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at 3 p.m.
New York

SUMMARY RECORD OF THE 26th MEETING

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Chairman: Mr. VERCELES (Philippines)

later: Mr. OULD SID'AHMED (Mauritania)

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The meeting was called to order at 3.15 p.m.

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

(A/36/3/Add.2, Add.4, Add.13, Add.14 and Add.29, A/36/15, A/36/37 (parts I, II and III), A/36/39, A/36/45, A/36/47 (parts I and II), A/36/116 and Corr.1, A/36/240, 333, 356, 380, 419 and Add.1, 421, 477, 483, 497, 528, 536, 538, 566, 573, 576, 577, 584, 605; A/CN.11/21; A/CONF.1(C/11, A/CONF.1(C/4/22; A/C.2/36/L.2, L.3)

(c) TRADE AND DEVELOPMENT

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(m) LONG-TERM TRENDS IN ECONOMIC DEVELOPMENT

(o) UNITED NATIONS CONFERENCE ON NEW AND RENEWABLE SOURCES OF ENERGY

(p) UNITED NATIONS CONFERENCE ON THE LEAST DEVELOPED COUNTRIES

1. Mr. FAGBENI ADEITU (Zaire), introducing on behalf of the 36 sponsors draft resolution A/C.2/36/L.17, concerning co-operation between the United Nations and the Agency for Cultural and Technical Co-operation, said that it had become necessary to establish links between organizations which were engaged in developing international co-operation and the United Nations. The purpose of the Agency for Cultural and Technical Co-operation (ACTC), established on 20 February 1969 in Niamey, Niger, was to promote cultural and technical co-operation not only among its member States but also between the Agency and other States. On the other hand, ACTC sought to promote and disseminate information about the culture of each of its member States and, on the other hand, it carried on technical activities in the following fields: science and technology for development, training, education and retraining, new and renewable sources of energy, desertification control, technical co-operation among developing countries and between developing and developed countries, technical assistance and the development of developing countries. Through the contributions of its member States and a special development programme, the Agency provided not only member States, but also other States requesting it, with assistance in studying development projects and training personnel and experts in a number of technical fields. It had also set up a programme of seminars and symposia for the in-depth study of international economic programmes, in which such specialized agencies of the United Nations, as UNCTAD, FAO, and UNESCO had actively participated. Having been allowed since 1976, through a special arrangement, to participate in the deliberations of the Economic and Social Council, the Agency had contributed to the preparation of some United Nations conferences, such as the Conference on Science and Technology for Development and the Conference on New and Renewable Sources of Energy. It also participated in all meetings organized by the United Nations system.

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(Mr. Bagbeni Adeito, Zaire)

2. In view of the foregoing, draft resolution A/C.2/36/L.17 simply expressed the wish of sponsors for a strengthening of co-operation between the United Nations and ACTC, and he hoped that the Committee would adopt it unanimously.

3. Mr. Ould Sid'ahmed (Mauritania) took the Chair.

4. Mr. LIPATOV (Ukrainian Soviet Socialist Republic) said that the crisis in the capitalist sector of the world economy adversely affected the economies and trade of the States of Asia, Africa and Latin America which had recently gained independence, because the Western countries were attempting to overcome their economic difficulties by increasing their neo-colonialist exploitation of developing countries. In that regard, he stressed the pernicious role of transnational corporations, which controlled some sectors of the economies of developing countries, engaged in restrictive business practices, infringed the sovereignty of the countries in which they operated over their natural resources and interfered in their internal affairs, thus impeding their achievement of economic independence. At a time when the Western countries were pressing the developing countries to create favourable conditions for private enterprise and foreign investment, the United Nations should expedite the drafting of the code of conduct for transnational corporations, which unfortunately was being delayed by the Western countries.

5. He drew attention to the serious impact on developing countries of the adoption by Western developed countries of protectionist measures which affected an ever-increasing number of products, were applied in a discriminatory and selective manner and were sometimes imposed by force or by methods that amounted to economic blackmail. Furthermore, the capitalist countries tried to use their relations with the socialist countries as an instrument of political pressure and diktat.

6. UNCTAD should combat those trends, since its responsibilities included the promotion of trade relations between countries with different economic and social systems. Its efforts would be effective only if they covered all sectors of international trade and took account of the interest of all States. He was in favour of strengthening the role of UNCTAD, its universality and the effectiveness of its work. He welcomed the establishment of an intergovernmental group of experts on restrictive business practices.

7. With respect to the report of the Intergovernmental Committee on Science and Technology for Development (A/36/137), he emphasized the importance of the operational plan for the implementation of the Vienna Programme of Action and the Financing System for Science and Technology for Development. He was gratified at the contribution which the Centre for Science and Technology for Development had made to the preparation of the operational plan, which embodied many of the progressive provisions of the Vienna Programme of Action but nevertheless suffered from some defects and omissions, in that it accorded too much importance to the role of external economic factors such as private investment and did not deal with co-operation between countries with different economic systems. The Centre should therefore take into account, when finalizing the operational plan, the comments made during the session of the Intergovernmental Committee and in the

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(Mr. Lipatov, Ukrainian SSR)

Second Committee. He regretted that the Intergovernmental Committee had been unable to achieve concrete results with regard to the establishment of the Financing System. It was understandable that developing countries wanted the System to come into effect quickly, but in his view the additional funds needed to finance scientific and technological development could be obtained only through the release of the resources now being expended on the arms race. Furthermore, any financing mechanism must be based on the principle of voluntary contributions. The Intergovernmental Committee should settle the outstanding questions regarding the Vienna Programme of Action at its regular session and should not need to extend that session or hold special sessions.

