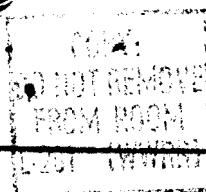




SECOND COMMITTEE  
14th meeting  
held on  
Tuesday, 19 October 1982  
at 3 p.m.  
New York



SUMMARY RECORD OF THE 14th MEETING

Chairman: Mr. PAPADATOS (Greece)

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The meeting was called to order at 3.20 p.m.

AGENDA ITEM 71: DEVELOPMENT AND INTERNATIONAL ECONOMIC CO-OPERATION (continued)  
(A/37/3 (Part II), 16, 19, 37 (Part I and Corr.1 and 2 and Part II), 211 and Corr.1 to 4 and Add.1, 260, 291, 324, 333, 381, 390 and 447; A/C.2/37/2; A/C.2/37/L.5, L.6, and L.8)

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1. Mr. SALLAM (Yemen), referring to the International Development Strategy for the Third United Nations Development Decade, said it was clear that some wealthy countries were not keeping their moral and humanitarian promises in that regard and were squandering money on armaments instead of spending it on development.

2. The Strategy represented an effort by the international community to accelerate the development of the developing countries with a view to creating a new international economic order. The latter was essential to development and required the transfer of technology and its adaptation to the developing countries. Pursuant to resolution 52 (XIV) of the Industrial Development Board of the United Nations Industrial Development Organization (UNIDO) concerning the need to accelerate the industrialization of the developing States, it was necessary to

(Mr. Sallam, Yemen)

ensure the provision of adequate resources to the Organization to enable the United Nations Industrial Development Organization to implement the mandate.

3. Yemen attached particular importance to the issue of science and technology for development and it had participated and would continue to participate with interest in any meeting designed to accelerate the implementation of the Vienna Programme of Action.

4. Despite the efforts made by the Intergovernmental Committee on Science and Technology for Development, the contributions of the Centre for Science and Technology for Development and the activities of other bodies and institutions of the United Nations system with respect to the implementation of the Vienna Programme of Action, the objectives of the Programme were far from being realized because there was no consensus on the United Nations Financing System for Science and Technology for Development. He trusted that the outstanding questions regarding the System would be resolved at the present session.

5. World food problems were attributable to the inability of the developing countries to achieve agricultural development. Because of that inability the food security situation in many developing countries was such that it threatened their stability.

6. The right to food was a human right. Food could not be used as a means of political pressure. In order to settle the food problems of the developing countries once and for all it was necessary to ensure the self-sustained growth of agricultural production and to increase investment in the agricultural sector.

7. As development was based, firstly, on self-reliance and, secondly, on regional and international co-operation, Yemen had pursued a development policy based on centralized planning of all economic and social sectors. Yemen was one of the least developed countries and the activities it had undertaken in recent years had resulted in a significant improvement in its essential development structures. The five-year plan, implementation of which had started in 1982, laid particular stress on economic infrastructure. In order to benefit from the experience of other countries, Yemen had organized an international conference to study the plan; many representatives of States, the United Nations and international organizations had participated in that conference.

8. Finally, he paid tribute to the industrialized countries which had assisted his country.

9. Mr. KHOR HENG HEE (Malaysia) said that the item "development and international economic co-operation" was a most relevant topic in view of the world economic situation and the stalemate in the North-South dialogue. Given the fact that one year had elapsed since the Cancún Summit and that the situation remained virtually unchanged delegations might be excused for being pessimistic.

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(Mr. Khor Heng Hee, Malaysia)

10. The weakening of the spirit of international co-operation was alarming. It had been said that that weakening was attributable to the fact that the developed countries had been affected by the constraints in their own economies; if that was so, the negative attitude to international co-operation would appear to be a transitory phase which had arisen because of the world recession. One observation made in the studies submitted to the Economic and Social Council on the world economy was that the current economic problems had their roots in the maladjustments in the economies of some of the major developed countries and in their refusal to take corrective measures.

11. The fact that the major responsibility for world economic recovery lay with the developed countries did not absolve other countries from their responsibility in the matter. Individual and collective efforts were required of all countries both developed and developing.

