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## SUMMARY RECORD OF THE 24th 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)  
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(p) NEW INTERNATIONAL HUMAN ORDER: MORAL ASPECTS OF DEVELOPMENT (continued)

1. Mr. GOKCE (Turkey) said that many representatives had discussed in detail the nature and scope of the economic crisis prevailing in today's world, particularly in the developing countries. Many had indicated that the problems of the latter stemmed from their excessive external debt, unfavourable balance of payments and deteriorating foreign exchange rates, while others had felt that inflation, high interest rates and protectionism were responsible. In the developed countries, the abrupt rise in oil prices, which had depressed demand and fueled inflation, was a major contributing factor to the economic stagnation.

2. That situation made it imperative for countries to engage in regional and global negotiations to restructure the world economy.

3. Currently, the attention of all States was centered on finding effective ways of halting inflation, because that problem seemed to be the greatest cause for concern today. The methods used varied, according to the country, but for every percentage point that inflation was reduced, the rate of unemployment was increased, and the condition known as "stagflation", which had persisted for several years, was perpetuated. The industrialized nations were divided as to the type of strategy that should be pursued to remedy the crisis and, as a result, atavistic and contradictory policies were implemented, all of them moving in a protectionist direction reminiscent of the practices applied in the early 1930s.

(Mr. Gokce, Turkey)

4. The issue at hand therefore was whether the international community could achieve and develop a co-ordinated world economic recovery, whether it could reach a consensus on burden sharing and could harmonize different economic policies. The best solution for rich and poor countries alike lay in an economic recovery programme based on the principle of multilateralism and in the resumption of international co-operation. If the major economic problems were interdependent, so were their solutions. Therefore, a new type of co-operation must be developed and an integrated development programme formulated as soon as possible.

5. For those reasons, his Government supported the opening of global negotiations within the United Nations in an effort to deal with international economic issues in a comprehensive way. Turkey hoped that a consensus could be reached in the near future on that initiative. If the world economic recovery programme was to succeed, both the industrial and developing countries must make profound structural adjustments in their economies. To help the developing countries to attain that objective, the developed countries must increase the volume of the concessional financial assistance they provided to them. Unfortunately, unlike the major recession that had occurred in the mid-1970s, the developing countries must confront the current crisis largely unassisted.

6. The commitments made at the Versailles summit meeting by the seven major industrialized nations to increase their co-operation with the developing countries in various ways - for example by strengthening the stability of the world monetary system, further opening their markets to the developing countries, agreeing to the major political objective of the global negotiations in the United Nations and developing their co-operation with the World Bank, regional development banks and other institutions - were extremely encouraging, and it was to be hoped that they would be translated into reality. His delegation was also quite optimistic about the fact that, at the joint annual meeting of the International Monetary Fund (IMF) and the World Bank held recently at Toronto, seven industrialized countries had agreed to increase the financial resources of IMF.

7. In his opinion, financial institutions such as the IMF and the International Development Association (IDA) should play a more active role in assisting the economic recovery of the developing countries by providing loans at preferential terms for the execution of development programmes and by supporting their balance of payments. It was also to be hoped that the GATT Conference in November 1982, the forthcoming summit meeting of the industrialized countries, to be held in the United States in 1983, and the sixth session of the United Nations Conference on Trade and Development in June 1983 would produce equally satisfactory results.

8. His delegation was concerned about the decrease in official development assistance and in the amount of voluntary contributions to United Nations funds and programmes, particularly those to UNDP which had fallen by 25 per cent from 1980 to 1982.

9. IDA commitments had been reduced by 30 per cent, and its future remained uncertain. He joined other delegations in expressing profound regret that agreement still had not been reached on the long-term arrangements for the United Nations Financing System for Science and Technology for Development. In addition,

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the Nairobi Programme of Action for the Development and Utilization of New and Renewable Sources of Energy still awaited action, both in terms of mobilizing additional financial resources, especially within the United Nations system, and in developing the necessary institutional structures. The question of energy must be given due consideration, because it was critical for a number of non-oil-producing countries, including Turkey.

10. With regard to the problem of food, the developing countries were concerned about the worsening of the already critical food situation in many developing countries, especially the least developed countries.

11. Therefore, he felt that there was an imperative need to strengthen multilateral economic co-operation in order to reverse the current trend. Accordingly, co-operation among the developing countries (South-South co-operation) was already being expanded. However, it should not be construed as replacing North-South co-operation but merely as supplementing it. The world recovery programme must include practical action in the field of co-operation (creation of infrastructures and promotion of joint industrial projects, among others). Turkey was participating in and supported the activities involving economic co-operation among developing countries undertaken within the framework of UNCTAD.

12. Because of its strategic location, Turkey had diversified its foreign relations. For example, it was expanding its relations with the countries of the third world, was a member of the OECD and was associated with the EEC. Its affiliations with the developed countries did not prevent it from supporting the developing countries in their quest for a more equitable new international economic order. Turkey had also strengthened its economic relations with the countries of the Middle East.

13. Although potentially rich in natural resources, Turkey was a developing country and, in 1980, had embarked on a vigorous austerity programme, with the support of the IMF, to revive its economy. Daring steps had been taken to combat inflation, to restructure growth patterns, to adjust to higher energy costs, to mobilize additional domestic resources and international capital, to step up productive investments and to increase export earnings.

14. Those initiatives attested to Turkey's willingness to contribute, both domestically and internationally, to the world economic recovery, which was necessary for the maintenance of international peace and security.

15. Miss GARCIA-DONOSO (Ecuador), after recalling the effects of the international economic crisis on developing countries (imported inflation, difficulty in selling their commodities on the developed countries' markets due to the slackening of economic growth there, protectionist policies pursued by the developed countries), said that those various problems had upset the development plans of the third world countries and hindered their participation in world trade, contrary to the provisions of the Tokyo Declaration.

16. Over the past two years, Ecuador, in common with many other developing countries, had seen its balance of payments disrupted by the fall in prices of its

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main exports and by the increased cost of servicing its external debt owing to the spectacular rise in international interest rates. Contrary to the statement by the representative of the United Kingdom, according to whom the United Kingdom's generalized system of preferences was one of the most generous since it provided broad access to the United Kingdom's market for developing countries' exports, a study carried out by the Latin American Economic System on trade links between the countries of Latin America and the European Economic Community indicated that Latin America was suffering from the effects of the protectionist policies pursued by the EEC member countries. The changes made after 1981 in the Community's generalized system of preferences ran counter to the spirit in which that system should be implemented by virtue of resolution 21, adopted by the United Nations Conference on Trade and Development at its second session. Ecuador, like other Latin American countries, suffered from that state of affairs. Her delegation believed that the generalized system of preferences should be extended to give the products of developing countries access to consumer markets by eliminating all unfair competition, the practice of "dumping" and triangular operations allowing the irrational exploitation of human and natural resources. Multilateral trade negotiations should also deal with products of importance for the balance of payments of developing countries, such as tropical produce.

17. Although not a party to GATT, Ecuador had long been interested in that institution's activities, since its aim was to eliminate obstacles to international trade and to formulate equitable and just trade regulations. Her Government regretted, however, that GATT had not managed to solve the problems of quantitative restrictions and increased protectionist measures, which affected the trade of developing countries. Her Government was particularly concerned about the arrangements proposed for distinguishing between developing countries with regard to the granting of preferential treatment, since that ran counter to the basic rules of the generalized system of preferences. Her delegation felt that there was a need to study the development of a system of safeguards under conditions and in accordance with criteria agreed by all, a system which would be supplemented by multilateral control and monitoring machinery.

18. Her Government attached great importance to the sixth session of the United Nations Conference on Trade and Development, which should concentrate on three priority sectors: international trade, commodities, and monetary and financial questions, in order to arrive at a long-term political programme. Such a programme should be implemented in two stages: implementation of a world recovery programme providing for urgent trade and financial measures, followed by implementation of an action plan to establish an equitable trading and financial system which, by reducing the trading restrictions imposed on developing countries, would ensure stable prices and markets for the exports of those countries and facilitate an international division of labour which took account of their interests and production possibilities. To assist Governments in preparing an emergency world economic recovery programme, the General Assembly could request the Secretary-General of the United Nations to convene, no later than January 1983, a very high-level group of government economics and finance experts, chosen according to the principle of equitable geographical distribution, to prepare recommendations for submission to Governments in February and to the meetings of regional groups scheduled as part of the preparations for the sixth session of the United Nations Conference on Trade and Development.

