



SUMMARY RECORD OF THE 23rd MEETING

Chairman: Mr. FAREED (Pakistan)

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The meeting was called to order at 10.55 a.m.

AGENDA ITEM 71: DEVELOPMENT AND INTERNATIONAL ECONOMIC CO-OPERATION (continued)
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(o) IMPLEMENTATION OF THE SUBSTANTIAL NEW PROGRAMME OF ACTION FOR THE 1980s FOR THE
LEAST DEVELOPED COUNTRIES: REPORT OF THE SECRETARY-GENERAL

1. Mr. GORITZA (Romania) said that recent trends in international trade had aggravated the world economic crisis and the difficulties hampering the development efforts of the developing countries. The intensification of protectionism by developed countries, the adoption of new measures designed to limit still further

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(Mr. Goritza, Romania)

the access of the products of developing countries to the markets of the developed countries, the continuous decline in the terms of trade, the drop in the price of raw materials and the rise in the price of manufactures were serious obstacles to the economic growth of the developing countries and symptoms of a profound crisis which called for the immediate adoption of effective measures by the international community. In view of those conditions, the sixth session of the United Nations Conference on Trade and Development was of special importance, and he agreed with the Secretary-General of the Conference that it should not be viewed as a routine meeting but as a chance for States to deal directly with the major problems of development and international economic co-operation. In view of the special importance of the issues on the Conference's agenda, careful attention should be given to the preparations for the Conference so that it could make progress towards the solution of the problems of development and towards the establishment of a new international economic order.

2. With regard to the main factors upon which the establishment of more just and equitable economic relations among States depended, more attention should be given to the loss of skilled personnel, which had reached alarming proportions. The recruitment by developed countries of specialists from developing countries had intensified in recent years, and the brain-drain to the developed countries greatly contributed to the perpetuation and accentuation of the economic imbalances and difficulties of the developing countries and had serious economic and social implications. United Nations studies showed that because many highly qualified specialists, such as scientists, engineers and doctors, were used elsewhere than in their country of origin, the economy of those countries suffered losses which by far exceeded the volume of official development assistance which they received. The brain-drain acted as a powerful brake on the economic and social progress of the developing countries, thus widening the gap between them and the developed countries. The United Nations should therefore intensify its efforts to mobilize international co-operation which would effectively help to solve those numerous and complex problems, and should do so with full regard for the need to protect the developing countries from the adverse effects of the exodus of specialists and to give them all necessary assistance in training and using qualified national personnel in accordance with the objectives and requirements of their economic and social development.

3. His delegation was prepared to co-operate with other delegations in identifying specific ways and means of allowing fruitful co-operation to be established within the United Nations which would have tangible results in that important field of international economic life.

4. Mr. LADOR (Israel) said that, having been transformed in just a few decades from a nearly barren wasteland into a modern society, Israel was an example of success in development. Although its resources were limited, it had been able to share them and its experience with other developing countries. Its assistance programmes, which encompassed, inter alia, health care, agrarian reform, agriculture, irrigation, urban and community planning and industrial development, had generally proved to be effective.

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(Mr. Lador, Israel)

5. Because his Government realized that Israel was a member of an interdependent community of developing countries, it supported various international development programmes and attached particular importance to projects aimed at achieving satisfactory levels of nutrition, agricultural development and industrialization.

6. Since some delegations had chosen to divert attention from those important problems and to focus instead on issues which were clearly alien to the concerns of the Committee, his delegation wished to refer to document A/37/238 and to Israel's response in document A/37/347. His Government unequivocally rejected the methods employed in the preparation of document A/37/238, which was based on a misrepresentation of statistical data and on intentional distortion of reality and sought to discredit Israel's policy of promoting maximum socio-economic progress in Judea, Samaria and Gaza and to further the cause of the so-called PLO by cynically exploiting the United Nations system.

7. Despite those flagrant attempts to manipulate the truth, the report failed to hide the reality of the situation and was forced to acknowledge that the standard of living in the districts under Israel's administration had improved markedly in nearly all fields. It indicated that from 1968 to 1981, the gross national product, per capita income and per capita private consumption of those districts had increased in real terms at an average annual rate of nearly 13 per cent, 11 per cent and over 7 per cent respectively. Those achievements were not accidental - they were the inevitable outcome of a socio-economic policy whose express aim was the promotion of public well-being and which was designed to provide employment to all those who desired it. Unemployment in the districts, which had been 13 per cent in 1968, had been virtually eliminated. As the report also noted, the wages paid to that burgeoning labour force had risen rapidly: from 1970 to 1979, they had grown by 48 per cent in real terms in Judea and Samaria and by 68.4 per cent in the Gaza district.

