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Chairman: Mr. ter HORST (Venezuela)

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

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

AGENDA ITEM 69: DEVELOPMENT AND INTERNATIONAL ECONOMIC CO-OPERATION (continued) (A/36/3/Add.2, Add.4, Add.13, Add.14 and Add.29, A/36/15, 37, 39, 45, 47, 116 and Corr.1, 240, 333, 356, 380, 419 and Add.1, 421, 477, 483, 497, 528, 536, 538, 566, 573, 576, 577, 584 and 605; A/CN.11/21; A/CONF.100/11; A/CONF.104/22, A/C.2/36/L.2 and L.3)

1. Mr. YUN (Observer for the Republic of Korea) said that the developing countries had been particularly hard hit by the current economic difficulties. Lack of international consensus on a number of key economic issues was aggravating the process of co-operation among nations. An effective response to those key issues was critical to international economic co-operation in general and to the developing countries in particular. Accordingly, his delegation had been very encouraged by the adoption of the wide-ranging programme of action at the recent High-level Conference on Economic Co-operation among Developing Countries. The programme should help to create the right conditions for global economic and social development.

2. In that connexion he pointed out that his country's forthcoming five-year development plan, which was due to commence in 1982, placed even greater emphasis than had previous plans on expanding international economic and technical co-operation. During 1980 his Government had provided courses for 127 trainees from developing countries and had sent 17 experts to serve in developing countries. It had increased the amount allocated for training and assistance purposes in its 1982 budget. His country was in a good position to strengthen economic co-operation with the developing countries because it had a large pool of skilled manpower and experience of rapid economic development, two elements which were lacking in many less developed developing countries, whose main asset was a bountiful supply of natural resources. It was particularly well equipped to promote co-operation with other developing countries in the development of industry and infrastructure. His Government would make sure that its companies were at all times mindful of the host countries' need for employment and training. The Caracas Conference had given a new dimension to the concept of collective self-reliance, and his Government was committed to contributing to that process.

3. On the subject of trade and development, he said that the trend towards increased protectionism must be checked. His Government's policy of import liberalization would be pursued vigorously; by 1986 liberalization would be nearing completion. In addition, the Government was prepared to give preferential treatment to the products of other developing countries.

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(Mr. Yun, Observer for the
Republic of Korea)

4. The Vienna Programme of Action on Science and Technology for Development was an appropriate programme, which all countries should support, and he hoped that specific proposals concerning its implementation would be submitted to the Intergovernmental Committee at its fourth session. Special attention should be given in that connexion to the development of human resources in developing countries, the linking of such resources to the production system and the strengthening of co-operation among developing countries by the establishment of on-the-job training systems. The Republic of Korea could contribute to the transfer of technology, particularly in the fields of manpower development, industrial technology, and the acquisition and adaptation of advanced technologies. It would like to share with others the experience it had acquired over the past two decades and it urged both developed countries and capital-surplus developing countries to contribute willingly to the realization of the objectives of the Vienna Programme of Action, particularly the establishment of the United Nations Financing System for Science and Technology for Development.

5. International co-operation on energy matters was imperative, and he therefore welcomed the adoption of the Nairobi Programme for Action for the Development and Utilization of New and Renewable Sources of Energy which would, he hoped, contribute to stabilizing energy prices and to advances in energy-related technology.

6. His delegation warmly welcomed the Substantial New Programme of Action adopted at the Conference on the Least Developed Countries. His Government would co-operate fully in the implementation of that programme.

7. Mr. AL-SHANFARI (Oman) said that the current international economic situation was causing deep concern, particularly in the third world. His Government fully understood the importance of international co-operation in overcoming the existing imbalances in the world. It was essential that the developing countries should participate in the working out of a new economic system, because without their participation no effective results could be achieved.

3. Mindful of the importance of international economic co-operation among developing countries, Oman had participated in the recent High-Level Conference held at Caracas. The Programme of Action adopted at that Conference was a most important document as it set forth the principles and objectives of such co-operation; the international community must make every effort to consolidate that co-operation. The world economic crisis was jeopardizing the economies of the developing countries; such manifestations of the crisis as unprecedentedly high interest rates, fluctuations in the prices of raw materials and growing protectionism meant that they would be

(Mr. Al-Shanfari, Oman)

unable to implement their industrialization plans, unless the developed countries were willing to help the developing countries unselfishly and unless developed and developing countries worked together.