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19. In the opinion of her delegation, the sixth session of the Conference offered the international community an opportunity to relaunch the North-South dialogue and restore confidence in the willingness of all nations to co-operate.

20. With regard to the effective integration of women in development, she stressed the fact that her Government was greatly interested in that matter. For that reason, her delegation followed closely the activities of the United Nations system to associate women more closely in development enterprises, particularly in rural areas in third world countries. She welcomed the fact that UNIDO had been one of the first organizations in the system to make its training programmes available to women, and trusted that similar programmes would be established by other organizations directly involved in development questions. She hoped that the report on the progress made in the preparation of a world survey on the role of women in development, (A/37/381) would result in the first integrated study on the participation of women in development - a study which would indicate the results obtained, the obstacles encountered and possible solutions.

21. Industrial and trade development had led to increased exploitation of natural resources and to a deterioration of the environment. The industrialized countries had the necessary economic and technical means to combat pollution and to evolve environmental monitoring machinery. The situation of the developing countries was different: in addition to the fact that they did not possess the necessary financial and technological resources, they were frequently obliged, in order to promote their development, to make use of techniques and products which caused heavy pollution (as had been true in the past of the developed countries) but which they were unable to improve, restrict or replace. It was for that reason that Ecuador had decided to participate in the special session of the Governing Council of UNEP, since the Government of Ecuador considered that, 10 years after the adoption of the Action Plan for the Human Environment, it was necessary to give renewed impetus to activities at the national and international levels to conserve the environment. The Ecuadorian Government considered that the principles elaborated in the Stockholm Declaration and at the session of a special character held in Nairobi should be considered by the international community as an "environmental code of conduct".

22. The Government of Ecuador reaffirmed the need to increase UNEP activities in the field of international co-operation in order to conserve terrestrial ecosystems and non-renewable resources, and to orient the transfer and use of technology by, articular, establishing an adequate information system on the risks represented by its use and on means of attenuating the consequent harmful effects.

23. The Government of Ecuador also attached great importance to human settlements. Any policy in that area should take account of the historical and cultural traditions of the milieu in which it was to be implemented, and not be based on development models which did not reflect national characteristics. Human settlements programmes were concerned not only with housing as such, but also with the provision of essential services to promote suitable physical and mental development. Her Government endorsed the General Assembly's initiative to designate 1987 as the International Year of Shelter for the Homeless in urban and rural areas in developing countries. Preparations for its observance should be

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used to mobilize the efforts of Governments and the international community to improve the situation of peoples still living in unacceptable conditions. The information services should pay particular attention, in collaboration with the Centre for Human Settlements, to information activities relating to observance of the Year. The General Assembly, at its current session, should allocate appropriate funds to finance the necessary organizational activities, in accordance with the provisions of resolution 36/71.

24. Mr. ter HORST (Venezuela) said that the repetitive statements made in the Committee with regard to agenda item 71 indicated unanimous agreement on the diagnosis: the world economy was undergoing a crisis and that crisis was worsening. Levels of unemployment which were unprecedented since the depression of the 1930s, bankruptcies of large companies, and the size of the foreign debt of developing countries, together with high interest rates and increased protectionist measures in industrialized countries, had inevitably caused countless renegotiations and required the maintenance of financial flows, not out of generosity, but in order to ensure the survival of the international financial system. The concept of interdependence had rarely been so important, but such selfishness and lack of discernment on the international scene were also rare.

25. The Declaration adopted by the Group of 77 at its sixth ministerial meeting indicated the profound concern of developing countries at the slump in the world economy, which severely affected them. It was unfair, illogical and useless to make developing countries pay for the inability of industrialized countries to control the distribution of their national income and the evolution of their economic productivity. Yet the developing countries were not responsible for the dismantling of the international monetary system, which had destroyed the effectiveness and credibility of the International Monetary Fund, and they had not distorted the very principles of GATT by imposing all sorts of restrictions on international trade and using that organization for purposes other than those for which it had been established. The United States delegation had insinuated in the Committee that the oil-exporting countries were responsible for the current crisis. Yet the decisions which had brought about the crisis had been taken before 1973 and, by adjusting the price of oil, the OPEC member countries had only been defending themselves against the vast flow of dollars needed to finance the war in Viet Nam and the "Great Society" of President Johnson. The representative of the United States had also portrayed his country as a defender of oil-importing developing countries. However, it was not the so-called free play of market forces in the United States which had reduced the price of oil - and of all raw materials - but the recession which the United States had brought upon itself and which had affected the entire world economy.

26. It was clear that an equitable distribution of national income could not be achieved by increasing the money supply and restricting imports of manufactured articles produced at lower cost by other countries. If the countries which had a dominant position in the world economy were unable to abandon their narrow outlook and implement coherent fiscal, monetary and trade policies, the world economic malaise would only grow worse, with unforeseen consequences for all. The only way to bring about a lasting and satisfactory recovery was to establish a climate of trust and, in order to do that, a clear and coherent economic policy must be

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adopted. Policies which were designed to increase public spending while reducing tax revenue could hardly be described as coherent. His delegation was convinced that the world economic crisis was structural in nature. Short-term measures or "emergency measures", therefore, would bring only a brief respite and the mistake of postponing the necessary structural reforms would be costly. It was admittedly difficult to attempt to solve those problems with perspicacity and determination because of the their magnitude and the fact that a great number of people had for too long been accustomed to unreasonable expectations. Those countries, therefore, which wanted to go it alone were deluding themselves, because the crisis could be overcome only through the joint efforts of the members of the international community.

27. In that regard, his delegation felt that the launching of global negotiations would show the determination of Governments to seek lasting solutions to the crisis without neglecting immediate problems. All delegations, except for one which insisted on imposing its own conditions, were prepared to begin those negotiations on the basis of a neutral and balanced resolution. Nevertheless, it seemed that that delegation had reviewed its position and would perhaps adopt a more constructive attitude in future. It was hoped therefore that agreement could be reached during the current session of the General Assembly on the opening of the global negotiations and that the international community would take advantage of the opportunities which the sixth session of the United Nations Conference on Trade and Development would offer in that regard.

28. Stressing the importance which his delegation attached to questions concerning new and renewable sources of energy, and science and technology for development, he pointed out that the large majority of the industrialized countries lacked the political will to seek a solution to those two crucial problems, although the expenditures required for that purpose were very modest compared, for example, with arms expenditures.

29. Recalling that, at its second regular session in 1982, the Economic and Social Council had considered an important resolution concerning the economic sanctions imposed by the industrialized countries which infringed the exercise of the sovereign rights of developing countries, his delegation pointed out that it was one of the sponsors of that resolution and that it maintained its position on that question. With regard to draft resolution A/C.2/37/L.3 entitled "Protection against harmful or potentially harmful products", the practice of exporting products which were prohibited on the domestic market was scandalous and incompatible with the principles of international solidarity and general welfare. That practice must be stopped and importing countries must be provided with the necessary information and assistance to protect themselves effectively against those products.

30. In conclusion, he said that the dangerous situation confronting the entire world could bring about its total destruction, but could also give rise to a rational and noble attitude on the part of the international community. In the opinion of the developing countries, that was the attitude which should be adopted at that stage, as the Ministers for Foreign Affairs of the Group of 77 had stressed in paragraph 21 of the Declaration which they had adopted at the conclusion of their sixth annual meeting.



31. Mr. ZOLLER (Australia) said that the time had come to restore the credibility of multilateralism as a means of solving world economic problems. Although all countries professed support for the principle of genuine economic co-operation, many pursued, individually or in groups, policies which were opposed to that principle. That tendency was particularly evident and damaging in the area of trade and development.