8. Those economic growth indicators were not abstract figures, but overall numerical expressions of the improvements experienced by every resident of the area. From 1968 to 1981, the number of private cars owned by residents of the districts had increased sevenfold, the number of households owning refrigerators and television sets had risen from 4 per cent to 58 per cent and from 2.5 per cent to 65 per cent, respectively, and the number of kitchen stoves had multiplied by 15 in Judea and Samaria and by 23 in Gaza: 75 per cent of all households in those districts now had stoves. Those modern conveniences were rapidly becoming as prevalent in Judea, Samaria and Gaza as they were in the advanced industrial countries.

9. The quality of life was not, however, merely a function of economic prosperity; many other factors contributed to individual well-being. The report had been forced to acknowledge that in nearly all aspects of social welfare the situation in the districts had improved markedly. From 1968 to 1981, the number of classrooms had increased by 72 per cent, the number of teachers by 82 per cent, and the number of pupils by 85 per cent. Despite the higher number of pupils, the teacher-pupil ratio had remained at 1 to 30. The number of female pupils in

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(Mr. Lador, Israel)

elementary and secondary schools had more than doubled and the number of female university students had greatly increased.

10. The improvements in public health under Israeli administration were similarly impressive. As of March 1981, 664,735 residents of Judea, Samaria and Gaza were covered by a comprehensive health insurance plan instituted by Israel. Health care in clinics and full hospitalization were provided for the low fee of \$4 per month per family, and the report mentioned that there was a very satisfactory maternal and child health care network. The infant mortality rate in the districts was a mere fraction of the prevailing rates in many countries of the region. The very fact that Israel had had to introduce a comprehensive health system reflected the disregard for social welfare characteristic of many countries in the region.

11. The report reluctantly acknowledged an improvement in room densities, but went on to accuse Israel of conducting a policy of "benign neglect" and, in some instances, of actively obstructing individual efforts to build homes. In fact, however, the housing sector had expanded considerably. Completed residential construction had increased in Judea and Samaria from 63,000 square metres in 1968 to 606,200 square metres in 1980, with another 635,000 square metres still under construction. In Gaza, completed residential construction had increased from 3,000 square metres in 1968 to 216,500 square metres in 1980, and an additional 312,000 square metres of construction was in progress.

12. As for agriculture, the report charged that Israel, by creating numerous obstacles including limitations on water consumption, had impeded a rise in agricultural production and income. In fact, the total value of agricultural production in Judea and Samaria had increased by 305 per cent from 1968 to 1979, representing an average annual increase of about 10 per cent, compared to an increase of 5 per cent for the rest of Israel. Production of field crops, fruit and vegetables per unit of land and water had doubled between 1967 and 1980. The total area of irrigated land had expanded by 150 per cent from 1968 to 1979, which clearly refuted the charge of crippling water restrictions, and significant progress had been made in agricultural mechanization: the number of tractors in the areas had increased from 120 in 1968 to 1,900 in 1979.

13. Those figures clearly revealed that the report was biased and unacceptable. Truly objective observers would have readily acknowledged the indisputable truth: that Israeli administration had brought about a major improvement in the living conditions of the residents of the districts. Indeed, the attempt to manipulate the truth for the political benefit of States that had long ignored the welfare of their own citizens merely re-emphasized the progressive character of Israel's socio-economic policy and the rapid development maintained in the districts under its administration. The time had come to end polemics and unfounded allegations. Superficial reports and biased investigative teams did very little to improve the standard of living of residents of the districts, and true co-operation between States in the region was the only way to achieve socio-economic prosperity for all. Though it had been rebuffed repeatedly in the past, Israel once again called upon its neighbours to show friendship and co-operate peacefully on the issues facing their region.

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14. Mr. SILWAL (Nepal) said that his country placed great value on the economic co-operation among developing countries and welcomed the progress made so far. Nepal hoped that the role of economic co-operation among developing countries in the restructuring of international economic relations would be duly recognized and that the United Nations system and the entire international economic community would co-operate in that process.

15. The present economic recession was largely due to the depression in world trade. The extreme weakness of the commodities market, combined with the growing trend towards protectionism and other restrictions in the developed market economies, had created an export crisis and balance-of-payments deficits in the developing countries. His delegation hoped that the forthcoming Ministerial Meeting of the General Agreement on Tariffs and Trade would seriously address itself to trade and related issues and ensure that the distortions in the freedom of trade were corrected.