12. The report of the Secretary-General entitled "Long-term trends in economic development" (A/37/211) provided the international community with two scenarios of growth, that of low world growth and that of the International Development Strategy. The first comprised a set of projections which in general coincided with current trends in the world economy, which was marked by stagflation, unemployment, monetary restrictions, balance of payments deficits and a reduction in financial flows to the developing countries. The International Development Strategy for the Third United Nations Development Decade adopted by the General Assembly in its resolution 35/46 provided for a higher but still feasible rate of growth. States must reaffirm their implicit commitment to the Strategy and take the necessary supplementary measures.

13. The Committee's task consisted in considering a programme for world economic recovery and another for the reformation and restructuring of the economic system towards one of accelerated growth based on equity and mutual benefit. The Committee must take a political stand since it was the principal decision-making body with regard to international collective action in the areas of development and economic co-operation. There was no lack of programmes; what was lacking was political will.

14. Mr. KITIKITI (Zimbabwe) recalled that his country formed an integral part of Sub-Saharan Africa. The fact that, within that group of countries, per capita income was expected to grow by only 1 per cent by the end of the Third United Nations Development Decade came as no surprise, given the insensitivity and lack of political will with regard to international economic problems that had become the rule rather than the exception.

15. The innocuous so-called agenda of action for Sub-Saharan Africa, prepared by the World Bank, addressed itself to the consequences of economic underdevelopment but failed to grasp the extensive structural changes envisaged in the Lagos Plan of Action and the Monrovia Strategy, which constituted the only viable strategy for economic development and collective self-reliance.

(Mr. Kitikiti, Zimbabwe)

16. The world economy was plunged into a crisis unparalleled in the post-war period. The Ministers for Foreign Affairs of the Group of 77 had noted in their declaration on 5 October 1982 that that crisis, which was immune to traditional cures, remained one of the most serious political problems of the day and a potential source of instability and insecurity. The expectations which architects of the world economy had harboured after Bretton Woods had vanished like a dream. The only viable alternative was to replace the entire system with one that worked and served the people of the world.
17. The world continued to be divided into islands of plenty and islands of hunger. In that connection, the report of the Secretary-General on the situation of food and agriculture in Africa (A/37/390) was very balanced and deserved serious consideration. General Assembly resolution 36/186 on the situation of food and agriculture in Africa contained a breakdown of areas of development activity such as food self-sufficiency, post-harvest losses, transport and manpower training. The Secretary-General's report had linked those areas to information, research, investment and feasibility. He believed that, in future reports, all those interrelated activities could be consolidated into a matrix which would make it possible to identify constraints and problematic areas at a glance. His delegation was curious to know from the Secretariat the components and structure of the self-sufficiency ratio that was being used as an index for food supply in Africa.
18. The recurrent theme throughout the report contained in document A/37/390 was that of technological deficiencies in mitigating the consequences of drought and desertification, managing soil erosion, food processing and storage and combating disease. It was his delegation's contention that a problem of that magnitude could be resolved. Most countries represented in the Committee had given that item top priority in their aid programmes.
19. His delegation had two proposals to make in the light of the content of the report. First, it was going to request that the Secretary-General convene a meeting of a group of intergovernmental experts to make an inventory of existing food and agricultural technology in Africa. Secondly, it believed that the time had come for a frontal attack on the problem of African agriculture. In that connection, it would engage in consultations with interested delegations on the designation of an international year of mobilization of technological and financial resources for African agriculture.
20. His delegation wished to express its appreciation to such international organizations as UNDP, FAO, IFAD, the World Bank, the Nigerian Trust Fund and the Arab Bank for Economic Development in Africa and other bilateral sources that had continued their support for African agriculture, and noted with disappointment that concrete international support for food strategies and programmes was now receding.
21. He wished to reiterate the view expressed by his delegation in the plenary of the General Assembly that a global food security system should be established urgently, with access to food storage facilities so that food supplies were available for shipment in emergency situations. The most important aspect of such

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(Mr. Kitikiti, Zimbabwe)

a system would be to assist in the restoration and creation of a local production capacity, without necessarily implying the adoption of food sector strategies - as the Rome Meeting to Fight Hunger in the World had pointed out. His delegation supported the proposals by the World Food Council for the creation of international buffer stocks which would be controlled directly by the developing countries. Negotiations on the international grain agreement must also commence without further delay.

