



UN/DA COLLECTION

SUMMARY RECORD OF THE 19th MEETING

Chairman: Mr. FAFOWORA (Nigeria)

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

AGENDA ITEM 71: DEVELOPMENT AND INTERNATIONAL ECONOMIC CO-OPERATION (continued)
(A/37/324, A/37/333, A/37/447, A/37/544, A/37/3, (part II), A/37/16, A/37/291, A/37/37 (part I and Corr.1 and 2 and part II), A/37/19, A/37/390, A/37/260, A/37/381, A/37/211 and Corr.1-4 and Add.1; A/C.2/37/2; A/C.2/37/5; A/C.2/37/L.5, L.6 and L.8)

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1. Mr. GUGGENBUHZ (European Economic Community) said that the statements made on the occasion of World Food Day were hardly conducive to optimism even though progress had been made in some areas of the world. The international community must therefore strive harder than ever to effect a lasting improvement in the food situation of the most disadvantaged peoples. To that end it would occasionally be necessary to review what had been done so far and see whether certain policies should be changed. Increasing the means of assistance was not the only solution. The independent and stable development of the poorest countries must also be ensured.

2. The European Economic Community (EEC) was thus reviewing its development policy lines for the 1980s and paying special attention to the problem of food and agriculture. In that connection he emphasized the importance which EEC attached to food policies and strategies and the support it gave them. The Community was prepared to step up its assistance to the agricultural and food sectors and to facilitate better integration of financial and technical assistance with the efforts of the beneficiary countries themselves. Furthermore, it was important to encourage small-scale producers and to practise a sensible income and pricing policy.

3. As part of its support for national strategies, EEC proposed a kind of global contract for rural development and for food security. Under that contract the beneficiary countries would agree to implement consistent policies while the EEC and its member States would undertake to ensure greater continuity and consistency in their actions, step up their aid and improve the machinery. All that

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(Mr. Guggenbuhz)

presupposed an ongoing process of consultations on the different specific problems arising in the implementation of strategies, and working groups would be established for that purpose in the countries concerned.

4. The EEC had adopted a balanced agricultural policy which allowed for the necessary adjustments. For example, it had adopted a cautious pricing policy so that real prices had actually decreased in recent years. The structure of agricultural holdings had greatly improved while farm labour had dropped by 9 million in the past decade and continued to decrease at a rate of 2 to 3 per cent per year. Productivity had increased more rapidly in the agricultural sector than in other sectors.

5. The EEC intended to remain open to the rest of the world. It had abolished all quantitative restrictions on imports and more than 42 per cent of its agricultural imports were completely duty-free. That system was of particular benefit to developing countries. The EEC was also the world's leading importer of agricultural products and acquired 46 per cent of its supplies from developing countries. On the other hand, the EEC member countries' share of world agricultural exports had remained remarkably stable between 1973 and 1980 and those exports competed only marginally with those of the developing countries.

6. In conclusion, EEC's agricultural trade policy seemed to be a reasonable one. The EEC wanted more intensive international co-operation either within the framework of GATT, of international commodity agreements or of other arrangements, which could only benefit the developing countries.

7. Mr. BENMOUSSA (Morocco) said that Africa, despite its enormous wealth and great economic potential, had the sad privilege of including two thirds of the land-locked States and two thirds of the world's least advanced countries, not to mention the countries of the Sahel, whose survival was constantly threatened by perilous desertification. At the same time, the African continent had one of the lowest literacy rates, experienced famine and malnutrition, and continued to suffer from the aftermath of colonialism as well as from rudimentary infrastructures and a high degree of dependence on uncertain revenues often deriving from the export of a single raw material. For those reasons, his delegation reaffirmed the need for the international community to give its full support to the implementation of the Lagos Plan of Action and to the implementation of the General Assembly resolutions proclaiming the Industrial Development Decade for Africa and the Transport and Communications Decade in Africa. It also stressed the importance which the Moroccan Government attached to Economic and Social Council resolution 1982/57 regarding the Europe-Africa permanent link through the Strait of Gibraltar.