16. The land-locked developing countries faced special problems in gaining access to world markets, but the resolutions recommending specific action to meet their particular needs remained a dead letter. He therefore appealed to the developed as well as the developing countries to promote international co-operation in order to alleviate that situation. There were a great many land-locked countries, and to ignore their problems would be to jeopardize the entire process of international development and co-operation.

17. The successful conclusion of the United Nations Conference on the Least Developed Countries had been welcomed as one of the most tangible and positive achievements in international co-operation. His delegation appreciated the reaffirmation by the donor countries of their commitments, but was apprehensive with regard to the decline in contributions to the multilateral agencies. That decline would surely have an adverse effect on the effectiveness of the Substantial New Programme of Action. One of the few themes common to the statements of most delegations at the thirty-seventh session of the General Assembly had been the need to assist the least developed countries. That concern created a favourable climate for the actions proposed in the Substantial New Programme of Action and, although the international economic situation looked bleak, his delegation believed that the problem of mobilizing funds for those actions could be solved.

18. As a net importer of oil, to pay for which two thirds of its export earnings were earmarked, Nepal was deeply interested in the development of new and renewable sources of energy. It had therefore participated in the meeting of the Interim Committee on New and Renewable Sources of Energy in the hope that the implementation of the Nairobi Programme of Action would be launched immediately. Agreement on resource mobilization and institutional arrangements had not been reached, however. Although the primary responsibility for promoting the development and use of new and renewable sources of energy rested with individual countries, international support measures were indispensable, especially for the least developed countries. The development of hydropower held out bright prospects for Nepal's domestic development and exports, but there was a problem with resources. His delegation appreciated the important role played by the World Bank

(Mr. Silwal, Nepal)

and the United Nations Development Programme in the pre-investment and investment phases of the development of hydropower and reiterated its proposal that a regional centre for small hydropower sources should be established in Nepal.

19. The question of the environment was closely connected with that of new and renewable sources of energy. At no time in human history had the awareness of the environment's relevance to development and human survival been so strong, but the environmental challenge had never been greater. The session of a special character of the Governing Council of the United Nations Environment Programme (UNEP) had been an important event which had enabled the world community to assess the achievements of the decades since the Stockholm Conference, to identify problems crucial to man and his environment and to establish priorities for action. UNEP's catalytic role and increased involvement in the execution of projects in developing countries was incontrovertible; he therefore appealed to donor countries to contribute more to UNEP and strengthen its role.

20. The degradation of the Himalayas was one of the most serious environmental problems and it had not been fully understood by the world community. A major ecosystem which had nurtured a whole civilization and culture and supported millions of people was in great peril. The danger came not only from deforestation and soil erosion but also from the entire socio-economic situation of the area. The net cost of that phenomenon to the economies of the region was enormous, given the problems arising from factors such as siltation, soil erosion, non-navigability of inland waters, flood, drought and decreased agricultural productivity. Nepal recognized that the solution had to be sought on a regional basis and that countries had to adopt their own measures. It had enacted legislation and taken steps to promote awareness of the problem and to execute model projects with the assistance of donor countries and United Nations agencies. Other countries in the area had also moved in the right direction. Those steps were but an infinitesimal fraction of the gigantic endeavour required, however, which could not be launched without effective international support. The United Nations was working on a system-wide programme on the interrelationship between resources, environment, people and development, of which the Himalayan foothills project was part. His delegation hoped that UNEP, the lead agency for that programme, would be given the authority and resources to proceed with it.

21. Mr. RICHARDSON (Jamaica), drawing attention to the statement by the Governing Council of UNEP that consideration should be given to reducing the periodicity of its sessions, said that that view should be endorsed by the General Assembly and that the Commission on Human Settlements should be requested to consider following suit for its sessions. In view of the close relationship between the subjects concerned, the Committee should ensure that the periodicity of sessions of the two bodies was co-ordinated, so that it could consider their reports in the same alternate years. Consideration should be given to similar measures in respect of other subsidiary bodies of the General Assembly, since the annual consideration of their reports did not leave enough time for relevant programmes and projects to be carried forward, particularly those that required authorization and funding action by the General Assembly.

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(Mr. Richardson, Jamaica)

22. As to the restructuring of the economic and social sectors of the United Nations system, while satisfactory progress had been made in some areas, there were two in which significant follow-up action had not been taken. Firstly, document A/C.2/37/L.7 contained a draft resolution on the restructuring consideration of which had been deferred by the General Assembly at its thirty-sixth session and his delegation suggested that it should be deferred again until the thirty-ninth session. At that time, the Assembly would have before it the results of the consultations of the President of the Council on all aspects of the implementation of section II of the annex to General Assembly resolution 32/197. While the measures outlined in Council resolution 1982/50 could result in the refinement and streamlining of the Council's operating procedures, they did not solve the basic problem as to how to enable the Council to assume its responsibility under the Charter. His delegation therefore suggested that further consideration and review of the entire subject should be scheduled for 1984.