8. With regard to the report of the High-level Committee on the Review of Technical Co-operation among Developing Countries (A/36/39), he noted that much progress had been made since the adoption of the Buenos Aires Plan of Action for Promoting and Implementing Technical Co-operation among Developing Countries. Although the developing countries had realized the importance of that type of co-operation, which enabled them to utilize their natural resources more effectively and to control them, the development of TCDC was impeded by a number of political, financial, economic and social problems which developing countries would have to overcome by changing their economic and social structures. The only way they could end their backwardness was by creating an integrated economy and providing full employment for their populations through the establishment of domestic industries. The Ukrainian SSR was prepared to promote technical co-operation among developing countries by helping those countries to construct industrial plants and by supporting the training and retraining of personnel in order to create or modernize the public sector.

9. In connexion with the Nairobi Conference on New and Renewable Sources of Energy, his delegation believed that, although the energy problem was world wide, it differed in character, effects and proposed solutions from country to country and was dependent on socio-economic factors. The Ukrainian SSR had always advocated the development of international co-operation in the use of new and renewable sources of energy, with a view to strengthening international peace and security in the interest of all countries. He was of the opinion that the international co-operation programme and assistance to developing countries in that field should be global in approach and should give priority to sovereignty over national resources and to development of the public sector. He disagreed with some provisions of the Nairobi Programme of Action which would assign a dominant role to private capital. Nor was there any need to establish new organs or new departments of the United Nations Secretariat for the purpose of implementing the Nairobi Programme of Action; the Committee on Natural Resources and the competent services of the Department of Technical Co-operation for Development could easily handle that task. He also hoped that the implementation of the Programme would be financed entirely by voluntary contributions. The Ukrainian SSR would assist developing countries to realize their energy potential, in accordance with the principles of equality and mutual benefit.

10. His country had always appreciated the special problems confronting the least developed countries, which were particularly severely affected by the crisis in

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(Mr. Lipatov, Ukrainian SSR)

Western countries and the activities of transnational corporations. The difficulties of that group of countries were due to the fact that it was they that had been most exploited by the world-wide capitalist system and were still at the mercy of foreign monopolies, which considerably retarded their development. Although those countries should rely primarily on their own efforts to eliminate their outdated structures and further their economic independence, they would need bilateral and multilateral assistance from the international community in order to do so. Within the framework of bilateral co-operation between the Soviet Union and the least developed countries, the Ukrainian SSR would contribute to the implementation of the Substantial New Programme of Action for the 1980s, which took an approach that was compatible with socialist principles.

11. Mr. SCHMID (Austria) said that energy was a priority item in development and international economic co-operation. He therefore welcomed the adoption by the United Nations Conference on New and Renewable Sources of Energy of the Nairobi Programme of Action, which would enable the question of energy to be dealt with in the over-all context of the North-South dialogue.

12. High energy prices and scarce supplies had forced the international community to reconsider its assumptions concerning the growth of the world economy. As the World Development Report pointed out, all countries would have to adjust to those developments, mainly through changes in energy supply and demand. Energy use had fallen considerably in industrialized countries, including Austria, between 1973 and 1980 and continued to decrease. His Government encouraged that process through tax incentives. In the long run, developed countries were bound to achieve an effective reduction in energy consumption, for example by replacing energy-intensive equipment and continuing and intensifying energy conservation. It must be admitted, however, that a rapid increase of energy consumption in developing countries was inevitable in the short term, in view of the need to increase their agricultural, mining and industrial production. If the energy-importing developing countries were to reach their development objectives, the supply would have to be adjusted to their needs, and that would require huge investments both in oil and gas and in alternative sources of energy.

13. Most developing countries did not lack small-scale energy resources. In order to develop them, it would not be enough to offer incentives to private enterprise; those countries would also have to be supplied with large amounts of capital and expertise. Increasing their self-sufficiency in the energy sector would at the same time improve the international balance of energy supply and demand and alleviate the balance-of-payments deficit of many countries, thereby reducing tensions in international capital markets. For that reason, his delegation reiterated its support for measures designed to enhance the flow of capital into energy exploration and production, such as the establishment of an energy affiliate of the World Bank.

14. Although conventional energy resources continued to play an important role, the international community was increasingly aware of the need to find alternative sources of energy. The Nairobi Programme of Action, while stressing the primary responsibility of each country for the development of its new and renewable

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(Mr. Schmid, Austria)

sources of energy, set out the principles of regional and international co-operation in that field. Austria was making every effort to share its experience in the field of new and renewable sources of energy with other countries, in the framework of its bilateral technical assistance programme as well as in co-operation with UNIDO and other United Nations agencies.