9. The objectives established at the world Food Conference in 1974 had not yet been achieved, and countries were unable to implement urgent food programmes in a world where billions of dollars were being spent on weapons. In his report on the work of the Organization (A/36/1) the Secretary-General had pointed out that a mere 5 per cent of the \$500 billion spent each year on armaments would suffice to reach the target for official development assistance set in the International Development Strategy. His Government attached particular importance in its domestic policy to agricultural development and the achievement of agricultural self-sufficiency.

10. His delegation was pleased by the results achieved at the Conference on New and Renewable Sources of Energy and the Conference on the Least Developed Countries and hoped that they would prove to be the first real steps towards increased international co-operation.

11. Mr. MORET (Cuba) said that in recent years the gap between developing and developed countries had widened considerably. The unjust conditions in which the existing international economic system operated were incompatible with the interests of the developing countries. Those conditions had deteriorated as a result of the world economic crisis. Inflation had led to a further worsening in the terms of trade, forcing the developing countries to spend more and more of their export earnings on debt servicing; moreover, the protectionist trend that had reappeared in some developed countries had resulted in a steady increase in the prices of manufactures and capital goods, whereas the prices of raw materials had fluctuated constantly. According to studies carried out by GATT, the cost of the tariff and non-tariff barriers and restrictions imposed by the Western industrialized countries amounted to approximately \$190 billion. As matters stood, the total external debt of the developing countries amounted to \$500 billion and was exceeded only by the amount spent on armaments.

12. According to current projections, food consumption in the countries of central Africa would by the end of the century fall 20 per cent short of the minimum levels proposed by FAO. The World Bank likewise expected the number of malnourished people in the developing countries to triple, with one out of every four people in the developing world starving. In that connexion, his delegation condemned the United States of America's practice of using food as a weapon against the underdeveloped countries, particularly against those who were introducing structural changes designed to benefit

(Mr. Moret, Cuba)

the society as a whole. Access to food was a fundamental human right and any restriction of that right was a violation of the principles of the United Nations Charter.

13. The deteriorating economic situation had clearly demonstrated that greater priority should be given to the implementation of the Declaration and the Programme of Action on the Establishment of a New International Economic Order. That would require a basic restructuring of the world economy and that could not be achieved through the free play of market forces. The Charter on Economic Rights and Duties of States was crucial in that connexion in that it set forth the rules and principles which should govern international economic relations. Accordingly, progress in the implementation of that Charter should be evaluated periodically.

14. The policy of the United States Administration of encouraging private investment abroad as a substitute for official development assistance violated the provisions of the International Development Strategy and other international instruments. The effect of private investment was inevitably to increase the dependence of the developing countries on the imperialist centres and to accentuate their shortage of capital. While the investments of transnational corporations sometimes led to a temporary increase in capital in the developing countries, once the process of capital withdrawal started there was a reverse transfer of resources. Between 1970 and 1980 the earnings repatriated by transnational corporations operating in the developing countries had amounted to \$100,218 million: in other words, for every dollar invested during that period approximately 2.4 had been repatriated in the form of profits.

15. His delegation hoped that the Cancún Conference would pave the way for global negotiations, which were likely to have a significant impact on the restructuring of international economic relations. In that connexion, it was to be hoped that the United States Government would not again display its familiar intransigence and would not engage in delaying tactics in order to sidestep the just demands of the developing countries, in contrast to the flexibility repeatedly demonstrated by the developing world. Should that situation continue, the developing countries would be forced to take action.

16. Mr. WEEMAES (Australia) said, with reference to the report of the Trade and Development Board (A/36/15), that in UNCTAD the rhetoric of North/South reflected the reality of economic interests. It was not surprising, therefore, that negotiations in that body were often painstakingly slow and frustrating. Thus, while his Government favoured an early start to the global negotiations and a new deal in economic relationships between developed and developing countries - indeed, the recent meeting of the Commonwealth Heads of Government had resolved that every effort should be made to

(Mr. Weemaes, Australia)

remove obstacles to an early launching of the negotiations - it recognized that such negotiations had to be painstaking and would probably imply a heavy programme of work for the specialized bodies involved.

17. There were, of course, areas in which the negotiating process might be improved. In UNCTAD there needed to be more scope for informal discussion so that possible common ground could be explored before group positions hardened. There should also be more scope for exploration of common ground between groups. There should likewise be more interchange of ideas in the plenary discussion, stimulated by high-quality and thought-provoking inputs from the UNCTAD secretariat.

18. UNCTAD had had some important successes: the Generalized System of Preferences and the Integrated Programme for Commodities had been launched, although progress on the latter had been slow. In the year under review some work had been done to put in place the complex technical arrangements which would be needed when the Common Fund became operational; agreement had been reached on launching substantive work in UNCTAD on protectionism and structural adjustment and the recent agreement on a Substantial New Programme of Action for the least developed countries had been an important achievement for UNCTAD.