23. The second area requiring follow-up action was the relationship between the Director-General for Development and International Economic Co-operation and the entities of the United Nations Secretariat. The General Assembly could and should approve the conclusions and recommendations set forth in document A/36/419, because those recommendations would furnish a sound basis for the effective operation of the Office of the Director-General.

24. With regard to the report of the Secretary-General on financing the Plan of Action to Combat Desertification (A/37/424 and Add.1), he drew attention to the fact that subparagraphs 4 (a) and (b) of that report did not concern desertification only. The feasibility studies and concrete recommendations referred to in paragraph 4 (a) had originated at the second special session of the General Assembly devoted to development. The objective at that time had been to obtain an additional automatic flow of funds. The study prepared by the group of high-level specialists in international financing (A/35/396, annex) constituted the only attempt made to consider how additional resources might be obtained from all Member States. The study in question had been linked with desertification by the Secretary-General, but it was not necessarily a desertification exercise. It was obvious that Member States would not endorse the various methods of raising funds proposed in the first part of that study until they were ready to provide additional resources for general development purposes. He suggested that the Committee should not request additional financing from Member States at the current stage and that it should refer the first part of the study to the authorities that would engage in the global negotiations. In the mean time, the Executive Director of the United Nations Environment Programme should be invited to reconsider the possibility of raising funds expressly for financing the Plan of Action to Combat Desertification. The Executive Director should be authorized to set up another group of experts, if he considered that necessary.

25. With regard to the feasibility study and working plan for the establishment of an independent operational financial corporation for the financing of desertification projects (A/36/141, annex), all Governments that had expressed a view on the matter approached the question as though the aim were to raise funds for general anti-desertification measures, whereas the objective was to deal only

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(Mr. Richardson, Jamaica)

with long-term measures. Since the General Assembly had requested a full study and working plan, it could not, at the current stage, claim that it was unable to supply interest-free funds. The feasibility study and working plan should therefore be referred to Member States once again and they should be asked, first, whether they agreed that the corporation in question should be established on the basis of the study in document A/36/141 and, secondly, whether they would participate in financing it with interest-free resources.

26. Mr. NGUYEN LUONG (Viet Nam), referring to agenda item 71 (c), said that the current international economic situation did not inspire optimism and that the international trade situation had grown worse over the past year, particularly where the developing countries were concerned. New problems had emerged, and the economic crisis in the capitalist countries was having a strong impact on the developing countries' economies. There had been a serious deterioration in the developing countries' terms of trade, and their balance-of-payments and trade deficits had grown considerably. Furthermore, rapacious exploitation by the transnational corporations had revealed the inequitable character of capital-dominated economic relations.

27. The outcome of the forthcoming sixth session of UNCTAD was therefore of crucial importance for the restructuring of international economic relations with a view to establishing a new international economic order. The original causes of the current situation must be pinpointed in order to solve current problems. UNCTAD had a major role to play in the area of trade and development, including monetary and financial issues. His delegation welcomed the fact that the question of finance had been included among the four basic items on the provisional agenda for the sixth session of UNCTAD.

28. The concepts of economic and technical co-operation among developing countries had rapidly gained acceptance and those two forms of co-operation had an important role to play in the restructuring of international economic relations. The United Nations system should therefore give them the greatest possible emphasis. UNCTAD, in particular, had an important part to play in promoting economic co-operation among developing countries.

29. Many developing countries had strengthened their economic relations with the socialist countries, thus exploring various forms and areas of co-operation of their choice and resisting encroachments on their economic and political independence. Viet Nam had assigned high priority to seeking forms of co-operation that would enable it to develop an independent national economy and to safeguard its hard won political autonomy. Its co-operation with the Soviet Union and other members of the Council for Mutual Economic Assistance (CMEA) had enabled it to overcome enormous difficulties and lay the foundation for an independent economy capable of promoting rapid economic and social development. Within the context of CMEA, special measures had been taken to enable the less developed countries, including his own, to close the economic and technological gap separating them from other countries.

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(Mr. Nguyen Luong, Viet Nam)

30. His delegation rejected the allegations made with regard to the technical and economic assistance provided by the socialist countries of CMEA to the developing countries. The nature and extent of their assistance was outlined clearly in the relevant documents submitted to the Committee, its consistent purpose being to help the recipient countries to consolidate their independence.