15. Referring to the report of the Brandt Commission and the World Development Report of the World Bank, he noted the problems faced by the least developed countries, which had worsened in the last decade as their growth had slowed down and the increased international assistance they were receiving had been offset by a decline in their purchasing power. In some of the least developed countries, per capita incomes and food production had actually fallen in recent years. For those reasons, Austria was in the process of restructuring its bilateral assistance programme with a view to concentrating on aid to the least developed countries, particularly in the form of grants. It was also in the process of revising its legislation concerning the Generalized System of Preferences in order to provide additional advantages for exports from the least developed countries. Although an increase in official Development Assistance and measures to promote exports would help to meet the most pressing needs of low-income countries, the international community must also take concerted action over the longer term to improve their infrastructure, particularly transportation facilities.

16. He was gratified that the Paris Conference on the Least Developed Countries had been able to arrive at satisfactory arrangements for the implementation and follow-up of the Substantial New Programme of Action for the 1980s. He believed that the outcome of the Paris Conference provided a sound basis for the review meetings and consultative arrangements on the international, regional and interregional levels. The regional meetings in preparation for the Conference, one of which had taken place in Vienna, had already initiated an innovative and promising approach to collaboration between the least developed countries and donor countries.

17. With regard to science and technology for development, his delegation believed that the creation of an effective long-term Financing System was an indispensable condition for the strengthening of the technological capacities of developing countries as provided for in the Vienna Programme of Action and in General Assembly resolution 34/218. The report of the Intergovernmental Group of Experts contained some excellent recommendations and Austria supported most of them, particularly those relating to the establishment of an independent, separate Financing System with structures and methods of its own. The concept of core resources to be raised by the industrialized and other donor countries through a system of "negotiated instruments of commitment" was attractive and would be a significant improvement over the Interim Fund's dependence on voluntary contributions.

18. It would not be possible to negotiate a comprehensive agreement on the Financing System during the current session of the General Assembly. However, it should be borne in mind that some basic elements set out in the Vienna Programme of Action and in General Assembly resolution 34/218, namely, that the Financing

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(Mr. Schmid, Austria)

System should start operating in January 1982, that the Intergovernmental Committee should be the directing body of the Financing System and that the resources of the System should be predictable, continuous, substantial and untied, had been agreed by consensus. It had also been agreed that interim arrangements would have to be made for 1982. That being the case, the Committee should be able to establish guiding principles for the long-term Financing System and to set up a traditional fund, modelled on the Interim Fund, to receive pledges of voluntary contributions for 1982. While it was understood that the long-term Financing System would need a continuous and predictable flow of resources, the method of raising funds and the institutional organization of the System should be the subject of further negotiations in the Intergovernmental Committee. One way of saving time would be the establishment of an intersessional working group to meet early in 1982.

19. On the question of trade and development, his delegation welcomed the publication of the trade and development report for 1981, which contained for the first time a comprehensive analysis of the world economic situation against an historical perspective and with particular emphasis on developing countries.

20. As emphasized by the Secretary-General of the United Nations Conference on Trade and Development in his statement to the Committee, the gravity of the world situation made concerted international action imperative. In view of the fall in commodity prices, the Common Fund for Commodities should be brought into early legal existence and made operational as soon as possible. His delegation also shared the view of the Secretary-General of UNCTAD that the developing countries needed an increased flow of monetary resources, including private investment.

21. The current protectionist trend represented a danger for developing countries and developed countries alike, and UNCTAD would have to pay increasing attention to those new and "more flexible" restrictions to international trade. His country hoped that the forthcoming ministerial meeting of GATT would redress the situation in that field.

22. He expressed satisfaction at the outcome of the Cancún summit meeting, which had generated new momentum for the work already under way within the framework of the United Nations system.

23. Mr. NANDOE (Suriname) noted that the current international crisis bore more heavily on the developing countries than on others. While they had to contend with a sharp escalation in the prices of imports, their exports were decreasing because of the general recession and the measures undertaken by the industrialized countries to solve their own problems, such as the application of a progressive tariff system based on the extent to which imported products were finished, with the aim of limiting access to their markets of products manufactured in developing countries, thereby discouraging their industrialization. In order to strengthen its economic position, his Government was in the process of diversifying its economic base and its exports by developing its manufacturing industry so as to reduce its reliance on the mining sector. It would take measures to improve the public sector's capacity to generate savings so that domestic sources of funding

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(Mr. Nandoe, Suriname)

could gradually replace foreign aid in financing public-sector investments. Its objective was to enhance the social and economic position of the population through a more equitable distribution of the fruits of economic growth. To meet that goal, it was currently studying and, in some fields, had already undertaken, large-scale projects for the development of the agricultural, mineral and hydroelectric resources of the country.

24. Not all countries had felt the impact of the world economic situation to the same degree. Financing of current-account deficits by the non-oil-producing developing countries had, in 1980, required a substantial rise in net external borrowing and the virtual cessation of reserve accumulation, while the industrialized countries had been able to finance their current-account deficits by exporting their goods to oil-producing and other countries at higher prices and by having recourse to financial markets.