8. Study of the documents submitted to the Second Committee under agenda item 71, and specifically the report of the Secretary-General on long-term trends in economic development (A/37/211) gave cause for deep concern. They showed that the prospects opened up by the Declaration and the Programme of Action on the Establishment of a New International Economic Order were becoming dim. A review of the International Development Strategy for the Third United Nations Development

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(Mr. Benmoussa, Morocco)

Decade had shown that underdevelopment had worsened in a climate of international crisis, and demonstrated the need for a basic restructuring of international relations. After the failure of the International Development Strategy for the 1970s, the developing countries were now generally experiencing a relative stagnation in their per capita national income and were facing the problems of serious indebtedness, increased unemployment, a larger balance-of-trade deficit and growing protectionism on the part of the industrialized countries. The goals set forth in the International Development Strategy for the 1980s with respect to the annual growth of GNP and of exports would probably remain out of reach for the developing countries. That fact should induce the international community to alter radically the institutional framework of international economic relations so as to improve the terms of trade of developing countries, to increase and stabilize their export earnings and to give their products easier access to the markets of the developed countries.

9. The indebtedness of the third world was so serious that it threatened to undermine the foundations of the world's economy and, because of iniquitous monetary and financial regulations, was jeopardizing the social and economic development of the developing countries. The external debt of the developing countries exceeded \$520 billion while annual payments for reimbursement of the principal and the interest had passed the \$100 billion mark, an amount which exceeded the total volume of external capital income for the less-developed economies, at a time when official development aid had dropped by 4 per cent in real terms. The problem was particularly acute in Africa, where debt service absorbed an alarming proportion of export earnings which might very well set in motion a vicious spiral of impoverishment and despair. It was therefore high time for the developed countries to recognize the need to examine the problem of the indebtedness of the developing countries as it related to various aspects of the international commercial and monetary system, namely, the prices of raw materials, openings on foreign markets, protectionist measures, erratic fluctuations of exchange rates, high interest rates, development aid, and in more general terms, the establishment of fairer rules to ensure the expansion of international trade and the stability of the monetary system. The developing countries could not be expected to comply with rules which suited the developed countries unless the latter agreed in return to rectify the flagrant injustices which were stifling the developing economies.

10. In that context, he felt that the opening of global negotiations was vital to North-South relations in political and economic terms. He therefore urged the developed countries, whatever their economic and social system, to spare no effort to reach a specific agreement during the current session of the General Assembly to link economic growth in the North with accelerated development in the South. In that way the international community, reaffirming the close relations between the different economic fields and the interdependence of nations, and appealing to the collective responsibility of countries to build a better world, would help to pool energies and strengthen mutual interests.

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(Mr. Benmoussa, Morocco)

11. He added that the global negotiations should have nothing in common with "selective bilateralism", which introduced an East/West element into international economic relations, nor with "selective liberalism", which was invoked when the aim was to protect the interests of the developed market-economy countries but was ignored when those of the developing countries were involved. Morocco was actually undergoing that sad experience at present. As one of the main phosphate producing and exporting countries, it had launched an ambitious investment programme in that sector under the current five-year plan. In recent years the prices of sulphur, a commodity used in the manufacture of acids for the production of phosphate fertilizers, had been subjected to organized manipulation in world markets to the point where they had increased threefold and the volumes of sulphur exported to developing countries had been limited, the purpose apparently being to foil their efforts to industrialize and raise the prices of their raw materials. He therefore drew the Committee's attention to the existence of an informal sulphur cartel whose dealings were detrimental both to Morocco's industrialization and to the elimination of the world hunger problem. He hoped that the United Nations bodies concerned would study that problem carefully.

12. He pointed out that, whereas the developing countries, although constituting two thirds of the world's population, accounted for approximately only 20 per cent of its income, 12 per cent of its industrial production and, in particular, under 5 per cent of its scientific potential, and that the countries enjoying rapid and steady technical progress were those which allocated large amounts to research and multidisciplinary training. In that connection, the developing countries, faced with a shortage of resources and of senior personnel and hampered by considerable technological backwardness, were in particular need of increased assistance from the developed countries with technological knowledge and experience. Since the intermingling of civilizations through the ages was the basis of the fantastic scientific and technical progress of modern times, it was not unreasonable to consider the products of intellectual creativity as the common property of mankind, just as it was not wishful thinking to hope for the establishment of a new world cultural and technological order.

13. It was essential that an international code of conduct for the transfer of technology should finally be adopted and that the establishment of the United Nations Financing System for Science and Technology for Development should be the subject of agreement at the thirty-seventh session of the General Assembly. He was convinced that science and technological innovations, if disseminated in the developing countries, would be applied to agriculture and thus, through an expansion of agricultural output, help to banish hunger from the world and to alleviate rural poverty and all its concomitant evils.