32. It was universally accepted that trade promoted economic development. It was a matter of concern, therefore, that there was currently a significant slowdown in the growth of world trade; while not surprising in view of the general economic crisis, that could not be attributed only to the recession. In spite of the numerous statements in support of freer trade and despite the efforts of multilateral bodies such as GATT, international trade was being artificially restricted by protectionist measures. Stressing that partial solutions such as protectionism impeded multilateral co-operation and in the long term helped no one, he pointed out that the concern expressed by the Commonwealth Heads of Government at the implications of protectionism, particularly for developing countries, had been stated in a report drawn up by a Commonwealth group of experts headed by Sir Alec Cairncross. Furthermore, although GATT had partially stemmed the tide of protectionism and had limited the re-establishment of tariffs, it was unable to control the upsurge of non-tariff measures and of production and export subsidies, particularly in the agricultural sector.

33. Restricting access to domestic markets was already a serious problem, but protectionism under current circumstances was also extending to foreign markets. In certain countries, producer prices protected by high trade barriers could reach such a level that the resulting volume of production would exceed local demand. Then, despite production costs often significantly higher than those of other exporting countries, that surplus was shunted onto the world market through hefty export subsidies. The distortion of world trading patterns brought about by that practice caused difficulties for countries which produced efficiently, but whose comparative advantage was thus lost. In most cases, the main victims of that policy were the developing countries, whose economies were particularly vulnerable. According to a study cited in the report of the Commonwealth Group of Experts, in 1979 developing countries had lost exports amounting to \$2.9 billion to the member States of the European Economic Community alone, while the author of another study had estimated that, because of the common agricultural policy, developing countries had lost more income than the total official development assistance provided by the member States of the Community. Nevertheless, the countries of Western Europe were not the only ones at fault. All countries resorted to some form of protectionism which, in general, was very harmful to the interests of developing countries. The Cairncross report also indicated the effect on developing countries of import restrictions by countries with centrally planned economies and by other developing countries.

34. Some countries were defensive about their protectionist policies and quoted innumerable statistics in support of their statements. The question was, however, what the volume of their imports should be in normal economic conditions and what their per capita imports were in fact. Australia was not blameless. Like other countries, it had been tempted to protect itself against the growing recession by strengthening its trade barriers. However, it had not yielded to that temptation and was determined to set an example by refusing to accede to the Australian steel

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industry's appeal for the strengthening of protectionist measures in that strategic sector. Furthermore, Australia's per capita imports were higher than those of any other developed country.

35. Australia had not chosen the easy way out, but he was sure that it was on the right road. He also believed that the international community should make a start on dismantling protectionism without further delay. It should take care not to act too hastily, however, and not to ask for the immediate elimination of protectionism. The Australian delegation had proposed as a compromise that, initially, there should be a standstill on new protectionist measures and other trade-distorting policies, and later, those already in force would gradually be eliminated. It was sure that universal support for those principles would be a vital breakthrough in the battle for economic recovery and development and would help to restore credibility to multilateralism in the economic field. Consequently, it would press for support for that proposal at the forthcoming GATT Ministerial Meeting. It also believed that the General Assembly had an opportunity to take a firm stand on the matter at the current session and that if the Second Committee did not address the issue during the debate on development and international economic co-operation, it would have failed in its obligations.

36. With regard to institutional arrangements in connection with new and renewable sources of energy, he said that the Secretariat unit to be set up to deal with these matters should be reasonably independent. He supported the idea, therefore, that it should be part of the Department of Technical Co-operation for Development, on the understanding that its activities would be clearly separated from the Department's normal technical co-operation activities. Moreover, he did not see why the Committee on Natural Resources, with the necessary adjustments should not be regarded as the appropriate intergovernmental body for new and renewable sources of energy, and he would like to know exactly why some delegations were opposed to that idea.

37. He stressed that the objectives of the Substantial New Programme of Action on behalf of the least developed countries had been established in the expectation of economic recovery. He thought, however, that, despite the unfavourable economic situation, the implementation of the Programme was a challenge to be taken up by all States, and primarily by the least developed countries themselves. It was also essential for the list of least developed countries to remain credible and to be limited to the most needy. In that connection, the criteria governing assistance to the least developed countries should be revised as soon as possible.

38. In conclusion, he said that the Australian delegation thought that the Group of 77 had not acted wisely by pressing for a vote at Geneva on its draft resolution on economic co-operation among developing countries. Although it respected the objectives of the Group of 77, it believed that a number of other equally fundamental principles must be taken into account and was ready to try again to find a compromise.

39. Mr. TSVETKOV (Bulgaria) said that he would confine his remarks to a few fundamental questions and to the efforts of his Government to strengthen international economic co-operation. He was glad to see in the Chair of the Second

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Committee the representative of a country - Nigeria - with which the People's Republic of Bulgaria enjoyed fruitful economic and social relations, and he recalled the terms of the joint communiqué published in September following the official visit of the President of the Federal Republic of Nigeria to the People's Republic of Bulgaria. The communiqué had stressed the need to rebuild international relations on a more just and democratic basis; it had appealed for agreement on the launching of global negotiations under United Nations auspices; and it had expressed support for the effort to increase the Organization's role in preserving and strengthening international peace and security and promoting fruitful co-operation among peoples in accordance with the Charter. Those were the principles underlying the position of the People's Republic of Bulgaria in respect of international economic relations as well as its policy of support for those countries which were struggling to eliminate the underdevelopment inherited from colonial times and to achieve economic independence.

40. Unfortunately, the opposition of imperialist circles had brought progress towards the establishment of a new international economic order virtually to a standstill. Most delegations were rightly concerned, therefore, about the continuing economic crisis in the capitalist world which had thrown the whole world economy into disarray. It was no easy task to solve the problems of the present-day world but it would certainly not be done by practising a policy of confrontation and continuing the arms race. Given the present balance of forces, it was madness to believe that the crisis could be overcome by forcing other countries into a position of economic dependence. The only valid approach was through co-operation, peaceful coexistence and the spirit of dialogue. It was worth taking such a course because the unused capacity of the world economy was tremendous. After a decade of progress towards détente, however, the 1980s were off to a bad start. Relations between States were at the breaking point and the methods used during the Cold War were once again acceptable. At that time there had been talk about embargoes and blockades; now it was "sanctions" that were in fashion. Economic and trade relations were being transformed from an instrument of peace and co-operation into a source of tension and mistrust. Bulgaria, which resolutely disavowed such a policy, was working to restore confidence and strengthen co-operation. That had been the topic of the symposium held at Varna in May, in which distinguished representatives of Western business circles had taken part. The final communiqué had recently been distributed as an official document of the General Assembly under agenda item 71 (A/C.2/37/2). Mr. Todor Jivkov, Secretary-General of the Central Committee of the Bulgarian Communist Party and Chairman of the Council of Ministers, had stressed the importance of such a meeting at a critical moment in international affairs and in the struggle to safeguard and expand mutually advantageous co-operation. It was clear from the final document of the symposium first, that the basic interests of East and West were so closely bound together that both sides would lose if they did not speedily find ways and means to combine their capacities and resources to make good use of the existing opportunities and create new ones; secondly, that, particularly in the prevailing international climate, the development of broader economic co-operation between the East and West was growing in importance and becoming mandatory.

41. The strengthening of co-operation with developing countries was another field to which Bulgaria was paying the closest attention, as shown by the dynamism and

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stability of its trade with those countries. That trade had risen from 703 million leva in 1975 to 1.5 billion in 1980, reaching 2.16 billion in 1981, or 42.5 per cent more than the previous year. Bulgaria intended to expand and diversify that co-operation in accordance with the capacity and interests of both sides.

42. Lastly, he stressed that, despite the world crisis, Bulgaria was proceeding successfully with its own development. In 1981, national income had been increased exclusively through an increase in labour productivity and the accelerated application of scientific and technological advances. Furthermore, as an increasingly active member of the Council for Mutual Economic Assistance, Bulgaria had been able to carry out the social and economic development activities called for in the national plan, thus bringing a higher standard of living to its people.