25. There was at present much preaching of the virtues of the play of market forces, and direct private investment could indeed help to achieve the goals of the International Development Strategy for the Third United Nations Development Decade, as elaborated in section III, sub-section D, paragraph 110, if measures were taken to prevent the unbridled play of those forces from leading to anarchy in international relations and hence to the widening of existing disparities, the heightening of tension and ultimately the destabilization of society. In that respect, the influence of transnational corporations should not be underestimated, since they were in a position to encourage the imitation of the consumption patterns of the industrialized countries in developing countries to the detriment of capital accumulation.

26. The goal of official development assistance was to enhance the welfare of the population of developing countries. It was regrettable that in 1980 such aid from the industrialized countries represented only 0.35 per cent of GNP in those countries, while the target set as early as the 1960s was 0.7 per cent. It was also regrettable that the annual flow of official development assistance from most of the industrialized countries did not depend on the absorptive capacity of the recipient countries but essentially on decisions arising from conflicting pressures in the legislatures of donor countries. The most revealing and dramatic aspect of such assistance was its tied character which forced the recipient country to buy in the market of the donor country. Official development assistance also had beneficial effects on the struggle of the donor countries against inflation. Thirty-eight per cent of EEC products sold outside the Community were bought by developing countries, half by oil-exporting and half by oil-importing countries. The United States sold 36 per cent of its exports to developing countries.

27. The international monetary institutions established at Bretton Woods during the period following the Second World War reflected the historical conditions of the time, particularly the domination of the industrialized countries and the persistence of colonial empires, without taking account of the developing countries, which did not, as such, exist at that time. In the course of preparations for the global negotiations in 1980, the developing countries had

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(Mr. Nardoe, Suriname)

asked in vain for those institutions to be democratized. Economic problems were now clearly global, and adequate rates of economic growth could not be achieved unless new policies, attitudes and institutions were developed with an eye to the legitimate interests of the developing countries. A long-term development policy should be designed with the aim of achieving economic and social progress in the developing countries, in the interests of both the latter and the industrialized countries.

28. Mr. Verceles (Philippines) resumed the Chair.

29. Mr. FREYRE (Argentina) said that his Government considered that economic co-operation among developing countries could advance the solution of the food problem. It was in that light that the agreements signed on 24 August 1981 between his country and the OPEC Fund for International Development, with the participation of the World Food Programme, should be seen. Those agreements, which represented a joint effort on the part of developing countries, had the dual goal of improving the situation of developing countries with balance-of payments difficulties and of contributing to the consolidation of economic relations among developing countries. In a general way, those agreements provided for gifts of cereals, the granting of financial assistance and the fixing of advantageous prices for the purchase of food-stuffs destined for food aid, the financing of freightage and the convening of information workshops, all of which would be provided by the developing countries. His country had increased its contribution of cereals under the Food Aid Convention to 35,000 tons. His delegation took great interest in economic co-operation among developing countries, which should, thanks to the efforts of those countries and to their will for collective autonomy, promote the restructuring of international economic relations and the establishment of a new international economic order.

30. His delegation accorded particular importance to the decisions contained in the report of the High-level Committee on the Review of Technical Co-operation among Developing Countries on the work of its second session (A/36/39). Those decisions should serve to make available systematic information on technical co-operation among developing countries, to strengthen the role of such co-operation within the various technical co-operation programmes in general, to identify potential sources of financing for such co-operation and the ways in which they could be used, to strengthen regional training and research establishments and to promote regional and interregional co-operation in the communications field. The recommendations approved should also encourage a better national and international legal structure for technical co-operation among developing countries.

31. On the particular subject of potential sources of finance for TCDC, he urged the developed countries to respond favourably to the High-level Committee's appeal that they should continue to support a number of activities in that field and furnish specific information on the subject.

32. With regard to UNDP policies and procedures, he considered that decision 2/9 of the High-level Committee was of vital importance, since it dealt with the third programming cycle and the use of IPFs and with the application of administrative

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(Mr. Freyre, Argentina)

and accounting standards. All such matters should continue to be given close attention, and the supremacy of Governments both in TCDC decision-making and in consideration of the subject at the international level should be reaffirmed.

33. Turning to the question of science and technology for development, he noted that two years after the Vienna Conference the long-term Financing System for Science and Technology for Development had not yet been established, and that no agreement had been concluded on its basic elements. It was therefore to be hoped that the present discussion of the recommendations of the Intergovernmental Group of Experts would yield positive results. In that connexion, the idea of transitional arrangements might facilitate the achievement of an agreement in principle that would make it possible to initiate the System immediately. Failing that, compromises should at least be reached on all outstanding questions. Lastly, he reaffirmed the universality of the guiding principle of the system.

34. With respect to the status of the negotiations on an international code of conduct on the transfer of technology, he said that much of the text had been left aside at the Geneva Conference on the subject. Further negotiations must therefore be undertaken, and Argentina supported the position of the Group of 77, which favoured the establishment of an interim committee of the Conference to settle the issue.