19. His delegation welcomed the results of the Conference on the Least Developed Countries as an important step towards the North/South dialogue. Australia's aid to countries designated as least developed had increased considerably recently and, in 1981, was expected to be more than double the 1978 level. The proportion of its bilateral aid given to those countries had also doubled in the same period. The aid programme in 1981-1982 would be over 18 per cent higher than in 1980-1981; moreover, all Australian aid was provided in the form of grants and thus did not add to the external debt burden. Much of its aid to the least developed countries was aimed at ensuring long-term food security and, as a mark of its concern, Australia had announced, at the Paris Conference that it had set aside a separate \$1 million in support of multilateral initiatives on behalf of the least developed countries.

20. It was virtually inevitable that the identification of the least developed countries should be somewhat arbitrary. However, the credibility of the least developed category as an indicator of greatest need for assistance required that the category should be responsive to changing circumstances; otherwise donor countries would make their own assessment of where the greatest need lay. Accordingly, his delegation felt that there should be a regular review of the criteria used and of the countries placed in that category.

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(Mr. Weemaes, Australia)

21. At the same time his Government recognized that other developing countries had needs which warranted assistance. A number of small islands in the Pacific would be in the least developed category but for the very high proportion of their gross domestic product provided by Australia and other regional donors. Moreover, as the Executive Secretary of the Economic and Social Commission for Asia and the Pacific had noted recently, that region, included 7 of the 31 least developed countries and contained 89 per cent of the world's poor. It was only natural that, in considering those completing claims, his Government should pay particular attention to its regional associations. As a member of the Commonwealth, Australia was particularly sensitive also to the needs of developing Commonwealth members. As a major exporter of food, it had a special capacity to provide food where that was the primary requirement. Against that background, Australia intended to maintain the flow of its development resources within the context of its regional priorities.

22. The agreement reached at the Paris Conference had struck an appropriate balance since it provided for reviews of the implementation of the Substantial New Programme of Action at the country as well as the global level. UNCTAD was to be invited, as necessary, to the national reviews. The Secretary-General was to make recommendations to the General Assembly concerning the most efficient arrangements for providing the services required. Since there were many claims for scarce resources, his delegation believed that efficient arrangements were imperative. While it was common knowledge that UNCTAD would like to build up its staff and resources to handle the follow-up activities to the Conference, such a course was not warranted by the terms of the agreement on UNCTAD's role. UNCTAD had done a good job at the Paris Conference and should not require additional resources for the follow-up activities.

23. Mr. OYONO (Cameroon) said that his delegation attached particular importance to the item on development and international economic co-operation. The recent reports of the World Bank and the International Monetary Fund might stress the downturn in the economies of the developed countries, but their problems could not be compared with the profound difficulties experienced by the developing countries. Although there could be no doubt that, in essence, the world crisis was the product of the shortcomings of the international economic system set up after the Second World War - a system which would require structural and institutional changes in order to bring about a more equitable new international economic order -, efforts were still being made to lay all the blame for their difficulties on the developing countries themselves. In fact, the developing countries were still doing all that they could to accelerate their own growth and promote development. All their efforts, however, were vain against the pressures and restrictions

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(Mr. Oyono, Cameroon)

imposed on them by the negative forces in the international environment. If those efforts were to bear fruit, relations between the developed and the developing countries would have to be restructured on the basis of solidarity in pursuit of global world development.

24. Restoring the credibility of international economic co-operation would demand a return to balanced terms of trade, through the indexation of the commodity prices of the developing countries to the prices of their imports of manufactured goods from the developed countries, the institution of appropriate monetary and financial machinery and, indeed, the reform of the international monetary system. It would also imply strengthening economic co-operation among the developing countries, which owed it to themselves to put their human and material potential to work within the framework of solidarity that derived from their history and geography. Cameroon, therefore, as a member of the Economic and Customs Union of Central Africa, welcomed the efforts in Africa, Asia and Latin America to set up regional economic groupings aimed at the gradual integration of the economies of their member States and the promotion of commodity producers' associations to protect their interests. Because the current crisis was primarily a structural one and demanded structural changes, his delegation reaffirmed the stand it had taken at the eleventh special session of the General Assembly on Development, which had been that such measures as the removal of customs barriers, increased aid or a reduction in the indebtedness of the developing countries could only halt and not cure the acute crisis being experienced by the most severely affected countries.