14. Since economic orthodoxy and the ethical conduct of international economic relations were the principles which should govern the restructuring of inter-State relations with a view to establishing the new international economic order, he deplored the fact that the international community, paying a grievous price for the prevailing climate of fear and dissension, was continuing to spend on armaments amounts higher than the total invested in the developing countries - amounts as

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(Mr. Benmoussa, Morocco)

high as 6 per cent of GNP in the industrialized countries - whereas one single day of such expenditure would be sufficient to finance the entire United Nations system, whereas the pathetic appeals for more generous contributions to United Nations bodies might remain unanswered and whereas the industrialized countries allocated scarcely 0.35 per cent of their national income to official aid for development.

15. It was high time for the members of the international community to pull themselves together and, undaunted by the magnitude of the task, to assume their responsibilities by acting together to rescue mankind from its present perils and earn the esteem of future generations. In conclusion, he paid a tribute to the leading role played by the United Nations system in strengthening peace, development and international co-operation. He was particularly grateful to UNIDO, FAO and UNCTAD for the assistance they provided to developing countries and hoped that the appeals addressed to the international community by the authorities of those bodies would be responded to and that UNIDO would shortly be able to play an even more dynamic role as a specialized agency.

16. Mr. KARIM (Bangladesh), speaking on behalf of the Group of 77, said that, since the Foreign Ministers of the Group had already made their pronouncements in detail on sectoral issues and coming negotiations in their Declaration of 8 October 1982, it would perhaps be prudent to address the central subject of international economic co-operation for development, namely the immediate launching of global negotiations.

17. Since 1978, the developing countries had asserted that there was a deep-seated malaise in the international monetary and financial system and that the institutions created by some developed countries following the Bretton Woods agreements were unable to deal with the current problems which were of a structural nature. It had taken several years and a prolonged crisis on a global scale for that fact to be recognized by all nations which were suffering from the repercussions of the world depression.

18. Some economists and politicians had optimistically clung to the theory that short-term measures would soon produce results to avert the threatening crisis. But policies pursued at the national level had not been able to reverse the trend. In fact, Governments going their own way had only created worse dissensions and difficulties.

19. One of the main features of the prolonged recession was its effect on the developing countries which were less able to bear the burden of runaway inflation, depression induced by the constriction of resource availability, unemployment, the rising tide of protectionism, balance-of-payments problems and indebtedness and were thus trapped in the ever-worsening vicious circle of poverty.

20. Two factors were peculiar to the deterioration of the world economy which had started in the current decade: its effects were pervasive throughout the world, in economically powerful countries as well as in developing countries; and the

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(Mr. Karim, Bangladesh)

deterioration had also given tangible form to the concept of the economic interdependence of developed countries and developing countries, the latter serving as a market for the products of the others, and had led to the etching out of the outlines of an economic recovery programme in which the two groups of countries would participate. A global agenda of immediate importance to the developing and developed countries had been drawn up three years before, but the launching of the negotiations had been delayed.

21. Although some had concluded that financing through multilateral institutions was more efficient for the developed countries and more equitable for the developing countries, the decision of certain powerful countries to constrict the resources of multilateral institutions in favour of bilateralism had seriously jeopardized the negotiated development programmes already initiated during the Third United Nations Decade for Development to which most developed countries remained committed.

22. The developing and developed countries now had an opportunity for laying the foundations of a recovery programme of longer duration than ever before if they entered into negotiations on the urgent issues already identified and on other related issues for a more just and equitable social and economic order in which all countries of the world would work together for their mutual benefit.

23. There was reason for optimism because, at the current session of the General Assembly, all countries had spoken in favour of launching the global negotiations and most of them had urged that they should be launched immediately.

24. Some countries were seeking clarifications but, if the process were to be delayed until the agenda was right according to everybody's perception, the entire globe might be plunged into a terrifying disaster. The collapse of the poorer nations would not only have uncontrollable reverberations but would most probably also have a domino effect endangering peace and security. Efforts must be made to prevent the worst from happening. Each nation could contribute either to the development or to the destruction of the world. All members of the international community should therefore decide to launch the global negotiations immediately and to start together to negotiate on other sectoral issues such as the United Nations Financing System for Science and Technology, the UNIDO programme and the Nairobi Programme of Action for the Development and Utilization of New and Renewable Sources of Energy. Agreement on the long-term issues would lay a sound economic foundation for a lasting recovery in all countries.

25. Those negotiations should be conducted in a spirit of compromise and goodwill for the mutual benefit of all peoples. Given the urgency of the situation, rhetoric should be eschewed and positive steps taken without further delay.

The meeting rose at 11.30 a.m.