35. In conclusion, he said that the practical implementation of the Programme of Action adopted at the United Nations Conference on New and Renewable Sources of Energy would depend on the progress achieved and the decisions taken during the transitional period, in 1982.

36. Mr. BIRIDO (Sudan) welcomed the positive results of the United Nations Conference on the Least Developed Countries held in Paris in September 1981, and in particular the unanimous adoption of the Substantial New Programme of Action for the 1980s. He thanked the various financial institutions and UNDP for their commitment to increase substantially their financial and other aid to the least developed countries. He was pleased to see that most of the developed countries had reaffirmed their commitment to devote 0.7 per cent of their gross national product to official development assistance. He emphasized the importance of the aid modalities adopted in the context of the Substantial New Programme of Action, particularly the recommendation that aid should be provided essentially as grants and loans on highly concessional terms and that recurrent cost support and local expenditure should be provided. Further immediate financial assistance in the form of projects, balance-of-payments support and debt relief should be considered by donors. His delegation urged the international community, and particularly the developed countries, to fulfil its commitments so that the least developed countries could achieve the objectives of their country programmes within the framework of the Substantial New Programme of Action.

37. With respect to the follow-up mechanism agreed upon by the Conference to enable the countries concerned to review, with their partners, the implementation of the country programme and their needs and to obtain the necessary financial support, he hoped that the General Assembly would provide UNCTAD and other

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(Mr. Birido, Sudan)

relevant bodies with the necessary financial and human resources for the follow-up to the Paris Conference.

38. Where the work of the Trade and Development Board was concerned, he welcomed the UNCTAD report on trade and development in 1981 (TD/B/868/Rev.1), which had been considered by the Board. He shared the view expressed in the report that there was an urgent need to adopt additional international measures and major structural changes in the world economic system in order to achieve the moderate growth rate of 4.5 per cent for developing countries, which could not rely on the magic of market forces to provide solutions to their problems. His delegation attached particular importance to a number of resolutions adopted by the Trade and Development Board, including resolution 230 (XXII) on the transfer, application and development of technology.

39. He hoped that the meeting of governmental experts on energy which the Trade and Development Board had requested the Secretary-General of UNCTAD to convene would contribute to strengthening the technological capacity of the developing countries, to accelerating their technological transformation and to achieving their economic objectives and policies. He also hoped that the Committee would give its full support to the draft resolution on an international code of conduct on the transfer of technology submitted on behalf of the Group of 77 (A/C.2/36/L.15), proposing the establishment of an interim committee of the United Nations Conference on an International Code of Conduct on the Transfer of Technology to negotiate on the outstanding issues and to make proposals with a view to ensuring the final adoption of a code at the fifth session of the Conference.

40. His delegation had actively participated in the meeting of the Intergovernmental Committee on Science and Technology for Development, whose work was of special interest to the Sudanese Government, which intended to build a modern scientific state during the 1980s. Accordingly, a conference held in Khartoum from 19 to 24 October 1981 had adopted a draft programme of scientific and technological development for the Sudan prepared by some 300 Sudanese scientists, technologists and planners. He appealed to all States and to the relevant organizations and bodies of the United Nations system to extend their support to that ambitious and important programme.

41. His delegation was alarmed at the failure of the Intergovernmental Committee on Science and Technology for Development to adopt a detailed and comprehensive operational plan for the implementation of the Vienna Programme of Action; it particularly regretted the very inadequate amount of resources made available to the Interim Fund for Science and Technology for Development. Moreover, the Interim Fund was to expire at the end of the year and there was as yet no certainty that its activities would be taken over by the Financing System for Science and Technology for Development. Lack of agreement on the Financing System would mean a break in the execution and follow-up of the many projects now being financed by the Fund in many developing countries, particularly in Africa, with serious consequences for those countries. The situation warranted serious attention and urgent action by the General Assembly.

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(Mr. Birido, Sudan)

42. He welcomed the aims, priorities and policy measures adopted at the Nairobi Conference on New and Renewable Sources of Energy but regretted that the Conference had not agreed on the institutional and financial arrangements, including a new and universal intergovernmental body with a competent secretariat, that were necessary to implement and follow up the Programme of Action.

43. Mr. GÖKÇE (Turkey) said that the International Development Strategy for the Third United Nations Development Decade, which had involved a great deal of work, embodied the new concepts and realities that had emerged in the 1970s. Its fundamental objective was to accelerate the development of the developing countries within the framework of interdependence - in other words, not in confrontation but in co-operation between the third world countries and the industrialized countries with emphasis on structural and institutional change. However, in view of the continued deterioration of the world economy, it was obvious that the Strategy could succeed only if the international community was determined to take the necessary steps to resolve the problems affecting all countries, developed and developing alike.

44. The rapid changes brought about by the current world crisis had had an impact on many sectors in both developed and developing countries. Depression in the developed countries and its consequences had depressed the major export markets of the developing countries, making it more difficult for them to meet the higher costs of their imports and leading to increased indebtedness. The crisis would not end overnight, and the next few years could be catastrophic for some developing countries, particularly the poorest.