31. Viet Nam was also engaging in productive co-operation with other countries at the regional and sub-regional level, namely, with other countries of Indo-China, with India and within the framework of the Mekong Interim Committee. It was also prepared to establish economic relations with any country, on the basis of respect for national independence and sovereignty, territorial integrity, non-interference in internal affairs, equality and mutual benefit.

32. Despite the adoption of the Substantial New Programme of Action for the 1980s for the Least Developed Countries, the readiness shown by the international community to help them overcome their difficulties had not yet been reflected in practice. The urgent need to implement that Programme had been reaffirmed at the recent Ministerial Meeting of the Group of 77. His delegation supported the appeal made at that Meeting to all countries and multilateral organizations to take specific and appropriate measures to implement the Programme.

33. Mr. SORZANO (United States of America) said that it was clear that there was no consensus on the causes of the current economic situation or on the remedial measures that might be taken. However, a first step in solving many of the problems in question lay in the international community's capacity to maintain a successful dialogue on such matters. Although the international economy was in a poor state, his delegation would not go so far as to call it a crisis.

34. The current world-wide recession, which had not spared his country, was turning out to be unusually protracted. On the other hand, there was evidence to suggest that the international economic situation was not as bad as many had feared. World Bank data indicated that in 1981 many developing countries, and even entire regions in the developing world, particularly East Asia and the Pacific and the South Asian region, had performed remarkably well. South Asia, a region of slow growth throughout the 1960s and 1970s, had recently had two consecutive years of extraordinarily high rates of growth, and famine was no longer an imminent threat there.

35. With regard to the domestic economic situation in the United States, his Government's anti-inflationary policy had achieved a degree of success that surpassed all expectations. That policy had also begun to pay off in a substantial decline in interest rates, currently at their lowest levels in over two years. As a result, there had been a sharp upward trend on Wall Street and a surge in housing starts.

36. His Government was aware of the importance of interdependence and therefore believed that the positive trends in the United States economy would quickly spread to other economies. It had used free-market forces to achieve a significant drop in United States oil imports, thus contributing to a world-wide reduction in oil

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(Mr. Sorzano, United States)

demand. The impact of the resulting drop in energy prices and of the reduction in United States interest rates on the economies of the majority of the developing countries should not be underestimated. Moreover, a reinvigorated United States economy would provide a better market for the developing countries' exports. However, it was the reduction in inflation that was most important for the long-term health of the world economy. Although the fight against inflation had by no means yet been won, the prospects were encouraging, and an improvement in the international economic situation could not but alleviate the debt burden of many nations.

37. Some delegations had expressed the view that the economic difficulties experienced by developing nations were attributable to their deteriorating terms of trade with the industrialized world. The evidence suggested that that was not the case. It was true that over the past few years the oil-importing developing countries had been hurt by a decline in their terms of trade, but the figures of the International Monetary Fund for 1982 showed that the only group to experience an improvement in its terms of trade over the past three years was that of the oil-exporting developing countries. The aggregate shift in the terms of trade had therefore primarily taken place within the ranks of the developing countries and could not account for the overall decline in the developing countries' rate of economic growth.

38. There had also been frequent assertions in the Committee that increased spending on armaments had been a major cause of the slow-down in world economic growth. Once again, however, the evidence suggested that that was not so. The World Bank's figures for 1982 showed that from 1972 to 1979 in the industrial market economies as a whole defence spending as a percentage of GNP had declined, with the United States figure registering a decrease from 6.4 per cent to 4.6 per cent, whereas in the middle-income and low-income developing countries in the same period the percentage of GNP spent on defence had risen, with the percentage for the low-income countries surpassing that of the industrial market economies. Over the past few years the United States had increased the proportion of its resources allocated to defence owing to the fact that the Soviet Union had continued to devote well over 10 per cent of its GNP to military spending. If spending resources for defence purposes was a sin, those who could least afford it were among the worst sinners. In any event, it was misleading to assert that the current world recession was linked to Western defence spending.

39. His delegation fully endorsed the view that protectionism was a danger to the world economy and should be resisted. However, it was less convinced that the international community needed to be concerned only at protectionism in the industrialized market economies, even though those economies constituted the developing nations' major export market. Damaging economic policies were not exclusive to any group of countries. Indeed, where such practices were concerned the industrialized countries were the least offending of all groups. Moreover, protectionism in the developing countries was also a danger to the world economy.