43. It was Bulgaria's firm intention, within the limits of its possibilities, to continue to work to promote economic relations and co-operation with all countries on the basis of mutual interest.

44. Mr. KHOJANE (Lesotho) said he would comment on only three subjects: food problems, the restructuring of the economic and social sectors of the United Nations system and the report of the Interim Committee on New and Renewable Sources of Energy.

45. With regard to food aid, he referred to the Rome Meeting to Fight Hunger in the World, held from 26 to 29 April 1982 (A/37/260). In a world afflicted by natural disasters, man-made disasters and crop failures, food aid should represent an element of security; permanent arrangements should therefore be made to facilitate prompt action. The negotiations to renew the International Wheat Agreement should be resumed, but that should not preclude consideration of other options, such as the establishment of a contingency food reserve and the development of methods for ensuring that essential grain imports were available for low-income developing countries during periods of market scarcity and high prices.

46. Lesotho attached high priority to food self-sufficiency. To achieve it, the Government had launched a crash programme to increase the production of maize and wheat and to develop new cash crops, and attempts would be made to organize village farmers into economically viable groups which would ultimately develop into farming co-operatives. The material support of the international community was indispensable, however. It was necessary not only to harmonize bilateral and multilateral aid with national policies but also to allocate a larger share of development aid to the agricultural and food sector.

47. Turning to the restructuring of the economic and social sectors of the United Nations system, he said that the recommendations made by the Joint Inspection Unit on that subject (A/37/119) were revealing and deserved immediate attention. It was encouraging that the Secretary-General shared that opinion and was working out appropriate methods for applying those recommendations (A/37/119/Add.1, para. 2). He would add to the Secretary-General's comments that there was no doubt that the Economic Commission for Africa (ECA) was strategically placed and had acquired sufficient experience not only to promote co-ordination and co-operation in the

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development activities of the United Nations system in Africa but also to exercise leadership, and that the improvement of its management procedures should be given top priority. Consideration should therefore be given to all the proposals relating to staff security, post classification and recruitment processes.

48. The roles of UNDP and ECA should be clearly defined in order to avoid any destructive competition, and their activities should be in harmony and complementary. Furthermore, a systematic relationship between ECA headquarters and the other United Nations regional bureaux should be established as soon as possible in order to improve co-ordination. It would be logical to use the Multinational Programming and Operational Centres (MULPOC) for that purpose.

49. With regard to enlarging the membership of the Economic and Social Council, he said he was encouraged that some progress had been made during the Council's second regular session of 1982, but he regretted that the decision had been postponed by considering the question together with other points relating to the various aspects of the implementation of section II of the annex to General Assembly resolution 32/197, which would be the subject of further consultations. The data required for a decision were now complete and it was therefore to be hoped that if Council resolution 1982/50 was adopted, the consultations would mark the end of debate on the question so that the General Assembly could take it up at its forthcoming sessions.

50. With regard to new and renewable sources of energy, his delegation wished to express its satisfaction concerning the report of the Interim Committee (A/37/47) and in particular paragraph 44, but it had a few additional comments. According to the report of the Administrative Committee on Co-ordination on current and planned activities of the United Nations system to implement the Nairobi Programme of Action (A/AC.215/2), 152 sub-programmes, or 85 per cent of those which were energy-related, were connected with new and renewable sources of energy, and the cost of that work was estimated at \$56.4 million. It would be useful to break that figure down into categories of countries or into regions for the purposes of comparing expenditure in the developed countries with expenditure in the developing countries, particularly in the least developed countries. The report also indicated that activities had been undertaken by one or more organizations in each priority area of the Nairobi Programme of Action, but a close scrutiny of the charts on activities and resources and of regional reports showed that in fact very little had been done by the United Nations in Africa, where the need was greatest. In future reports, therefore, it would be useful to show expenditure by region and economic category and to specify the role played by each organization.

51. With regard to financial requirements for supporting actions and pre-investment activities for the development and utilization of new and renewable sources of energy in developing countries during the 1980s, his delegation did not fully agree with the views of the Deputy Administrator of the United Nations Development Programme contained in paragraph 58 of the report of the Interim Committee, namely that the estimates contained in the joint study by the World Bank and UNDP (A/AC.215/4) represented the cost of realistic and practical programmes in line with the recommendations of the Nairobi Programme of Action. His delegation understood the difficulties involved in carrying out the study, namely, the

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scarcity of information on national programmes and the limited time available for preparation of as accurate an estimate as possible. Nevertheless, the assumptions which had been made on the basis of unreliable data had done a disservice to Africa in many ways, and the argument about the ratio of Africa's gross domestic product compared with other regions could only be used against Africa if one assumed that Governments alone were responsible for the development of new and renewable sources of energy or that they were to be developed only through bilateral arrangements. However, international co-operation was essential in that endeavor and the criteria for the distribution of financial resources among the regions should therefore be based primarily on their needs. That was particularly true for Africa, where the majority of the poorer and least developed countries were situated.

52. His delegation fully associated itself with the views expressed in paragraphs 51 and 52 of the report of the Interim Committee that while the primary responsibility for promoting the development of new and renewable sources of energy rested with individual countries, the United Nations also had an important and catalytic role to play in the implementation of the Nairobi Programme of Action.

53. Mr. ZUMBADO (Costa Rica) said that it was precisely when the international community seemed least inclined to pull together that it had been confronted not only with the tragedy of the poorest peoples on earth but also with the gradual impoverishment of the so-called intermediate countries. Those countries, which had been severely crippled by the international recession and the measures adopted by the developed countries to deal with that crisis, now had to try not only to raise their standards of living but to solve the enormous problems caused by the external sector imbalance of their economies and by their fiscal and monetary difficulties. The deterioration of the terms of trade was the most serious obstacle. In four years, the prices of raw materials had dropped by 30 per cent, forcing them more and more deeply into external indebtedness in order to maintain their economic growth rates. Since they did not qualify for the assistance given on favourable terms to the poorest countries, they had had to enter the international financial markets at a time when interest rates were at their highest. Thus, the external debt of Latin America had doubled in little over three years and currently exceeded \$240 billion. The list of countries requesting the renegotiation of their external debts or assistance from the International Monetary Fund was growing longer by the day, and unless there were significant structural changes to create the conditions for international economic growth, those countries would be able to find only short-term solutions and would be unable to meet their long-term commitments. Therefore, the search for individual solutions should be governed by the final objective, namely, the recovery of the world economy. The recession in the developed countries also gave cause for concern because of the world-wide repercussions of the policies which those countries were pursuing in order to survive the crisis. The developing countries paid dearly for some of those policies, like protectionism, because they threatened the stability and viability of international monetary and trade systems. The departure from the GATT legal framework was in itself a factor which had an adverse effect on international relations because it increased uncertainty and was a particularly serious threat to the developing countries with their very limited negotiating power. During the negotiations on textiles in 1981 and on steel in 1982, the countries which were members of the Organization for Economic Co-operation and Development had finally

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been able to reconcile their interest, but only at the expense of the developing countries.

54. The interest rates in force since the end of 1979 also imposed enormous expenditures on the developing countries. With an accumulated external debt of more than \$600 billion, it was obvious that whenever interest rates increased by one point, the increase in the cost of financing for debtor countries was enormous. It was therefore clear that urgent action was necessary to find long and short-term solutions. His delegation did not accept the argument that the launching of an emergency programme would harm the establishment of a new international economic order, since the proposed short-term measures should, of course, be in conformity with long-term objectives. Costa Rica was convinced that the tackling of immediate problems would make it possible to create a more favourable atmosphere in which agreement could be reached with regard to the structural changes which must take place in international economic relations. Contrary to the opinion of some, the present climate only encouraged isolationist attitudes and the search for individual solutions.

