from 15 per cent to 20 per cent during the present decade. Prevailing world economic conditions imposed upon the entire international community the duty of restructuring those basic factors governing economic and social progress in all parts of the world.

65. The United Arab Emirates, as one of the third-world countries, and therefore sensitive to the difficulties facing them in the implementation of their development plans, had contributed to the financing of development projects through the agencies which it had itself established for that purpose. The most important of those was the Abu Dhabi Fund which had begun operations in 1971 and had become, since independence, the main State agency for foreign aid. Its field of operations had expanded since 1974 to include aid to many third-world countries. His country had also contributed development aid through a number of other channels, including the OPEC Fund, the Arab Fund for Economic and Social Development and the Arab Bank for African Development. It had emerged since independence as one of the main countries in the world providing foreign aid which now absorbed 14 per cent of its gross national product.

66. Talk of the transfer of technology in the service of development had not met with a positive response, since the countries of the industrialized world had been unwilling to fulfil their obligations. He agreed with the Director of the United Nations Interim Fund for Science and Technology for Development that reports and resolutions would accomplish nothing with the will of the countries of the industrialized world. Obstacles to the transfer of technology, such as monopolistic activities and restrictive practices engaged in by the industrialized world, must be removed. His country realized that industrialization had an effective part to play in development and considered that the time had come for a redeployment of industry from the developed to the developing countries. Such a redeployment would facilitate the transfer of technology.

67. His delegation supported the proposal that UNIDO should study the methods by which developing countries could identify those economic structures most suited to local circumstances, for such structures were fundamental to rapid economic and industrial development.

68. If the industrialized countries intended to establish new industries in the South through local and international investments instead of undertaking a redeployment of existing industries, they should not think in terms of light or marginal industries or industries based upon backward technologies. A practical programme should be established for the training of management personnel and the development of small and medium-sized companies. The role of transnational corporations should be re-examined since those industries which they had established in the developing countries largely disregarded local economic structures, a matter which called for the drawing up of a code of conduct.

69. With reference to the International Development Strategy for the Third United Nations Development Decade, the Secretary-General had said in his report that increased

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(Mr. Al-Zaabi, United Arab Emirates)

poverty and stagnation was one of the sources of social tension which might lead to internal and external conflicts, thereby threatening international peace and stability. He had also noted that military expenditure was absorbing an ever-greater proportion of resources without, in the final analysis, leading to a more secure world. In 1981, \$500 billion would be spent on armaments, while development aid would not increase. An increase in official development aid equivalent to only 5 per cent of that figure would be sufficient to reach the objectives laid down in the International Development Strategy. His delegation, while noting those facts, was spurred on by the hope that tension between East and West would abate. It noted with sorrow that the arms race between the two great Powers had extended to most countries of the world, aggravating the poverty and instability of the developing countries.

70. The implementation of the Caracas Programme of Action demanded greater solidarity and should have a set time-table so that resolutions would not remain a dead letter. His delegation was hopeful that the coming Cancun Conference would clearly demonstrate that the world was capable of establishing a new world order for economic co-operation built upon equity, justice and balance.

71. Present policies governing the commodity markets had proved erroneous, for while the spectre of hunger, poverty and undernourishment haunted the peoples of the developing countries, other countries destroyed enormous quantities of surplus agricultural produce in order to serve their own interests on the pretext of obeying the laws of the market-place. According to World Bank estimates, the number of people living in a state of absolute poverty was expected to rise to more than 800 million by 1990. His delegation called upon the international community to establish a new and more stable food system, to build up food reserves and to promote security. The developed countries should respond to the appeals of the International Fund for Agricultural Development and replenish its resources so that it might play an effective role in assisting small farmers and peasants in the developing countries and in extending long-term loans on easy terms to poorer societies so that they could reform the structure of their agricultural sectors.

72. His country would work diligently, within the limits of the resources available to it, to support developing countries suffering from food shortages, drought and desertification. It had been among the founder members of the International Fund for Agricultural Development and continued to contribute to the replenishment of its resources through the OPEC Fund. It accorded great importance to the agricultural sector and was engaged in a continuous struggle with the desert in order to transform it into land fit for agriculture. It considered agriculture, together with the petroleum industry, part of the basic infrastructure of the national economy and an essential factor in solving food problems and ensuring food security as a step towards self-sufficiency in the long term. His delegation hoped that the celebration of the first World Food Day would serve as an incentive to put an end to hunger and undernourishment in the developing countries. Food and agriculture had become basic to the new economic order built upon mutual responsibility which should lead to security, affluence and stability.

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73. The CHAIRMAN announced that Qatar and Viet Nam had become sponsors of the draft resolution entitled "Assistance to the Palestinian people" contained in document A/C.2/36/L.7.

The meeting rose at 1.05 p.m.