22. His delegation's insistence on an integrated approach to global negotiations did not mean that it was unconcerned at sectoral crises which were the consequence of structural imbalance and imperialist underdevelopment. It therefore supported the Vienna Programme of Action on Science and Technology for Development adopted by the General Assembly in its resolution 34/218 of 19 December 1979. That Programme offered an opportunity for developed and developing countries to co-operate in strengthening the scientific and technological capacities of the developing countries. His delegation endorsed fully the appeal made by the Secretary-General to all Member States to agree on the Financing System for Science and Technology for Development.

23. The resolution of the present production crisis also required parallel advances in trade liberalization. UNCTAD resolution 96 (IV) of 31 May 1976 offered a set of interrelated measures for the expansion and diversification of exports of manufactured and semi-manufactured goods by developing countries. In the developed countries, subsidies were granted to inefficient and uncompetitive industries to the detriment of exports from developing countries. Such protectionist measures were in contradiction with the noble principles enshrined in the Lima Declaration and Programme of Action on Industrial Development and Co-operation adopted by the Second General Conference of UNIDO.

24. His Government was currently considering the possibility of joining the Common Fund for Commodities, a fundamental tool in achieving the objectives of the Integrated Programme for Commodities to which the international community should give unflinching support.

25. In 1981, the ratio of debt service payments to exports had risen to 20 per cent in the developing countries, as compared with 17 per cent in 1978. Such a situation could not be sustained and underscored the urgent need to reach agreement on a multilateral framework for debt renegotiation which would enhance the development prospects of debtor countries. Economic recovery required policy changes in the developed countries and a serious commitment to increased development assistance.

26. Mrs. MORENO (Mexico) said that the current economic and financial crisis had not only had an effect on national economies but had influenced the way in which the United Nations approached world problems, as the Secretary-General had recently made plain in his report on the work of the Organization. Recession in the developed countries reduced the availability of direct financial resources that could be used by the developing countries, which in turn produced a decline in demand in the developed countries.

(Mrs. Moreno, Mexico)

27. Commodity prices had reached their lowest level since the end of the war; unemployment, inflation and interest rates, on the other hand, were at their highest levels. International trade, which at one time had been the most dynamic agent of growth, was static if not declining. That situation was in part the result of the protectionist policies adopted by the developed countries, which were also demanding that the developing countries should liberalize their trade policies with a view to gaining a preferential footing in the latter's national markets.

28. The growth of real GNP had undergone a serious decline in all countries. In 1982 GDP was expected to grow by only 0.3 per cent in the developed countries and 2.5 per cent in the non-oil-exporting developing countries, while because of the drop in world demand for crude oil, the GDP of the oil-exporting developing countries would decline by 2.5 per cent. Because of that unfavourable situation, most developing countries had had to resort to external financing, thereby increasing their indebtedness. That development, together with the substantial rise in interest rates, had caused an enormous increase in the debt-servicing burden of the developing countries, with the result that a growing number of those countries faced grave problems of liquidity and were forced to seek to renegotiate their debts.

29. As though that was not enough, financial and budgetary constraints had directly affected multilateral programmes of co-operation. Some funds that had been established by resolutions adopted by consensus were not receiving adequate financial support, as was the case with the Financing System established as a result of the United Nations Conference on Science and Technology for Development, held in Vienna in August 1979. In his delegation's view, the Financing System should come into operation on 1 January 1983, which meant that the Committee must adopt a resolution to that effect. His delegation also wished to place on record its disagreement with certain proposals submitted to the Intergovernmental Committee on Science and Technology for Development to the effect that the financial burden represented by the Financing System would be shared 50-50 between the developed and the developing countries. The developed countries bore a greater responsibility for co-operation and should make a greater contribution, which, moreover, should not be in kind.