55. Consequently it was essential to implement an emergency programme including, inter alia, those measures recently proposed in Toronto by the Group of 24. It was particularly urgent to support and promote: (i) initiatives for increasing the flow of trade by removing obstacles hampering exports from the developing countries and by increasing South-South trade; (ii) the establishment of compensatory funds to reduce the effects of the deterioration in the terms of trade; (iii) an increase in joint investment projects by industrialized and developing countries, situated, naturally, in the latter countries; (iv) a generous and disinterested increase in the flow of resources furnished to multilateral finance and technical co-operation agencies in order to improve the liquidity situation of the developing countries, in which regard his country attached particular importance to the future of the United Nations Development Programme; and (v) greater tolerance and understanding within those agencies in the implementation of economic measures, so as to bring a better balance between the objectives of revitalization and stabilization, and greater concern for the international repercussions which could result from measures adopted or recommended at the national level.

56. His delegation took the opportunity to stress the need to solve, within the framework of development and co-operation, the problem of resources squandered on bellicose activities. It was sad to note that where military aid was concerned, there was no talk of the problems afflicting the economies of the developed countries. On the contrary, while economic aid arrived at a snail's pace, military support was provided with all the speed and dispatch allowed by modern technology. In order to safeguard international peace and security, the international community should eliminate from the economic domain everything that obstructed that objective and should, in the first instance, adopt measures to respond urgently to the economic problems of the developing countries and launch the global negotiations.

57. Mr. SCHMID (Austria) said that his country, which attached the utmost importance to keeping international trade as free and open as possible, welcomed the two major international conferences which would take place shortly, namely, the GATT Ministerial Meeting and the sixth session of the United Nations Conference on

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Trade and Development, as opportunities for the international community to reaffirm its adherence to mutually beneficial rules of trade and to strengthen the multilateral trading system as an essential precondition for the growth of the world economy. The GATT meeting would also make it possible to strengthen the participation of developing countries in international trade. The sixth session of the United Nations Conference on Trade and Development would have to contend with the consequences of the current economic crisis, and its work could produce positive results only if participants displayed a spirit of realism and a clear perception of common interests. His delegation therefore welcomed the decisions taken at the last two sessions of the Trade and Development Board on the provisional agenda of the Conference and the organization of its work.

58. The perception of the world economy as one indivisible whole should not preclude an understanding of the fact that the endeavours of developing countries to increase economic co-operation among them was a priority item on the international agenda and on that of the Sixth Session of UNCTAD in particular. His delegation was prepared to participate in the search for pragmatic and feasible solutions to the politically sensitive problems of making UNCTAD more responsive to the practical needs of effectively serving as a catalyst for economic co-operation among developing countries while at the same time maintaining its universal vocation. His delegation was deeply disappointed that on the very threshold of a negotiated breakthrough a vote had been forced on the Trade and Development Board at Geneva; it hoped that the instigators of that tour de force would understand the consequences which their irresponsible act might have on the future work of UNCTAD and hoped that negotiated solutions would be found at the sixth session of the Conference.

59. In the field of commodities, an important step had been taken with the establishment of the Common Fund two years earlier. In view of the dramatic fall in commodity prices, it was imperative to make the Common Fund operational as soon as possible. His country had signed the agreement on the Common Fund and expected to complete the process of ratification in the near future.

60. With regard to environmental issues, the debate had shown that the close relationship between the maintenance of a healthy environment and sustainable economic and social progress was now generally recognized. In the 10 years since its establishment, UNEP had successfully reinforced that awareness of environmental problems by acting as a clearing-house for international co-operation. Austria welcomed the fact that the session of a special character of the Governing Council of UNEP had brought about a renewed commitment to the objectives of the Stockholm Action Plan. It welcomed the Nairobi Declaration and Programme of Action, which it regarded as a realistic assessment of past achievements and future tasks and as an expression of common concern at the magnitude of the problem. Austria strongly supported the implementation and further development of environmental law, which had been strongly recommended at the meeting of experts held at Montevideo in 1981.

61. The Nairobi Programme of Action was another important issue on the agenda of the Committee, since it was called upon to take specific action at the present session of the General Assembly as a follow-up to the Conference on New and

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Renewable Sources of Energy. Excess oil production and a declining demand for oil had perhaps created the illusion that resources were ample and markets stable. The recent warning against complacency contained in the report of the International Energy Agency therefore came at a highly appropriate time. In fact, the demand for oil had declined over the past three years largely because of the deep-rooted economic recession in the industrialized countries and was likely to increase again with economic recovery. Efforts to conserve energy and to accelerate the transition to a more sustainable energy mix in the medium and long term should consequently be continued and even intensified, particularly in the industrialized countries. Accelerated development of developing countries would almost inevitably depend to a large degree on an increase in energy consumption. The non-oil-exporting developing countries should therefore develop their own energy resources in order to reduce dependence on costly imports. Major investments in energy were required to alleviate balance-of-payments deficits through increased self-sufficiency and to ensure a longer term equilibrium between energy supply and demand. Austria accorded high priority to bilateral technical assistance in non-oil energy production and continued to support all multilateral measures designed to increase investment in energy exploration, such as the establishment of a special affiliate of the World Bank.

62. The Nairobi Conference had contributed to an awareness of the need to develop alternative sources of energy, and the meeting of the Interim Committee at Rome, in June 1982, had provided further impetus for concrete action and international co-operation to increase the share of new and renewable sources of energy in the overall energy supply.

63. With respect to follow-up measures for the Nairobi Conference, his delegation, while recognizing that some strengthening of the capacity of the United Nations in the field of new and renewable sources of energy would undoubtedly be necessary, did not believe that an elaborate new institutional structure was required to implement the recommendations of the Nairobi Programme of Action.

64. In the present economic climate, the international community must pay special attention to the least developed countries, whose need for external assistance was greater than ever before. In recognition of that fact, Austria's bilateral economic assistance was increasingly being concentrated on the least developed countries, mainly in the form of grants. Austria regarded the Substantial New Programme of Action adopted by the Paris Conference in 1981 as a document of paramount importance which showed that the entire world recognized the needs of the least developed countries and which set forth the measures required at the national and international levels. Comprehensive and practical arrangements should be taken to ensure the implementation, follow-up and monitoring of the Substantial New Programme of Action. The recommendations made in that connection by the Paris Conference had already been set in motion, and his delegation hoped that they would attract the active participation needed to make them a success.

65. The restructuring of the economic and social sectors of the United Nations system seemed to have gone out of fashion, and little attention had been paid to the 1981 report of the Joint Inspection Unit and to the relevant sections of resolution 32/197, with the exception of those dealing with the revitalization of

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the Economic and Social Council. A fairly comprehensive resolution on the rationalization of the Council's work had been adopted at its summer session largely through the efforts of its President, Mr. Komatina. Obviously, resolution E/1982/50 was only a first step and would not by itself produce the desired results. Its recommendations would have to be constantly monitored, and the work of the Economic and Social Council would have to be reviewed in conjunction with that of the Second and Third Committees of the General Assembly, for otherwise there would be an overlapping of the activities of the Council and the General Assembly. To be more specific, one could ask whether it was necessary to spend hours negotiating texts in the governing bodies of organizations of the United Nations system only to go through a similar exercise not only in the Council but also during the General Assembly, in the Second Committee. The need to reorganize the work of the economic and social Committees of the Assembly had been recognized three years earlier in resolution 34/212, which provided for a review of the Second Committee's agenda and methods of work at the thirty-fifth session of the General Assembly. However, that review had never taken place. Since it was, *inter alia*, lack of time that had prevented the General Assembly from discussing that question, an in-depth consideration of it and related questions could be carried out within the Economic and Social Council, possibly through an informal in-session working group.

66. His delegation continued to regard activities in the economic and social field as one of the most important aspects of the universal mission of the United Nations in the quest for peace. It stood ready to participate in any realistic initiative aimed at making the work of the Organization more fruitful by relating it more directly to the pressing realities of the current world economic situation.

67. Mr. LEVISTE (Philippines), emphasizing his Government's concern over the seriousness of the current economic crisis, which affected all nations, said that it was necessary to find solutions before it was too late. Yet, while there seemed to be general agreement that the problem was not insoluble, everyone continued to bewail the inability to take appropriate steps to overcome the crisis. His delegation believed that it was possible to reach the necessary agreements that would create a framework for equitable and mutually beneficial dynamic economic relationships.