25. The Lagos Plan of Action, adopted in April 1980, emphasized the need for South-South co-operation and included a series of short-, medium- and long-term measures designed to bring about national and collective self-sufficiency in Africa. In May 1981 further initiatives for expanding co-operation among developing countries had been at the high-level Conference held at Caracas. One of the recommendations for promoting economic co-operation among developing countries related to the establishment of a global system of trade preferences among those countries. His delegation supported the conclusions of the Conference and that proposal in particular, since it regarded a system of that kind as vital for rebuilding the developing countries' economies.

26. At the same time, economic co-operation among developing countries must not be regarded as a stage on the way to autarky or as obviating the need for fundamental adjustments or structural changes in the interest of interdependence and co-operation between North and South, which was one of the basic elements of the

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(Mr. Oyono, Cameroon)

new international economic order. On the contrary, it should revitalize the spirit of interdependence and revive the developed countries' interest in multilateral co-operation. His delegation deplored the growing tendency of some of those countries to adopt national policies to solve domestic problems without regard for the adverse effects which their measures might have on the world economy as a whole. Partial solutions, excessive reliance on market forces, concern for immediate profit and the desire to dominate were not conducive to the development of the third world.

27. Turning to the new International Development Strategy and the global negotiations, he said that in the current economic context the new Strategy was particularly significant. Despite certain weaknesses, it contained proposals which, if judiciously put into effect, could support the efforts of the developing countries, provided that the success of the global negotiations acted as a catalyst. In that connexion, he reiterated his delegation's belief that the launching of the negotiations envisaged in resolution 34/138 was being blocked by the delaying tactics of a minority among the industrialized countries. Cameroon reaffirmed its support for the proposal of the Group of 77 for a centralized system of negotiations, open to participation by all States, which would take basic decisions in the fields of raw materials, trade, energy, food, money, finance and development.

28. An effective policy with regard to industrialization would promote progress towards the aims of the developing countries, as expressed in the Lima Plan of Action. Regrettably, the prospects of achieving the 25 per cent share in world industrial production for the developing world by the year 2000, envisaged in the Lima Plan of Action, were dim. The developing countries' share of world industrial production had increased by only 3.9 per cent since the Lima Conference in 1975. Moreover, that so-called advance benefited only a small number of developing countries and the great majority, in Africa above all, had had no real part in it.

29. UNIDO could play a vital role in the establishment of long-term programmes to encourage a substantial redistribution of global industrial and technological resources. His delegation endorsed the view that the process of redeploying developed country industry to the third world should be encouraged. Redeployment should apply not only to appropriate technology but should embrace the principle of dynamic comparative advantage, in accordance with the national priorities of the developing countries. Moreover, the transfer of technology should not mean access to cheap labour or raw materials or be used for the transfer of obsolescent or polluting industries. As was clear from the UNIDO report (A/36/16), problems of industrialization could not be treated in isolation from the global economic context. UNIDO's permanent System of Consultations should be expanded and governments should give it their full support.

(Mr. Oyono, Cameroon)

30. His delegation attached great importance to UNIDO's activities in connexion with the Industrial Development Decade for Africa, and was gratified by the consensus arrived at at the fifteenth session of the Industrial Development Board on implementing the programme in close co-operation with the Economic Commission for Africa, the Organization of African Unity and the appropriate agencies of the United Nations system. It urged the international community to make additional financial resources available to UNIDO so that it could carry out the programmes of the Decade in accordance with General Assembly resolution 35/66.

31. Food and agriculture was another field in which insufficient progress had been made. A sombre picture emerged from the report of the World Food Council (A/36/19) and the introductory statement of its Executive Director - that of millions of human beings in the developing countries living in a state of absolute poverty and enduring hunger and malnutrition. The international community should be mobilized to carry out the Ottawa Plan of Action. The world's abundant resources should be devoted to the rehabilitation of those human masses rather than swallowed up in a suicidal arms race. The food crisis in Africa had reached alarming proportions and massive international assistance would be needed to foster higher production, which had grown at less than 2 per cent a year since 1970. Of the 34 food-deficit developing countries, 24 were in Africa, although some 20 years earlier the continent had been almost self-sufficient in food.

32. The General Assembly, in resolution 35/69, on the situation of food and agriculture in Africa, had noted that food aid had not been adequate to cope with the serious food shortages in Africa caused by crop failures, drought, soil erosion and low reserves, and had identified four main fields to which international assistance should be directed so to enable the African countries to overcome that situation between 1980 and 1985. The implementation of that resolution could improve the food situation and stimulate development in Africa as a whole, as envisaged in the Lagos Plan of Action.