30. Any evaluation of the International Development Strategy for the Third United Nations Development Decade led to gloomy conclusions. The level of official development assistance had remained far below the commitment made. The rate of growth established as a general target had not been attained, modest though it was. People were being forced farther and farther below minimum levels of well-being, with the consequent danger to the maintenance of international peace. That situation was due primarily to the fact that the principles laid down in the Charter of Economic Rights and Duties of States and in the Declaration and Programme of Action on the Establishment of a New International Economic Order had still not been fully applied.

31. In the space of four years, Mexico had doubled its industrial infrastructure, had become the world's fourth largest producer of hydrocarbons and had attained an 8 per cent annual rate of growth. However, in the same period, the rise in

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(Mrs. Moreno, Mexico)

interest rates, inflation and the flight of capital had caused such massive problems that it had been necessary to ask for Mexico's foreign debt to be renegotiated. As the President of Mexico had stated at the plenary meeting of the General Assembly on 1 October 1982, "Mexico and many other third-world countries will be unable to comply with the payment schedule agreed upon in conditions quite different from those that now prevail", which meant that "Everyone must negotiate seriously, carefully and realistically". Accordingly, the international financial system must be restructured. The proposals made by the Group of 24 in a number of financial forums could serve as a basis.

32. In that panorama of crisis, one regrettable trend was being observed with growing concern - that of using coercive economic measures to achieve certain political aims. The use of such measures made the launching of global negotiations, the need for which had been stressed at the Cancún Conference but which had not yet become a reality, even more urgent.

33. The role of the United Nations Industrial Development Organization was of the highest importance to the developing countries. Mexico had therefore ratified the UNIDO Constitution and hoped that the preparations for its fourth General Conference would proceed smoothly. In the area of food problems, Mexico had established the "Mexican Food System," aimed at achieving self-sufficiency in basic foodstuffs.

34. In conclusion, she stressed that every possible effort should be made to integrate women fully into the development process on terms of absolute equality with men. More than halfway through the United Nations Decade for Women, not only had there been no progress in that field but ground had been lost, since the economic crisis affected women worse. The Second Committee should take practical action to promote the participation of women in the development process.

35. Mr. BAZAN (Chile) said that at the end of the Second World War a series of institutions had been established to work for orderly economic and political development. The new organizations had been created to encourage the transfer of resources to the developing countries, to prevent unfair competition in world trade and to give stability to the international monetary system. In the first decades, the new institutional apparatus had made it possible to achieve general progress, interrupted only sporadically by brief cycles of reduced activity. In general, all countries had made good use of the international market and of the system of comparative advantage - in other words, they had developed those productive sectors in which they had advantages over others, as was shown by the figures for the growth of world trade between 1950 and the end of the 1970s.

36. The international economic agencies had lent their co-operation to the developing countries on condition that the latter took domestic measures to ensure the effective operation of the system of world trade created after the Second World War, and the system had until recently functioned without major difficulties.

37. However, important changes had occurred in the previous decade: imbalances in national budgets, even in developed economies, and unduly large trade deficits had

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(Mr. Bazan, Chile)

been permitted, and inflation had spread throughout the world; at the same time the threat of protectionism had emerged and that, in addition to limiting access for developing countries' manufactures to the developed countries' markets, had given rise to the practice of subsidizing the exports of goods which would otherwise not be competitive on the world market. Those distortions, which were so sharply criticized when they occurred in developing countries, had been tolerated in developed countries, with their privileged position in the management of the world economy. However, they had before long had adverse effects at the international level, even in the developed countries themselves.

38. The origin of current international economic problems lay in the adoption by developed countries of restrictive domestic measures to correct the imbalances which they had countenanced. It was those very measures that had led to the current general stagnation, which was affecting the weakest economies worst, at a time when their situation had been exacerbated by the reduction of official development assistance. The increase in interest rates had likewise made the recovery of the world economy more difficult.

39. In his delegation's view, the only remedy for stagnation lay in the system of free world trade based on comparative advantage - the most efficient way of allocating the factors of production at the world level. That meant that world trade would have to be revitalized - trade between countries of the South and the developed market-economy countries, and trade among the developing countries themselves. He hoped that the forthcoming Ministerial Meeting of GATT would lead to the elimination of the current barriers to trade, which precluded an efficient international division of labour.