68. In the field of trade and development, for example, the Philippines saw ample opportunities for reaching important decisions. One of those was the Ministerial Meeting of GATT, which should be used to review the functioning of the multilateral trading system and the ways in which it could be improved. In that connection, there should be a reversal of the trend to bypass the GATT rules, to the detriment of the weakest countries. His delegation therefore urged all countries to attend that important meeting one of whose main tasks was to study the restructuring of GATT itself.

69. The sixth session of United Nations Conference of Trade and Development should be an opportunity to study the various international measures to be taken in key areas such as trade, commodities and support of economic co-operation among developing countries. UNCTAD had indeed taken laudable initiatives to strengthen economic co-operation; however, some of them had not yet borne fruit. A case in

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point was the Agreement Establishing the Common Fund for Commodities, which few countries had ratified and which might not come into force at all despite its unquestionable usefulness. Another example was the International Code of Conduct for the Transfer of Technology. It was regrettable that after 10 years of efforts to obtain a draft code, there was as yet no consensus. Transfer of technology represented a vital area of North-South co-operation.

70. As a firm supporter of economic co-operation among developing countries, his Government believed that such co-operation would contribute substantially to the development objectives of participating countries and would also benefit the world economy. However, in order to implement programmes undertaken in that field, developing countries needed the support of the industrialized countries and international organizations. For that reason the Philippines urged the strengthening of such support.

71. While encouraging the consideration of specific problems in limited forums, his Government believed that all economic issues should be studied in an integrated manner, particularly within the framework of global negotiations, and it hoped that the obstacles that still impeded the opening of those negotiations would be overcome.

72. Turning to the subject of human settlements, he said that his country was actively implementing the recommendations of the United Nations Conference on Human Settlements and fully supported the activities in that field. The Philippines had a Ministry of Human Settlements and intended to contribute \$1 million to the United Nations Habitat and Human Settlements Foundation. His Government also supported the draft resolution, of which it had been a sponsor, submitted by the Economic and Social Council with the aim of having 1987 designated as the International Year of Shelter for the Homeless. His Government had also undertaken activities to celebrate that Year, in co-operation with the United Nations Centre for Human Settlements and other bodies, because it felt that the programmes in that field were viable and would help promote human welfare.

73. As the environment and human settlements were closely linked, his Government was actively participating in the work of UNEP and had set up agencies to protect the environment from dangers arising from human activities and various forms of pollution. New and renewable sources of energy likewise represented a subject of vital importance to the Philippines, for it was heavily dependent on energy from outside sources. It was therefore actively engaged in research and development on new sources of energy. Also, it had taken part in the series of meetings of the Interim Committee on New and Renewable Sources of Energy held at Rome, and it endorsed that Committee's recommendations.

74. Mr. WABUGE (Kenya) said that his delegation shared the grave concern expressed by many speakers over the continuing deterioration in the terms of trade. The developing countries had been hardest hit by the current economic crisis. The causes of that crisis included the policies and practices of the developed countries; high interest rates; the lack of capital flows to developing nations; the rapid decline in bilateral and multilateral official development assistance; a reduction in contributions by major donor countries to international organizations,

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especially those affiliated with the United Nations system; the markedly high prices of goods in international trade; and the energy crisis, which hit oil-importing developing countries like Kenya extremely hard and had led to a sharp reduction in the growth of output in the developed market economy countries. The latter had, of course, been affected by inflation, recession and unemployment, but they were not the only ones, since those ills had hit all countries, developed and developing alike. The malaise must therefore be eliminated through joint efforts on the part of the international community as a whole, such efforts could be initiated through global negotiations of the type called for in General Assembly resolution 34/138, which would deal with energy, trade, development, raw materials, money and finance. His delegation accordingly supported the call for the early launching of global negotiations on international economic co-operation for development in accordance with that resolution, and it hoped that the General Assembly would take the appropriate action at the current session.

75. Turning to the question of human settlements, he said that the report submitted to the Committee had been well done and contained important points which his delegation was studying carefully with a view to taking appropriate action on them. It noted in particular the activities planned by Habitat for the coming years. Human settlements problems were particularly acute in the developing countries, where the majority of the population still lived in rural areas. The solution of those problems required concerted and co-ordinated action both by developed countries, which should intensify their technical and financial aid to the developing nations, and by the developing countries themselves, which should, among other things, ensure that human settlements were given priority in their development plans. Improvement in the human habitat of all countries and, in particular, the countries of the third world, should be an international undertaking and should be directed towards promoting the economic and social development of both rural and urban populations. His delegation agreed with the conclusions contained in the documents issued thus far on the two main themes dealt with by UNCHS, especially in regard to the transport policies of certain Governments which had benefited an affluent minority rather than the poor majority. Transport facilities in urban and rural areas should therefore be restructured in order to be more efficient and to meet the needs of the majority of people - for example, by inducing the residents of particular neighbourhoods to use transportation services such as car pools, more efficiently. The planning of human settlements in disaster-prone areas was a matter that deserved particular attention. Adequate preparations must also be made for the International Year of Shelter for the Homeless. His delegation had always supported the observance of such a year and therefore fully supported Economic and Social Council resolution 1982/46 B, in which the Council endorsed the recommendations formulated by the Commission on Human Settlements for submission to the General Assembly at its current session. As activities in the field of human settlements required financial resources, his delegation hoped that sufficient resources would be forthcoming to enable the United Nations Centre for Human Settlements to carry out its functions.

76. His delegation was gratified by the positive results of the two series of meetings held by UNEP at Nairobi in the current year. It was essential for the

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recommendations of those meetings to be carried out and, there again, financial resources were essential. His delegation therefore appealed to the international community for the contributions needed to undertake the contemplated environmental activities.

77. Rapid development of the developing countries required increased financial resources. The financial problems confronting the world today called for a reform of the international monetary system, which the developing countries had been demanding for a long time. All nations must co-operate to overcome the current crisis. The increasingly smaller contributions to the organizations of the United Nations system adversely affected the developing countries, and in particular the countries of sub-Saharan Africa. The very critical social and economic situation facing Africa required prompt international co-operation, without which the programmes and activities of the developing countries could not be effective. Consequently, while appreciating the assistance offered by some donor countries, his country appealed to all developed nations to make substantial contributions to the developing countries, to the extent that their means allowed. Bilateral assistance should supplement and not replace multilateral assistance, and resource transfer to developing countries should increasingly be made on an assured and continuous basis.

78. Although economic and technical co-operation among developing countries was still in its early stages, the recession in the industrialized countries made it more important than ever. Kenya therefore called on the developing countries to intensify their activities at the subregional, regional and interregional levels and to undertake regular studies to expand trade and monetary co-operation among themselves. The potential for technical and economic co-operation was enormous and should be developed. The countries of Africa had for that purpose drawn up the Lagos Plan of Action and should exert every effort to establish, advance and intensify their co-operation.

79. His country would do everything in its power to fulfil its responsibilities under the Caracas Programme of Action adopted in May 1981. His delegation was happy to note that new initiatives for interregional and subregional co-operation had emerged in some regions. Thus, 18 countries of eastern and southern Africa had in December 1981 signed a treaty establishing a Preferential Trade Area for their region. His Government fully supported such initiatives and would continue to work for the attainment of their objectives.

80. As the Buenos Aires Plan of Action had assigned important roles in TCDC to developed countries and also to international organizations, his delegation urged the countries of the North to provide financial and technical support to enable the countries of the South to realize their ECDC and TCDC objectives. Kenya stood ready to play an active and constructive part in both the North-South and South-South dialogues.

81. Mr. NGAIZA (United Republic of Tanzania) said that he wished to commend the efforts made by the developing countries - mainly within the context of the Caracas Programme of Action - to promote economic and technical co-operation among themselves. It was to be hoped that multilateral assistance would enable the

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developing countries to attain their objectives and make a useful contribution to the new international economic order.