33. At the global level, the conclusions and recommendations of the World Food Council should be regarded as a reaffirmation of the importance of national and international action to solve problems of food and agriculture in the developing countries. Cameroon, as a country whose economy was based on agriculture, endorsed those conclusions and recommendations and urged the General Assembly to act on them. It also reaffirmed its support for the Caracas Programme of Action and welcomed the proposal of the Government of the Philippines to convene an expert group to draw up a plan for the purchase of world food reserves.

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(Mr. Oyono, Cameroon)

34. The critical situation of the least developed countries, most of which were in Africa, was another challenge that the international community must face. The economic and social backwardness inherited from colonial times made those countries the poorest among the poor. The success of the recent Conference on the Least Developed Countries owed much to the active role played by UNCTAD. His delegation welcomed the adoption by the Conference of the Substantial New Programme of Action. The programme was based on an exhaustive evaluation of those countries' requirements carried out with their full participation. The decision to increase the target for official development assistance and the spirit of understanding displayed at the Conference gave grounds for hoping that the donor countries would provide the steady and predictable flow of resources required. The conclusions of the Conference provided a much more objective basis upon which to deal with the specific problems of the most severely affected countries, of which Cameroon was one.

35. Speaking of UNCTAD's work on problems of trade and development, he urged the international community to sign and ratify the agreement to establish the Common Fund as soon as possible, so that it could become operational on the planned date. The success of the Fund would depend on the way in which future commodity agreements were negotiated; negotiations over the previous five years with a view to concluding international commodities agreements had proved somewhat disappointing.

36. Rising protectionism was another major obstacle to the agricultural and industrial development of the third world. His delegation believed that a solution to that problem could be found within the framework of draft resolution A/C.2/36/L.2, which the General Assembly had decided at its previous session to refer to the current session and in which, urged the developed countries to eliminate existing tariff and non-tariff barriers, particularly quantitative restrictions and other measures having an equivalent effect on the exports of the developing countries. Some favourable results had been achieved in that respect by the twenty-second and twenty-third sessions of the Trade and Development Board; an example was resolution 226 (XXII) establishing a sessional committee which would each year examine problems of protectionism and structural adjustment as well as restrictive trade practices. His delegation was also in favour of convening meetings of government experts to identify and examine in detail problems of the transfer and development of technology relating to the food industry, the production of capital goods and the energy sector.

37. Turning to shipping problems, his delegation hoped that all Governments would promptly make the necessary arrangements to sign the United Nations Convention on International Multimodal Transport of Goods. The consensus arrived at during the twenty-third session of the Trade and Development Board on convening a preparatory

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(Mr. Oyono, Cameroon)

international group on the registration of vessels was particularly important to developing countries since it would foster the establishment of genuine national merchant fleets in those countries.

38. Lastly, his delegation wished to express its concern regarding the steady growth in the external indebtedness of the developing countries. The over-all volume of external debt of those countries, which had been \$87 billion in 1971, had risen to \$451 billion by 1980, and the annual cost of servicing currently absorbed 22 per cent of their export earnings. In that connexion, his delegation welcomed the adoption by the twenty-first and twenty-second sessions of the Trade and Development Board of resolutions 165 (S-IX) and 222 (XXI). It regretted, however, that the application of measures to lighten that debt in accordance with the two resolutions was still restrictive and selective. Those resolutions should be put into effect fully and without discrimination in order to reduce the volume of those countries' external debt burden.

39. Mr. MESSAN (Niger) said that development and international economic co-operation had always been recognized as the Committee's central theme. His delegation had listened with interest to the statement to the Committee by the heads of United Nations bodies concerned with questions of economic co-operation and development, including those of the Director-General for Development and International Economic Co-operation and the Administrator of UNDP. The Chairman of the Group of 77 had likewise given the Committee a clear statement of the Group's philosophy with regard to the general problem of international economic co-operation, with which the Niger fully concurred.

40. At the previous session the General Assembly had adopted a resolution proclaiming the Third United Nations Development Decade. While it had been recognized that the Second Development Decade had not fully achieved its objectives, the proclamation of the new Decade had been viewed by the developing countries as a renewed statement of faith and an important stage in promoting multilateral economic co-operation for development. Unfortunately, the conditions which had prevented a satisfactory completion of the Second Decade still prevailed. There were still tremendous inequalities and imbalances between the economies of the developed countries and those of the developing countries. Their causes and effects were well known to all. Solutions were possible but both sides must show real political will if they were to be put into effect. Otherwise, the Strategy's noble aims and objectives, the establishment of a new international economic order, the acceleration of the development of the developing countries and the gradual reduction of the gap between developed and developing countries for the general welfare of the world would remain a dead letter.