45. While it was true that the problems confronting mankind had their roots in economic developments and policies going back a number of years and in external circumstances, it was also clear that insufficient attention to the inflationary and structural consequences of some policies adopted by the developed countries over the past two decades had contributed to current difficulties.

46. All issues, sectors and regions were interrelated, and everyone had a stake in finding answers to current development problems. That would undoubtedly take time, but it was particularly important that, in the current situation, the industrialized countries should not withdraw into contemplation of their own domestic difficulties. The need for a fairer and more balanced economic order made it more pressing and more vital than ever to continue the North-South dialogue. All States, whatever their political system, and in particular the OPEC countries, must accept their share of responsibility in international economic co-operation.

47. The issues to be resolved - energy, food, raw materials, transfer of resources, the world financial order - were not exclusively North-South issues but questions of global economic management. It was therefore necessary to take a comprehensive view of them and to move from diagnosis to action. Progress could be made only when the development of the developing countries was considered an essential element in the growth of the rich nations. In short, the structure of relations must be changed while the nature of the present system was preserved.

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(Mr. Gökçe, Turkey)

48. It was true that an international economic system which did not make sufficient allowance for nationalism was doomed to failure, but it was equally true that, as Thomas Jefferson had said, it was a kind of law of nature that every nation prospered by the prosperity of others. It would therefore be in the interest of the developed world to provide for rapid economic growth in the developing countries, since that would not only resolve those countries' problems but expand the volume of world trade. Interdependence should therefore mean co-operation, which would eliminate many of the negative factors threatening world peace.

49. The adoption of adjustment policies by all States had thus become a universal necessity. Because of their weight in world economic relations, the industrialized countries had an essential role to play. The actions taken in those countries to restore stability had already produced some results; there were signs that inflationary pressures were abating, albeit slowly, and conservation measures and the more efficient use of energy resources had borne fruit. Sound trade policies and good economic management aimed at a rapid increase in production should result in recovery in the industrialized countries and provide the impetus for growth in the developing countries.

50. A higher rate of growth in the developing countries would depend as much on increased trade with them as on increased flows of private capital and official aid from the developed countries, supplemented by increased assistance from international institutions. National characteristics, such as resources, tradition and mentality, must also be taken into consideration.

51. While he appreciated the efforts made by some of the international organizations, such as IMF, the World Bank and GATT, to adjust to changing world economic conditions, there was still much to be done to improve the financing capacity of those institutions. Saudi Arabia was to be commended for its recent contributions in that respect, and he hoped that other countries would follow its example.

51a. Many developing countries were also making strong efforts to adjust their structural imbalances while maintaining acceptable growth rates. Furthermore, the closer co-operation among developing countries now being sought should serve, in the current economic circumstances, to solve many of their problems. Such co-operation, if viewed as complementing the existing system, could contribute to the establishment of a more balanced structure of the international economy. As a starting-point it would be natural for developing countries to establish preferential tariffs among themselves, but the aim should be to use them as a means of eventually integrating their economies with that of the world. Such collective self-reliance must be used as a means to establish a meaningful dialogue with the industrialized countries. Turkey, as a developing country, was fully involved in such regional economic activity within the framework of the Islamic Conference, and it supported the initiatives taken in that respect within the framework of UNCTAD.

52. Finally, if the right policies were adopted, the funds from OPEC surpluses could be invested to promote growth in developing countries. It was encouraging to note the capacity for effectively channelling those resources to the deficit

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(Mr. Gökçe, Turkey)

countries exhibited recently by international capital markets. However, it was necessary in that connexion to make a distinction between the problems affecting all countries and those affecting the energy-deficient developing countries. Turkey therefore believed that the establishment of a World Bank energy affiliate was a pertinent proposal.

53. In any event, the success of the structural adjustment policies depended on all nations agreeing on a strategy for negotiations and placing the current issues in their proper historical perspective. The conclusions of the United Nations Conference on New and Renewable Sources of Energy could thus have a significant bearing on the search for global solutions to the energy problems which affected developed and developing countries alike. Turkey therefore welcomed the Programme of Action adopted at the Conference, although a reasonable way of financing it must be found if it was to be successfully implemented.

54. The Turkish delegation also welcomed the successful outcome of the United Nations Conference on the Least Developed Countries and trusted that it would be followed by positive and concrete results. The conditions must be created to enable those countries to break the vicious circle of poverty. Turkey welcomed the adoption of the Programme of Action and trusted that the minimum target of 0.15 per cent of GNP envisaged as aid for the least developed countries would be attained, even though it was scarcely satisfactory.

55. Both conferences would naturally have a bearing on the activities of UNIDO, since industry was responsible for approximately 55 per cent of global energy consumption. UNIDO must therefore assume an active role in the implementation of the Plan of Action formulated at Nairobi and assist the least developed countries through its technical assistance programmes. However, the resources currently available to UNIDO were far from adequate and the funding level of the United Nations Industrial Development Fund remained well below the level established in General Assembly resolution 32/166.