40. No matter how favourable the state of the world economy, the economic prosperity of any nation ultimately depended on its own domestic economic

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(Mr. Sorzano, United States)

policies. His delegation had stressed the benefits to be derived from policies that encouraged market practices. It recognized that markets and market-oriented practices did not exist in a vacuum but, rather, within concrete social structures and that markets could not function effectively without an appropriate infrastructure. United States assistance programmes for economic development therefore focused on establishing the necessary infrastructure. However, infrastructure needed to be complemented by market practices. Incentives exerted a powerful influence on human economic behaviour. His delegation had not advocated a laissez-faire approach, or exclusive reliance on the market place, or the withdrawal of Governments from their legitimate areas of activity. It was, however, an incontrovertible fact that economic growth was fostered by policies designed to promote the motivation, initiative and productivity of the individual. That fact had recently been demonstrated in West Africa's Sahel region, where the inflexible grain-pricing schemes of government marketing boards had been altered in order to allow the freer play of market forces. That new production incentive was becoming a key factor in increasing the region's fragile food supply.

41. The United States would seek to expand the benefits of economic growth for developing countries through its multilateral and bilateral development assistance programmes. It would also continue its support as the largest donor for the development-oriented specialized agencies and other development organizations of the United Nations system and intended to maintain, if not raise, its current levels of contribution.

42. At the same time, his country's Agency for International Development was providing development assistance on a bilateral basis. In 1982 the United States would provide \$6.2 billion for developing countries on a bilateral basis. In addition, both through the World Food Programme and through direct country-to-country food grants, the United States would continue to provide food assistance to food-deficit developing countries as well as to regions suffering from natural or man-made disasters.

43. The representative of the Soviet Union had claimed that his country provided generous economic assistance to the developing countries. Of course, the great preponderance of the Soviet Union's economic assistance went to that country's client States in the developing world. If those few States were receiving development assistance on the scale suggested by the Soviet Union's figures, the fact that their economies none the less continued to stagnate and even to regress was an even greater indictment of the incapacity of the Soviet Union's brand of communism to promote economic development. However, the Soviet Union's claims could not be regarded as anything more than empty propaganda until they were backed up by the kind of data provided by the countries belonging to the Organisation for Economic Co-operation and Development. The facts regarding the Soviet Union's performance in terms of multilateral development assistance channelled through the United Nations system could be seen in table A-4 of document A/37/445, which revealed that the Soviet Union contributed a miserly 10 cents per capita.

44. With regard to the outlook for the launching of global negotiations, his delegation looked forward to the discussions aimed at breaking the current

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(Mr. Sorzano, United States)

deadlock. The parties involved were in fact close to reaching a solution acceptable to all. His delegation continued to believe that the Versailles text offered a fair and realistic basis on which to proceed, since maintenance of the integrity of the existing specialized agencies remained of paramount importance to his Government.

45. Mr. St. AIMEE (Saint Lucia) said that over the years there had been a dangerous drop in the volume of funds available for development assistance. However, calls for an increase in contributions to the United Nations Development Programme (UNDP) and similar agencies went unheeded. Some major donors had not even raised the level of their contributions as a result of the decision to allocate a substantial amount of UNDP resources to the least developed countries. Although decisions had been taken by various bodies to allocate a greater proportion of funds to those countries, they had yet to be implemented in the form of available funds.

46. Countries which narrowly failed to qualify for classification in the category of least developed countries were in an even worse situation. As soon as a country reached a certain level of development, the international community lost interest and the country was disqualified from special economic assistance programmes, as though per capita income were a magic indicator of development. Saint Lucia and indeed most island developing countries fell into that category. In that connection, his delegation welcomed the report of the Secretary-General on progress in the implementation of specific action in favour of island developing countries (A/37/196) and strongly endorsed paragraph 4. It was aware of the concern felt by some Governments at the proliferation of special categories within the United Nations. However, the meaning of the term "island developing countries" was clear: the report of the Secretary-General to which he had just referred gave an accurate description of the factors, such as small size, soil erosion and lack of natural resources, which affected island developing countries.

47. He was encouraged to see that the Economic and Social Council had taken note, in its resolution 1982/66, of the decision taken by the Industrial Development Board concerning the proposal regarding an international bank for industrial development. Since such an institution might not materialize immediately, existing financial institutions should give priority to industrialization projects when allocating development resources to developing island countries. Unless concessional terms could be provided such countries would be forced to remain in a semi-industrialized state because, in most cases, the projects they required were too small to be considered by the international lending agencies.

48. He had also been encouraged to hear the Minister of Foreign Affairs of Norway reaffirm, in his address to the General Assembly, the decision of his Government to maintain official development assistance at the level of 1 per cent of GNP and to hear a similar commitment at the current meeting from the representative of the United States. Unfortunately, the official development assistance flows of many countries continued to fall far short of the 0.7 per cent target agreed in the International Development Strategy. The only bright spot in the Strategy was the increased co-operation - both economic and technical - among developing countries.