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(Mr. Messan, Niger)

41. The global negotiations proposed in General Assembly resolution 34/138 were the only way forward. It could not be denied that the world's current difficulties were global, had to be tackled in a global perspective, and demanded global solutions. The North-South dialogue demanded a reaffirmation of political will by the leaders of both hemispheres. It also needed the impetus of a strong and united South, armed with a greater collective negotiating capacity. South-South economic co-operation was, and necessarily so, an integral part of the process of establishing a new international economic order. Accordingly, the OAU Economic Summit Meeting at Lagos in April 1980 and the Caracas Conference of the Group of 77 in May 1981 had been two important milestones on the way to collective independence of the South. The Lagos Plan of Action and the Caracas Programme of Action for economic co-operation among developing countries would greatly enhance multilateral co-operation for development. The developing countries must put those plans of action into effect on a basis of self-reliance. However, that did not mean that they must act in isolation. The developed countries the United Nations system and the whole international community should contribute to the financing of the collective development programmes of the South.

42. Just as there were obvious differences in level of development between North and South, there were differences among the developing countries themselves. Among them, such groups as the most seriously affected countries and least developed countries were marked by a very low level of development. The recent United Nations Conference on the Least Developed Countries, of which the Niger was one, had adopted a bold programme of action for the 1980s on behalf of those countries. The countries of the North which had made specific commitments at the Conference despite their own current difficulties must translate those commitments into action promptly, for in most cases the least developed countries could not wait.

43. The fight against famine and malnutrition had long been a national priority in his country, and the Government devoted special attention to problems of food and agriculture and of rural development, as was to be expected from a country which had lived through the drought of the 1970s in the Sahel and whose population was 80 per cent rural. Despite those national efforts, however, his country still needed international assistance to continue the process and consolidate the gains that had been made. It therefore appealed to all food-aid supplying countries and organizations to ensure that the food aid envisaged in the Food Aid Convention attained the target of 10 million tons a year, as recommended in 1974 by the World Food Conference. Moreover, since the target of 10 million tons was no longer adequate because of the 15 per cent population increase in the developing countries since 1974, it should be revised to 17 or

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(Mr. Messan, Niger)

18.5 million tons by 1985. The international emergency food reserve established by the seventh special session of the General Assembly should also become the subject of a convention having binding force and commanding increased resources.

44. Mr. CASCAIS (Portugal) said that the world economic crisis was not conducive to an increase in assistance to the most disadvantaged. Many countries could not grant as much external aid as they would like to and piecemeal measures were simply not adequate to meet what was a global challenge. Only freely-assumed and universally accepted commitments could improve the situation, and no country or group of countries could be excepted from the efforts needed. No historical reasoning or ideological arguments could excuse failure to take part in eradicating what was undoubtedly a global problem.

45. His delegation believed that an open multilateral trading system was essential to the promotion of economic growth and development. His country had been victimized by protectionist measures taken elsewhere, and it was of the utmost importance that such policies should be resisted and a free trading system preserved. His delegation hoped that the GATT ministerial meeting in 1982 would foster the process and was happy to note that agreement had been reached in UNCTAD on a new mechanism to deal with such issues.

46. Another reason for satisfaction was that recent sessions of the Industrial Development Board had adopted positive decisions, whose implementation would enhance UNIDO's role in promoting industrial co-operation for development and strengthen its operational activities. The results of the System Consultations were encouraging, and he wished to make special reference to the session on the pharmaceutical industry that had taken place at Lisbon.

47. His Government attached particular importance to the Industrial Development Decade for Africa and supported the Industrial Development Fund, to which its contribution had been increased by a quarter in 1981. His delegation shared the satisfaction of others that more and more governments were signing and ratifying UNIDO's new Constitution.

48. His Government also attached the utmost importance to the follow-up to the United Nations Conference on Science and Technology for Development. It was to be hoped the outcome of the discussions at the current session on the long-term arrangements for the United Nations Financing System for Science and Technology for Development would be favourable.

49. The world food situation gave cause for great concern, and all those in a position to help should spare no effort to increase

(Mr. Cascais, Portugal)

contributions of all kinds. On the other hand, food-deficit countries would benefit by taking decisive measures to increase their own food production: that was where international assistance and adequate food strategies were of the utmost importance. The World Bank, IMF and IFAD had been playing a very important role.

50. Portugal was preparing to play a full part in the special session of the Governing Council of UNEP to mark the tenth anniversary of the Conference on the Human Environment. The time had come to assess the implementation of the Stockholm action plan for the Human Environment in the light of the changes that had taken place since 1972.