55a. In his statement, the Executive Director of UNIDO had drawn attention to the state of relative stagnation of the UNIDO technical systems programmes. A prolonged stagnation of that kind, which stemmed from United Nations budgetary constraints and also affected other UNIDO activities, would be bound ultimately to impede the industrialization efforts of the developing countries. His delegation therefore hoped that the current financial climate would change for the better.

56. The Turkish delegation was however pleased to note that the UNIDO system of consultations would be strengthened and that productive discussions were taking place on the establishment of a financial mechanism designed to increase UNIDO resources for industrial development.

57. Turning to the issue of the interdependence between development on the one hand and science and technology on the other, he recalled that the objectives of the Vienna Programme of Action were the strengthening of the science and technology capacities of the developing countries, the restructuring of international scientific and technological relations and the enhancement of the role of the

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(Mr. Gökçe, Turkey)

United Nations in the application of science and technology for development. Considerable progress had been made in identifying action and programmes to meet the first objective. The General Assembly was now called upon to determine the best manner of attaining the third objective and Turkey trusted that it would manage to come to an agreement at its current session on the necessary financial arrangements.

58. With respect to food security, he said that the eradication of hunger was a problem which the world community must resolve as a matter of the utmost urgency. Since it was basically a long-term structural problem, the steps taken by countries to increase their food production and to set up efficient food storage and distribution networks should be supplemented by adequate international assistance. International co-ordination would therefore have to be strengthened and FAO appeared to be the organization best suited to that task.

59. Turkey welcomed the decision to hold a World Food Day, which reflected a growing awareness of food problems on the part of governments. Turkey also had the pleasure of informing the Committee that a conference of Islamic countries on food security and agricultural development had been held in Ankara (Turkey). The conference had adopted a programme of action proposed by Turkey with the aim of strengthening co-operation among Islamic countries in food and agriculture. Turkey had taken that opportunity to emphasize its preparedness to assist the Islamic countries in meeting their requirements.

60. Although certain current trends gave grounds for cautious optimism, there was no room for complacency. It was quite evident that rigorous adjustment policies must be adopted at the national level in order to overcome existing difficulties. For its part, Turkey, with the support of IMF, had embarked on an austerity programme designed to revive its ailing economy. Bold steps in that direction had already yielded remarkable results.

61. The process of adjustment would doubtless be slow and would entail some sacrifices. In order to keep the cost to the minimum, international co-operation was essential. It was in that light that Turkey viewed the North-South dialogue and supported the concept of global negotiations, the main purpose being to find ways of achieving economic development in the context of the current world economic crisis. It was convinced, since not only the issues at stake but also all States were interdependent, that all the main economic questions should be on the agenda for the negotiations. If bilateral and regional relations between industrialized and developing countries were to remain harmonious, they must form part of a global system of economic co-operation accepted by all parties. The Turkish delegation felt that the consensus reached by the Heads of State at Cancún was not broad enough, even though the mere fact of a consensus having been reached was encouraging.

62. In spite of the difficulty of finding the right institutional framework for the global negotiations a practical solution must be found. Whatever framework was ultimately selected, the decisions would have to be taken by consensus.

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63. Mr. GIBSON (New Zealand) said that his delegation supported the views of the Intergovernmental Group of Experts on Long-term Arrangements for the United Nations Financing System for Science and Technology regarding the role of science and technology in development and the need for them to be given a more prominent place in development assistance programmes. New Zealand itself devoted nearly half its bilateral aid to strengthening the technological and scientific capacity of developing countries. That assistance was largely geared to agriculture and was centred on the countries of South-East Asia and the Pacific.

64. However, the report of the Group of Experts was misleading in implying that developed countries constituted a homogeneous group as far as scientific and technological capacity was concerned. New Zealand, for instance, was in many respects closer to the developing countries even though it belonged to OECD.

65. None the less, the report was both innovative and constructive, which was all the more remarkable in that, the 1979 Vienna conference notwithstanding, there was no clear international agreement on the viability of multilateral financing for science and technology in development. He expressed the hope that the world community would agree to unite and increase its efforts in that field.

66. As to the restructuring of the Economic and Social Council, the delegation of New Zealand supported the concept of universal membership, the elimination of subsidiary bodies of marginal value and the rationalization of the work handled by both the General Assembly and the Council. Given the vital importance of energy questions for many countries, New Zealand welcomed the conclusions of the United Nations Conference on New and Renewable Sources of Energy. The Programme of Action was a useful and technically sound document. His delegation also welcomed the discussions held at the Conference by the countries of Asia and the Pacific regarding the possibility of regional co-operation in energy matters. New Zealand supported in principle the proposal for the creation of an energy affiliate of the World Bank, which would be in the interests of the developing countries.

67. The Substantial New Programme of Action adopted by the Conference on the Least Developed Countries was a significant document and reflected the constructive approach of the participants. New Zealand had made a long-term commitment at the Conference to assist the small island countries of the Pacific, since it was convinced that the available resources could be used most effectively through acceptance of regional responsibility on the part of donors.