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(Mr. St. Aimee, Saint Lucia)

However, it must be remembered that the capacity of developing countries to help themselves depended also on the assistance that could be obtained from international agencies and developed countries and on the reorganization of international economic relations.

49. There was growing concern that small developing countries might be neglected as their political importance in the East-West conflict diminished. If that happened, they too would become breeding grounds for revolution. In that connection he drew attention to the remarks made by the Minister for Foreign Affairs of New Zealand in his address to the General Assembly concerning the shortcomings of the criteria for least developed States in so far as island States were concerned and calling for more outside help to such States. Although the Minister had been speaking of the developing island countries in the South Pacific, the same was true of those in the Caribbean.

50. Preservation of the environment was a crucial factor in the continued survival of small islands, for such problems as soil erosion and pollution of the adjacent seas could further strain their already limited resources. UNEP had made commendable efforts to assist such islands and he appealed to Member States to support its efforts. Recalling that his country had been ravaged in 1980 by two hurricanes, he thanked all those who had provided assistance.

51. His delegation might put forward specific proposals for consideration in respect of developing island States and hoped that, in the light of the report of the Secretary-General on the subject (A/37/196), other delegations would support its efforts.

52. Mr. KOH (Republic of Korea) said that given the interdependence of all countries in the world he could not emphasize too strongly the need for all countries to work together to rescue the world economy from the current recession. International efforts in that regard had, however, been less than satisfactory. In place of concerted efforts the world was witnessing a resumption of protectionism by the industrial countries. Such measures threatened not only the future of the entire economic system but, by artificially sustaining a competitively weak sector of industry, they also threatened the very ideal of free trade. In addition they stifled the budding manufacturing industries of the developing countries and depressed demand for those countries' raw materials. Some observers warned that such policies might lead to a resurgence of intensified economic war.

53. In order to revitalize the world economy the industrialized countries should abandon their protectionist policies and lift trade restrictions against the developing countries. They should adopt a new economic policy aimed at economic expansion and should encourage free trade and lower interest rates vis-à-vis the developing countries. In addition, an integrated approach should be adopted covering all areas of economic life. In that connection, it was deeply regrettable that, despite general agreement on the urgent need for them, global negotiations had not yet been launched.

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(Mr. Koh, Republic of Korea)

54. With such considerations in mind, his delegation called upon the Committee to encourage the forthcoming Ministerial Meeting of GATT to examine the various restrictive trade measures currently in effect and have them adjusted to conform to GATT regulations and to study ways of expediting the launching of the global negotiations so as to effect structural corrections.

55. Economic and technical co-operation among developing countries had progressed in an encouraging manner during the past year and the Caracas Programme of Action was being gradually implemented. Such co-operation would do much to advance the development of the developing economies and to ensure the balanced development of the world economy as a whole.

56. Despite its current economic difficulties, the Republic of Korea would continue to expand its economic and technical co-operation programmes with other developing countries and to share its experience with them. During the current year it would be inviting nearly 500 technical trainees from 73 developing countries and sending 24 technical experts to 16 countries. By 1986 it hoped to have expanded the programme to involve at least 1,000 trainees annually. It was scheduled to join the African Development Bank in 1983 and was also considering articulating in the Inter-American Development Bank.

57. It was essential to establish an international mechanism to promote the development of science and technology within developing countries as well as to encourage the transfer of technology from developed to developing countries and boost their capacity to make the most of available technology. Accordingly, he reiterated the hope that rapid progress would be made in the negotiations on the establishment of a long-term financing system for science and technology for development. The recent informal consultations held at Geneva and New York on various financial and institutional aspects of the question could provide a basis for future discussions. He was confident that his country would join the system once it was established.

58. Mr. LIPATOV (Ukrainian Soviet Socialist Republic) said it was clear from the various documents before the Committee that the international economic situation had continued to deteriorate. UNCTAD had a direct responsibility to prepare specific measures for eliminating political obstacles to trade. Such measures would be particularly timely in view of the preparations under way for the sixth session of UNCTAD. Given the present situation, the development of mutually beneficial trade and the promotion of economic, industrial, scientific and technological co-operation would have a stabilizing influence on the world economy and political situation. Accordingly, serious consideration should be given, at the forthcoming session of UNCTAD, to the major trade and political problems and to ways of restoring trust in international trade relations in the interests of all participants.