51. Portugal had also been actively involved in the World Conference of the United Nations Decade for Women and looked forward to implementation of the programme of action it had approved.

52. As a country highly dependent on imported fuel, Portugal was also deeply interested in the matter of new and renewable sources of energy and welcomed the adoption of the Nairobi Programme of Action which, if satisfactorily implemented, would be an important advance towards global solutions for problems affecting the whole international community.

53. Finally, his delegation wished to express satisfaction with the Substantial New Programme of Action adopted by the United Nations Conference on the Least Developed Countries. Donor countries had an important role to play and, although the major effort must come from the recipient countries themselves, all countries which were able to provide assistance, whether classified as developed or developing, must do so and could not under any circumstances evade their obligation.

54. Mr. ZVEZDIN (Soviet Union) said that current international economic relations did not take account of the interests of the majority of sovereign States. It was quite right, therefore, that the developing countries, with the consistent support of the socialist States, should be striving to restructure those relations on a foundation of equality and democracy. The United States, however, had sabotaged the General Assembly resolutions on the subject and was proposing that they should be set aside in favour of allowing the world economy to be governed by the free play of market forces, so prized by the imperialist States and their transnational corporations.

55. Efforts were being made to discredit the socialist economic system, but the Soviet Union had needed only 50 years to become an economically, scientifically and technically developed Great Power. There had been speculation why the Soviet Union was not taking part in the current conference at Cancún and assertions that it had

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nothing to give the developing countries. The Soviet people and all progressive nations understood and sympathized with the striving of the developing countries to put an end to the heritage of inequality and exploitation in world economic relations. However, the Soviet Union had not taken part in the conference because it held, as a matter of principle, that such matters should be discussed not at narrow, closed meetings, but with the participation of all States and consideration for their interests.

56. Problems of trade and development occupied an important place among the subjects under discussion, and the report of the Trade and Development Board (A/36/15) gave a clear account of the disastrous consequences for the developing countries' economies of the economic crisis of the capitalist system and the activities of transnational corporations. The majority of developing countries were experiencing serious difficulties, as was emphasized in the communique of the Meeting of the Ministers of Foreign Affairs and heads of Delegations of the non-aligned countries to the current session of the General Assembly (A/36/566). One of the main reasons for the severity of those problems was the protectionist measures taken by some Western States, which had strengthened the discriminatory restrictions in their trade and economic policies towards the Soviet Union and other socialist countries, among others. Such measures reduced the foreign exchange earnings of the socialist States and, consequently, their ability to expand trade with and give assistance to the developing countries.

57. The Soviet Union supported the increased involvement of UNCTAD in the struggle against protectionism and supported the setting up of a special sessional committee of the Trade and Development Board on the subject. More effective work by UNCTAD on protectionism would also help the Trade and Development Board when it reviewed the implementation of the decisions and understandings reached during the multilateral trade negotiations within GATT, with due regard for the interests of all States. The UNCTAD secretariat must carry out strictly the Board's resolution 214 (XX) calling for a global evaluation of the multilateral trade negotiations, which the developed capitalist States were trying to obstruct.

58. The Western position was also delaying progress in many other fields of UNCTAD's activity, notably the preparation of a draft code of conduct on the transfer of technology, whereas the Soviet delegation considered that the UNCTAD secretariat should be more active in seeking understanding, for example, by holding consultations with regional and other groups of delegations. It was also necessary to speed up implementation of the recommendations adopted at the third special session of the UNCTAD Committee on Shipping aimed at

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restricting and gradually eliminating the open-registry fleets which international monopolies used widely, to the detriment of developing countries.

59. The UNCTAD secretariat had amassed a wealth of material on the adverse consequences of the activities of transnational corporations for the developing countries' exports of raw materials. It was obviously time for practical action, for which the plan submitted to the Trade and Development Board by the socialist countries could provide a sound foundation.

60. An important aspect of UNCTAD's recent activity had been its participation in the United Nations Conference on the Least Developed Countries, to which the Soviet Union had endeavoured to make a constructive contribution. The socialist States were prepared to make a significant contribution to implementing those aspects of the Substantial New Programme of Action for the least developed countries which accorded with the principles and methods of the socialist system and with their system of economic relations with developing States. In conformity with their well-known position of principle, however, they regarded the Conference's recommendations on the granting of aid to the least developed countries as being addressed to the developed capitalist states.