40. There were limits to the assistance which could be provided by the developed countries through specialized agencies or development programmes, since those countries were also facing serious domestic difficulties. His delegation was very grateful to those Governments which were trying to increase their contribution to development and it found the inadequate efforts of the Eastern European countries in that sphere regrettable particularly in view of the fact that most of their assistance was bilateral.

41. His delegation, in short, believed that a massive assistance programme could not be expected from the developed countries and that North-South co-operation should instead follow a new course. The movement towards protectionism should be halted in order to create new trade opportunities for all; negotiations on the global system of trade preferences among developing countries should be held within UNCTAD; economic adjustment measures should be applied to all countries equally, without requiring of the developing countries sacrifices which many developed countries were not prepared to make, and finally, the international negotiations should be shorn of their unduly political content so as to take into account the true interests of the world community.

42. Mr. SIIWAL (Nepal) said that two years earlier there had been high hopes for the International Development Strategy for the Third United Nations Development

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(Mr. Silwal, Nepal)

Decade, but that so far no progress had been made towards the realization of its goals and objectives. The world was undergoing a recession, and the domestic policies pursued by the industrialized countries had sometimes had devastating effects on the economies of the developing countries. The gap between the rich and the poor countries continued to grow.

43. Nothing short of a massive transfer of bilateral and multilateral resources to the developing countries, and in particular to the least developed countries, could prevent social, economic and political disorder. Greater political will must be demonstrated to restructure international economic relations through the United Nations, whose capacity to deal with the crucial issues of the world economy should be strengthened.

44. Food problems were the most important obstacle facing developing and even some developed countries, since food production was dependent on uncertain factors, such as weather and market forces. His delegation fully supported the recommendations made at the eighth session of the World Food Council, especially those relating to the establishment of a developing-country-owned food reserve, the provision to countries of assistance for preparing national food strategies, increased food and agricultural assistance, and the expansion of the resources of such multilateral agencies as IDA, IFAD and FAO. It was encouraging that more resources had been allocated to the World Food Programme and that the International Emergency Food Reserve had attained the target of 500,000 tons.

45. Since Nepal was both a least developed and a land-locked country, industrialization was a very hard task for it. It had therefore been encouraged that at the Paris Conference on the Least Developed Countries it had been agreed to help those countries in their industrialization process.

46. A solidarity meeting was to be held in Nepal in the near future with the assistance of UNIDO. His delegation hoped that the meeting would generate interest in Nepal's industrialization process.

47. Some of the issues discussed at the most recent session of the Industrial Development Board (A/37/16, chap. VII) were very pertinent to the industrialization process in the least developed countries. They included the suggestions made concerning UNIDO technical co-operation activities for the benefit of those countries and the need for UNIDO to focus its attention on the promotion of agro-industries. The value of the solidarity meetings had also been emphasized, and the General Assembly had been requested to consider at its thirty-eighth session the allocation of financial resources to enable a greater number of participants from least developed countries to attend meetings of the System of Consultations in 1984-1985. Since UNIDO played an important role in implementing the Substantial New Programme of Action for the Least Developed Countries, his delegation appealed to the international community to provide UNIDO with the necessary resources to fulfil its obligations.

(Mr. Silwal, Nepal)

48. Despite the great importance of the question of science and technology for development, the negotiations on the long-term Financing System for Science and Technology for Development seemed to have become bogged down because of lack of consensus on the level of resources to be allocated and the type of institutional machinery to be established. His delegation appealed to the industrialized countries to take a constructive attitude to the matter, such as that which had led to the adoption of the Vienna Programme of Action in 1979.

49. Finally, his delegation supported Economic and Social Council decision 1982/172 on long-term trends in world economic and social development. The preparation of a triennial report on the socio-economic perspective of the world economy to the year 2000, with special emphasis on the problems of developing countries, could facilitate the adjustment of policies and decisions by Governments and regional and international bodies.

The meeting rose at 4.45 p.m.