82. The implementation of the Substantial New Programme of Action for the 1980s for the Least Developed Countries was lagging. The disquieting delay was due in part to lack of funds, since the bodies responsible for carrying out the Programme had received reduced contributions from some member States. It was essential, however, for all countries that had made commitments to the Programme at the United Nations Conference for the Least Developed Countries to honour them so that Programme might get under way without delay.

83. With regard to the environment, the work of the tenth session of the Governing Council of UNEP, as reported in document A/37/25, had been very satisfactory, especially the decisions having to do with international co-operation: a regional presence by UNEP (10/2); environment and development (10/4); the system-wide, medium-term environment programme (10/13); and programme matters (10/14). While useful measures for giving effect to the Plan of Action to Combat Desertification had also been taken, it was distressing to learn that the effects of natural phenomena coupled with population increases were likely to reduce the per capita amount of land under cultivation by the end of the century to almost half of what it had been in 1950. Although Governments, UNEP and various United Nations bodies had certainly made commendable efforts to carry out the Plan of Action to Combat Desertification, a more intensive and concerted effort must be made by the international community.

84. The energy situation was disturbing, for the increase in energy consumption could conceivably outstrip the available supply, dependent mainly on hydrocarbons, and a continuous rise in fuel prices was burdening the economies of the oil-importing developing countries. A transition from excessive reliance on hydrocarbons towards a more diversified pattern of energy sources was therefore essential and would be facilitated by research on alternative sources, exploration and resource assessment. A growing international awareness of the situation had led to the holding of the United Nations Conference on New and Renewable Sources of Energy, in 1981, at which a programme of action had been adopted calling for concerted action towards energy transition through development and use of new and renewable sources of energy. Such a programme would benefit all countries, especially the developing countries. It was also to be hoped that the recommendations made in the report of the Interim Committee on New and Renewable Sources of Energy would be given serious consideration by the Committee. While it remained the primary responsibility of each country to take its own specific steps, the developing countries in general needed support from outside sources. Consideration should therefore be given to the formation of an energy affiliate of the World Bank, as has been proposed on various occasions. Economic co-operation among developing countries in the field of energy would also be to their advantage. His delegation wished to express its appreciation to the countries and agencies which had shown interest in assisting his country to explore the potentialities of some of its energy resources.

85. Mr. OMARDIN (Malaysia) said that the time had come for the international community to find a workable framework for action on the many difficult problems

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facing it in the areas of international economic co-operation for development. However, a veritable change in the ailing world economy would never be brought about by words and specious reasoning; each country must sincerely re-examine its position and show some spirit of accommodation. The sixth session of the United Nations Conference on Trade and Development would therefore be a very important one, for it would provide an opportunity to exert collective efforts and apply a common approach to find an answer to the crisis, without being deterred by the difficulties that had arisen at the recent session of the Trade and Development Board. If everyone, however, took part in the collective effort, the benefits would be shared by all, and no one would be a loser.

86. As the background and the causes of the trade crisis were well known, agreement could be reached on the following points: the current economic system was based on the interdependence of countries and the promotion of trade; trade that was free from narrow political interests would favour growth and development; all the trading partners should derive equal benefit from any exchange, and no one of them should impose its terms, even on the basis of conditional most-favoured nation treatment or the principle of reciprocity; no country could remain in a predominant position to apply its own terms on the free flow of trade or on the monetary value by which they should be measured; the world trading and monetary systems must be restructured to meet the changing situations that had taken place since the Second World War; new arrangements in commodity trading were required to prevent price manipulation to the disadvantage of producing countries and to preserve the freedom of choice of all trading partners; the concept of domination in economic relations was archaic and should be replaced by a concern to provide fairer opportunities to the developing countries; the crisis in development was often caused by limited options and by the fact that it was difficult for countries to improve the quality of food and harvests and receive better value for their exports if they were subjected to the pressures of high interest rates, mysterious rates of exchange and unjustified barriers to trade imposed by other groups of countries; countries had different levels of development and of resources, and therefore the less fortunate should be assisted by the more advantaged; no one country or group of countries alone could mobilize the massive resources required to redress world economic problems, and therefore those in a better position to do so should contribute more generously.

87. With agreement on those points, the time had come for resolute action by the various decision-making bodies to ensure the recovery of the world economy. The first step in that direction was to elicit agreement that global negotiations should be based on the principles set out in General Assembly resolution 34/138. Although there were still a few States that did share that fundamental position, a start could at least be made on the basis of the points he had just outlined. Global negotiations should not be allowed to die a natural death, for their interment would be to the detriment of the international community.

88. Economic and technical co-operation among developing countries also played a major role in development, since it enabled the developing countries to reinforce their means of action. The Caracas Plan of Action defined a framework for that effort towards collective self-reliance, which came within the purview of the developing countries. But the developing countries also required assistance from

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international organizations and developed countries, which were urged to respect the commitments they had made in various resolutions. Such co-operation should first of all take place at the regional and subregional levels. Malaysia and its four ASEAN partners had significantly developed their ties of co-operation in various fields (food and agriculture, trade and industry, energy, science and technology, transport and communications, social development, cultural activities).

89. Human settlements constituted another priority sector. He welcomed the fact that the Commission on Human Settlements had decided to harmonize the approach to the matter and to focus attention on the serious problem of the homeless. He wished to commend the Executive Director of the United Nations Centre for Human Settlements (Habitat) for his untiring efforts to improve the living conditions of the Palestinian people. He also welcomed the designation of an International Year of Shelter for the Homeless (1987) and trusted that care would be taken to define a worthwhile programme. The Year would have to be financed to the maximum possible extent through voluntary contributions and it was hoped that they would be generous.

90. Energy should be of concern to everyone as it influenced the stepping up or slowing down of growth. He therefore welcomed the adoption of the Programme of Action for the Development and Utilization of New and Renewable Sources of Energy, which was fundamental for developing countries. It was regrettable that the questions of financing and of institutional structures had not yet been solved. He therefore appealed for the immediate establishment of an energy affiliate of the World Bank with a fairer decision-making structure.

91. If little progress had been made up to now in all those areas of multilateral co-operation, it was because certain developing countries were neither receptive nor accommodating towards the needs of developing countries. If that had not been the case, the current situation would be less serious.

92. Mr. BHANDA'I (Bhutan), commenting on the Ministerial Declaration of the Group of 77 of 8 October 1982 dealing with the major problems of international economic co-operation, said that the situation had markedly deteriorated since the previous meeting of the Second Committee. Countries had recognized the urgent need to take some corrective action, but they remained deeply divided about the sharing of work. It had been said repeatedly that the developing countries were responsible for promoting their own socio-economic development. They were, of course, seriously handicapped by a host of constraints which were often the result of external factors over which they had little control. Thus divested of all freedom of action, they had sought assistance and had advocated a world economic order which was more in keeping with their circumstances. The international economic situation could not improve unless one basic condition was met: all sides must be equally committed to it and must demonstrate a spirit of compromise. The developing countries had made many concessions in recent years, but an active commitment was absent in other countries. It was to be hoped that the latter would act less negatively at the thirty-seventh session of the General Assembly and at the GATT Ministerial Meeting and the sixth session of the United Nations Conference on Trade and Development and that the small minority of developed countries which had doubts about the global negotiations would change their position without delay. It had

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(Mr. Bhandari, Bhutan)

become increasingly urgent to restructure the global economic system by establishing a new order. The implementation of the International Development Strategy for the 1980s and the launching of the global negotiations were, in that connection, of paramount importance. The Strategy was one of the most important development programmes adopted by the United Nations in recent years and should enable significant progress to be made in the battle against hunger and poverty. It was regrettable that, two years after its adoption, it remained unimplemented.