59. Trade relations between the developed market-economy countries and the developing countries were being impeded by the introduction of artificial barriers and sanctions. The effect of those measures was to disrupt world trade. He

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(Mr. Lipatov, Ukrainian SSR)

condemned the attempts by the imperialist States to use trade and economic relations as a means of exerting political pressure. Those attempts constituted crass interference in the internal affairs of States. UNCTAD should be more active in seeking to remove trade barriers. In that connection, he pointed out that attempts to revise UNCTAD's mandate in that area would necessarily weaken its authority.

60. UNCTAD should also step up its activities with regard to the economic aspects of disarmament. His delegation welcomed the inclusion in the Trade and Development Report 1982 of a chapter analysing the consequences of armaments expenditure and disarmament on development as it reflected a growing awareness of the close interrelationship that existed between disarmament and development, and hoped that the report would be followed by a detailed programme.

61. The United Nations Environment Programme had done much to draw attention to the vital need for environmental protection. Priority should be given to the establishment of a world-wide environmental monitoring system, development of a scientific basis for global monitoring and promotion of monitoring of the oceans. In that connection, he pointed out that progress towards the adoption of an integrated approach to environmental development was unsatisfactory. Noting the resolution on arms and the environment adopted by the UNEP Governing Council at its session of a special character, he expressed the hope that UNEP would continue to assign priority to that very important issue. In that connection, the participation of UNEP in preparing the report entitled "The Protection of Nature from the Pernicious Effects of the Arms Race" (A/S-12/9), submitted to the General Assembly at its second special session devoted to disarmament, was a very promising sign.

62. In the Ukrainian SSR environmental protection was a prime responsibility of the State. Twenty-two large-scale integrated environmental protection programmes were being implemented with the assistance of over 200 research and advanced education institutes.

63. After drawing attention to two seminars recently held in Kiev and to the considerable expertise available in his country in the matter of agrarian policies - it was implementing anti-erosion measures as well as measures to enhance soil fertility - he pointed out that, although there were many Ukrainian environmental specialists, not a single one was on the staff of UNEP.

64. Mr. DE SILVA (Sri Lanka) drew attention to paragraphs 3 and 4 of the report of the Secretary-General on overall socio-economic perspectives of the world economy (A/37/211 and Corr.1) outlining the present economic crisis. In the midst of that crisis the developing countries and almost all developed countries had expressed deep concern at the inordinate delay in launching the global negotiations. The Foreign Ministers of the Group of 77 had reiterated the urgent need for the immediate launching of those negotiations and for concurrent negotiations in such critical areas as raw materials, food, energy, financial flows and other pressing economic problems. His delegation fully supported the views expressed and the recommendations made by the Foreign Ministers in their Declaration (A/37/544, annex I).

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(Mr. De Silva, Sri Lanka)

65. Because of the prevailing crisis during which it would convene, the sixth session of the United Nations Conference on Trade and Development would inevitably deal with a wide range of issues that were central to the crisis, taking into account the interrelationships between them. His delegation had been pleased to note that the Director-General for Development and International Economic Co-operation was also of the view that the session would be a major conference on vital issues of trade and development and it endorsed the view expressed by the Group of 77 that the sixth session could make a real contribution to solving some of the most pressing problems facing the world economy. Serious commitment was needed in order to ensure the success of the session.

66. He hoped that Member States would speedily sign and ratify the Agreement establishing the Common Fund for Commodities so as to bring closer the time when that Fund would become operational.

67. His delegation had been most concerned at the unexpected turn of events at the conclusion of the fourth session of the Intergovernmental Committee on Science and Technology for Development. The establishment of a long-term financing system was in the interest of developed and developing countries alike; moreover, experience had shown that the resources made available to countries by the Interim Fund had proved a useful catalyst for national development efforts. Recalling that the financing system provided for the exchange of information on research and training and that the activities of the Interim Fund had emphasized the internationalization of results, he expressed the hope that the developed countries would respond constructively to negotiations with the Group of 77.

68. If global demand for energy was to be met, there would have to be a shift away from the current excessive reliance on hydrocarbons and substantial progress would have to be made in the efficient use of available energy resources. Accordingly, his delegation supported the proposal to establish an intergovernmental body for new and renewable sources of energy. It was also in favour of additional resources for the development of new and renewable sources of energy and the establishment of an energy affiliate of the World Bank.

69. Sri Lanka placed considerable emphasis on human settlement activities as an important means of attaining the goals of the International Development Strategy. In that connection, two years earlier it had submitted a proposal to the General Assembly for the declaration of an international year of shelter for the homeless. A specific proposal on the subject was being submitted to the General Assembly through the Second Committee at the current session and he hoped that it would receive the support of all Member States.

The meeting rose at 1.10 p.m.