61. The Soviet Union found the results of the United Nations Conference on New and Renewable Sources of Energy gratifying and would do its utmost to assist in implementing the progressive principles of the Nairobi Programme of Action. His delegation noted with concern, however, that that Conference, like so many of its predecessors, had devoted much of its time to protracted discussions of organizational arrangements within the United Nations to implement the Programme. His delegation considered that it would be a mistake to create a new intergovernmental organ and a new Secretariat division, the existing Committee on Natural Resources and its secretariat could be successfully used to implement the Conference's decisions. That would make it possible to save considerable programme-budget expenditure, and accordingly the Soviet Union, while supporting the just demands of the developing countries, resolutely opposed any further resort to the practice of trying to solve problems by establishing new machinery and inflating the United Nations apparatus. The soundness of that position had been confirmed by the recent session of the new Intergovernmental Committee on Science and Technology for Development, which had achieved practically nothing and had simply referred the issues under consideration to the Second Committee. The Soviet Union had not supported creation of the Intergovernmental Committee. As for the main question which it had discussed, the United Nations Financing System for Science and Technology for Development, his delegation reaffirmed the position which it had already stated at meetings of both that Committee and the Economic and Social Council. It also

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reaffirmed its position on those provisions of the Vienna Programme of Action on Science and Technology for Development which exaggerated the role of external economic factors, in particular foreign private investment, in expanding the scientific and technical infrastructure of developing countries.

62. The development of economic and technological co-operation among developing countries was of ever-increasing importance, but it should be emphasized that measures to achieve it were primarily a matter for sovereign decision by those countries; United Nations activity in that field should not lead to violations of the principle of universality. While supporting in principle a number of United Nations resolutions on economic co-operation among developing countries, therefore, the Soviet Union considered that the involvement of UNCTAD and other United Nations organs in such activities must be kept within the limits of their competence and not jeopardize their work on other trade and economic problems of interest to all States. Soviet co-operation with the developing countries took account of their plans to implement such progressive socio-economic changes as democratic land reform, the strengthening of the State and co-operative sectors, industrialization, the introduction of comprehensive planning, and control of the activities of foreign private capital and transnational corporations. Implementation of all those measures was a prerequisite for carrying out programmes of economic and technological co-operation among developing countries on sound foundations of economic independence.

63. The Secretary-General's report on long-term trends in economic development (A/35/345) had once more drawn attention to the importance of socio-economic changes of that kind and to the need to reduce military expenditures and utilize the resources thereby released for development purposes. Those conclusions should be given full consideration during further work in the relevant United Nations organs and division of the Secretariat in conformity with General Assembly decision 35/420.

64. His delegation reaffirmed the reservations voiced by Soviet speakers at a number of conferences prior to the current session of the General Assembly against the adoption of far-reaching decisions and recommendations which would have significant financial implications for the programme budget. In many cases, those implications were unjustified and did not meet the problems of making the work of the United Nations socio-economic organs more effective. It firmly believed that the development of new action programmes, the holding of session of new organs, the convening of conferences of experts and the preparation of reports and studies should be financed by more economical use of resources, increasing the effectiveness and rationalizing the work of the Secretariat,

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and eliminating overlapping and duplication and obsolete or ineffective activities. It was resolutely opposed to attempts to inflate the United Nations budget by the unjustified inclusion of more and more new programmes, especially those which should and must be financed on a voluntary basis.

65. What he had said also applied to the process of restructuring the economic and social sectors of the United Nations system. His delegation wished to emphasize once more the need to strengthen the role and authority of the Economic and Social Council with the United Nations system, to increase the effectiveness of its work on the basis of Council resolution 1622 (LI), and to allocate socio-economic and scientific or technological questions rationally between the Second Committee and the Economic and Social Council, in particular by leaving the final decision in some of those questions to be taken by the Council. That was the key to revitalizing the Council, whereas the unacceptable proposals to change its structure by revising the United Nations Charter played into the hands of those who for many years had consciously sought to limit the Economic and Social Council's role. On other aspects of the matter, the Soviet Union advocated increasing the role of the regional commissions as the main centres of socio-economic co-operation and development in their regions, on the basis of resolution 32/197, the allocation to them of new functions should, however, be implemented strictly in accordance with the Economic and Social Council's decisions and by redistributing personnel and resources between the headquarters of United Nations institutions and the headquarters of regional commissions within the limits of the programme budget.

66. Finally, his delegation expressed its understanding of the difficulties which the developing countries were encountering in trying to build up their economies despite the continuing efforts of Western States and their monopolies to undermine their progress. Much had already been said about the scale of the neo-colonialist plundering of developing countries, and the time had come to launch a comprehensive study of the problem. The Secretariat must carry out detailed research into all forms of outflow of financial resources from the developing countries resulting from the activities of foreign private capital, and of the transnational corporations in particular.

The meeting rose at 1.10 p.m.