93. It was a well-known fact that the least developed countries were particularly hard hit by the crisis. For that reason, the international community had unanimously adopted the Substantial New Programme of Action for the 1980s to assist those countries, by helping them to transform their economies rapidly with a view to self-sustained development. To that end, the programme envisaged considerable financial transfers. A number of the donor countries had respected the targets set and had committed themselves to giving 0.15 per cent of their GNP or to doubling their official development assistance by 1985. But so far it did not seem that development assistance had increased in real terms. Estimates showed that that assistance, whether bilateral or multilateral, to the least developed countries had decreased in 1981 and had not reached even half of the 0.15 per cent target. The concessional flows from the Organization of Petroleum Exporting Countries had also fallen. The States Members of the United Nations should therefore give very careful consideration to the report on the measures taken to implement the Substantial New Programme of Action (A/37/197). Moreover, the donors would have to agree to disburse the necessary funds. Bhutan attached very great importance to the consultative meeting on aid to be held by the Asian and Pacific least developed countries in May 1983, and had actively participated in preparations for it. Present procedures for aid to the least developed countries should also be improved. In that connection, the Geneva Meeting of Multilateral and Bilateral Financial and Technical Assistance Institutions had made important recommendations which the donors were urged to follow.

94. It was disappointing to note that the measures for assistance to the land-locked developing countries recommended in the International Development Strategy and at the fifth session of the United Nations Conference on Trade and Development had not been applied. It was also regrettable that the Trade and Development Board, at its twenty-fourth session had not dealt with the serious problems of those countries in the area of transport. It was to be hoped that at its sixth session, the Conference would consider them in depth. Moreover, the Special Fund for Land-locked Developing Countries was not receiving the funds that it needed; Bhutan therefore appealed to all countries to make their contributions.

95. The argument that the decline in multilateral development assistance was the result of the slow-down in global economic activity was not convincing. Even under the present difficult circumstances, some developed and many developing countries had found it possible to increase their financial contributions to development activities; more importantly, countries had continued to find considerable funds to finance the arms race, which was not abating and which merely led to increasingly futile discussions, as demonstrated by the negligible results obtained by the United Nations Second Special Session Devoted to Disarmament. It was nevertheless necessary to redirect the enormous amounts currently spent on armaments and invest

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them in economic development. Only a fraction of the \$600 billion spent each year for arms would be sufficient to attain a number of the socio-economic goals of third world countries. The Nordic countries had therefore done well to propose the inclusion in the agenda of the thirty-seventh session of the General Assembly of the extremely important question of the relationship between disarmament and development. It was to be hoped that Member States would take concrete measures in that regard and endeavour to reverse the negative trend regarding multilateral development co-operation.

96. Mr. GALKA (Byelorussian Soviet Socialist Republic) said that consideration of the question of trade and development under agenda item 71 was particularly timely now that the capitalist developed countries, which were going through a serious economic crisis, seemed to be trying to deal with that crisis at the expense of other countries and were increasingly disrupting international trade. Such trade was currently characterized by an increase in protectionism, growing application of economic sanctions, against the socialist and developing countries, particularly by the United States of America, restriction of credit to the USSR and an increase in the number of products which could not be exported to the socialist countries. Those attempts to use economic and trade relations with the socialist countries as a weapon, and the accompanying policies of blackmail and pressure had been and continued to be doomed to failure. However, such policies were detrimental to international trade as the Soviet Union had demonstrated in its memorandum entitled "Obstacles to the development of contemporary international trade and economic relations". Those vitally important issues were to be considered in depth during the sixth session of the United Nations Conference on Trade and Development, thus helping to restore confidence in international trade relations.

97. Turning to human settlements, he said that some of the activities of the Commission on Human Settlements and of the United Nations Centre for Human Settlements concerning assistance to developing countries had produced positive results. The Commission had taken important decisions aimed at helping the victims of apartheid and colonialism and the Arab people of Palestine. It had also tried to strengthen its co-ordinating role and to expand co-operation between Habitat, the regional commissions and UNEP.

98. Habitat must, pursuant to the decisions of the Commission on Human Settlements, implement its programme within the framework of the budget allocated to it. It must strengthen its activities by increasing its effectiveness and rationalizing its utilization of the resources made available to it. It should be noted, in that connection, that the human settlements problems of the developing countries could be settled by the large-scale reorganization of the economic and social structures in the interest of the broad masses, by mobilizing material and financial resources in those countries to promote the development of national industry and by strengthening the public and corporate sectors. With regard to technical co-operation, Habitat should take account of the experience of all countries, particularly the socialist countries, including the Byelorussian SSR.

99. His delegation recalled that, in celebrating the International Year of Shelter for the Homeless, account would have to be taken of the criteria established by the

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(Mr. Galka, Byelorussian SSR)

Economic and Social Council - inter alia, a programme of activities would have to be submitted in good time and the programme would have to be financed by voluntary contributions. The Commission could also consider issues related to the celebration of the Year at its regular sessions and within the limits of existing resources. The human settlements problem was closely related to the maintenance of peace and the curbing of the arms race for only when peace prevailed could mankind undertake positive activities and make progress.

100. Turning to the report of the Secretary-General on the living conditions of the Palestinian people, he pointed out that the aim, now, was not only to improve the living condition of that people but to ensure its survival. The situation was tragic for what had taken place in Lebanon was a veritable genocide, a massacre - premeditated by Israel - of the Lebanese and Palestinian peoples. The United Nations must not just condemn the expansionist Israelis and those who had assisted them but must do all in its power to help the Palestinians to regain their sovereign right.

101. Mr. PULZ (Czechoslovakia) said that the consequences of the current economic depression, for which the capitalist forces were responsible, were not only obstructing the development of many countries but were also affecting international co-operation and he denounced the attempts by certain Western nations to revive the cold war, to impose economic sanctions and to use trade as a means of exerting political pressure.

102. By adopting such measures those countries were doing much damage to trade between East and West. Czechoslovakia was very concerned, in particular, at seeing the United States of America urging other nations to limit their trade and co-operation with the socialist states. That was totally contrary to the goals of the Charter of Economic Rights and Duties of States, of the New International Economic Order and to the interests of a number of Western producers and exporters. It should be noted that that embargo policy, which was designed to prevent the peoples' democracies from building socialism, had already been adopted in the early 1950s to no avail for those States had succeeded in strengthening their economic co-operation and integration. His Government remained convinced, nonetheless, that economic co-operation between East and West had a role to play in international relations, not only because of the current economic interdependence of nations but also because it was a reflection of peaceful coexistence between States with different social systems.

103. It should be remembered that the deterioration of international trade had repercussions on the development of the third world countries which encountered obstacles of all kinds in their trade with the industrialized capitalist countries, inflation and the instability of the commodity market being not the least of those obstacles. It was therefore natural that those countries should wish to reorganize international relations on a more just and democratic basis.

104. His Government was willing to support the struggle of the developing countries

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(Mr. Pulz, Czechoslovakia)

to eliminate the vestiges of colonialism, neo-colonialism and imperialist exploitation and, to that end, it was seeking to expand its economic co-operation with such countries, particularly the least developed ones. Its exports to third world countries had increased appreciably and its imports had increased even more appreciably. It was helping to expand the production potential of such countries and to increase employment by transferring its technology to them, providing 500 scholarships annually and offering training courses. His Government was convinced that co-operation with the developing countries - always a beneficial experience - would complete the mobilization of those own countries' resources.

105. His delegation also welcomed the strengthening of co-operation among developing countries as it enabled the latter to be less dependent on the imperialist countries and to resolve their general problems on their own. However, such co-operation should not lead to the isolation of such countries but, on the contrary, should enable them to strengthen their co-operation with other countries. Czechoslovakia was willing to support efforts in that direction by giving the developing countries the benefit of its experience in the field of integration within the framework of CMEA.

106. Development was closely linked to energy. For many States settling their energy problems had become a vital task. Czechoslovakia and the socialist countries, for their part, approached the problem on the basis of the principle of planned development of the national economy, using scientific and technical advances and resorting to co-operation among CMEA member States.

107. Pursuant to the decisions taken by the United Nations Conference on New and Renewable Sources of Energy, his Government was willing to assist the developing countries to meet their energy needs, particularly with regard to hydropower.

108. Finally, he said that his country attached great importance to the strengthening of economic co-operation among States and it realized that the first step towards promoting economic and international co-operation must be to eliminate the possibility of a nuclear disaster and to take effective measures to achieve disarmament.

The meeting rose at 7.15 p.m.