68. In reviewing the requests of a number of countries for inclusion in the list of least developed countries, the Committee for Development Planning had expressed some reservations as to the criteria for inclusion. New Zealand shared the view of the Committee that the existing criteria were unduly narrow and rigid. For instance, the very small island countries of the Pacific which deserved the special treatment accorded to the least developed countries did not qualify for inclusion in the list. The criteria should therefore be revised and made more flexible.

69. Mr. RAKOTONAIVO (Madagascar) said that his delegation was opposed to the policies advocated by certain developed countries with market economies on the ground that they were detrimental to the interests of the majority of member

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(Mr. Rakotonaivo, Madagascar)

States. Madagascar fully endorsed the statement made by the Chairman of the Group of 77 on the nature of the problems at issue and the solutions proposed. The delegation of Madagascar wished however to stress some essential points: (a) The theory that the development of the South and that of the North were interdependent made for unequal development; (b) The free play of market forces would perpetuate existing inequalities; (c) Private investment could in no way replace multilateral assistance; (d) Any aid policy not geared to the massive transfer of resources conflicted with the objectives of the International Development Strategy; (e) The existing financial, monetary and trade mechanisms could not be maintained since they served the interests of the developed countries; finally (f) To reduce international co-operation to narrow bilateralism was to mock the efforts of the world community.

70. In the view of the majority of Member States, those policies were dictated by economic problems and selfish interests and should be abandoned in favour of a more clear-sighted and realistic approach.

71. In the field of trade, the continued application of protectionist policies was a source of major concern for all countries. The world community should make arrangements to give preferential treatment to the developing countries in order to give them a larger share of international trade. In that context, Madagascar thus requested the implementation of the recommendations of UNCTAD resolution 131 (V) and trusted that the Committee would be able to reach a decision during the current session on the substance of the proposal put forward in 1980 by the Group of 77 on that issue. It must also be noted that attempts at revising the General Agreement on Tariffs and Trade (GATT) did not suffice to promote a better international trade order.

72. The deterioration in the terms of trade was a source of constant concern to the delegation of Madagascar. In spite of the agreement on the creation of the Common Fund, international commodity markets remained subject to wide fluctuations. Moreover, the progress made with regard to specific aid to island developing countries had unfortunately been minimal. It was worth recalling in that connexion the provisions of General Assembly resolution 35/61.

73. In view of the preoccupying industrial situation of the developing countries, it was imperative to attain the targets set by the Lima Plan of Action. In order to do so the financial resources of UNIDO should be increased so that it could, inter alia, bring its proposal for the creation of an international industrial development bank to fruition, pursue its activities on the system of consultations and apply the measures taken with a view to implementing the Programme of Action of the Industrial Development Decade for Africa.

74. The role of energy in the development process no longer needed demonstrating. The delegation of Madagascar thus welcomed the adoption by the Conference on New and Renewable Sources of Energy of a Plan of Action containing measures to promote the development and use of such sources of energy. It was now a question of providing the necessary funds for the agreed arrangements and mechanisms to function as envisaged. It was encouraging to note the positive approach adopted in that connexion by many developed countries.

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(Mr. Rakotonaivo, Madagascar)

75. The delegation of Madagascar was aware of the gravity of the current world food crisis, particularly in Africa, and wished to commend the World Food Council, FAO, the International Fund for Agricultural Development and the World Food Programme for their untiring efforts.

76. With regard to science and technology for development, it was unfortunate that the Intergovernmental Committee on Science and Technology for Development had been unable to reach a decision on the substance of the report of the Intergovernmental Group of Experts on the Financing System. It would be useful for the Second Committee to enter into substantive discussions on the proposals of the Group of 77 contained in report A/36/37 (part III) of the Intergovernmental Committee.

77. The Lagos Plan of Action for the implementation of the Monrovia Strategy for economic development in Africa demonstrated the will of the African countries to co-operate in the technical and economic fields. In that context, the delegation of Madagascar welcomed the results of the Caracas Conference and wished to reiterate its commitment to making a constructive contribution to the various programmes of action established at Manila and Arusha. Concrete and practical measures should also be taken towards the implementation of recommendation No. 3 of the Buenos Aires Plan of Action and the relevant decisions of the High-level Committee at its two first sessions. The delegation of Madagascar endorsed the view that the setting up of information systems among the interested organizations would make a concrete contribution to promoting Technical Co-operation among Developing Countries (TCDC).

78. Although they were not on the agenda of the Committee, monetary and financial issues constituted one of the most serious problems currently facing the world community, particularly those developing countries which were not oil producers and whose external deficit and debt had increased to a considerable extent. Such a state of affairs made it all the more urgent to overhaul the international system. Without a massive transfer of resources, any measures taken in each specific field would have no practical results. Given the nature of the problems at issue, global negotiations provided the only solution for resolving the current international impasse on the establishment of a new international economic order.

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

79. The CHAIRMAN announced that Costa Rica had joined the sponsors of draft resolution A/C.2/36/L.9.

AGENDA ITEM 71: TRAINING AND RESEARCH

80. The CHAIRMAN announced that Costa Rica and Saint Lucia had joined the sponsors of draft resolution A/C.2/36/L.11.

The meeting rose at 6 p.m.