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SECOND COMMITTEE
17th meeting
held on
Thursday, 21 October 1982
at 10.30 a.m.
New York

SUMMARY RECORD OF THE 17th MEETING

Chairman: Mr. FAFOWORA (Nigeria)

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The meeting was called to order at 10.40 a.m.

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

- (a) INTERNATIONAL DEVELOPMENT STRATEGY FOR THE THIRD UNITED NATIONS DEVELOPMENT DECADE (continued)
- (b) CHARTER OF ECONOMIC RIGHTS AND DUTIES OF STATES (continued)
- (d) INDUSTRIALIZATION (continued)
- (e) SCIENCE AND TECHNOLOGY FOR DEVELOPMENT (continued)
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- (k) EFFECTIVE MOBILIZATION AND INTEGRATION OF WOMEN IN DEVELOPMENT (continued)
- (l) LONG-TERM TRENDS IN ECONOMIC DEVELOPMENT (continued)
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1. Mr. ESSY (Ivory Coast) said that he was struck by the universal recognition on the part of the international community of the gravity of the present crisis, which spared no group of countries or regions, irrespective of their level of development or economic structure. But however widespread it might be, the crisis was not affecting all economies to the same degree. Because of their more stable and diversified economic structures and a more advanced social system, the developed countries had shown a capacity to adjust which softened the impact of the crisis. Unfortunately, the same was not true of the developing countries, for which the crisis posed a literal problem of survival.

2. With reference to the statement made to the Committee by the Executive Director of the World Food Council, he said that the Ivory Coast generally agreed with the recommendations of the World Food Council at its eighth ministerial session, particularly concerning the accelerated implementation of national strategies for achieving food self-sufficiency. In that connection, he noted that since 1980 the Ivory Coast had been making food self-sufficiency a major national priority for the current decade. That policy of self-sufficiency, which had resulted in the establishment of a Secretariat of State for Agriculture specially responsible for promoting the production of food crops, centred around the following three activities: assistance to farmers, mechanization of agriculture and research. Assistance to farmers, which was aimed at improving both conditions for food production and rural living conditions, involved encouraging young people to take up farming, giving an impetus to the co-operative movement, making special grants to the National Bank for Agricultural Development in order to help new farmers and co-operative groups to begin operations, redeploying food production

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and reorganizing marketing systems, developing the role of women in agriculture and keeping the supply of fertilizers and the clearing of land for cultivation free of cost.

3. The mechanization of agriculture, which was aimed at increasing the area of land under cultivation and eventually the amounts harvested must be carried out in accordance with certain criteria, such as choice of equipment, size of farms and operation and maintenance of equipment. The Government of the Ivory Coast had accordingly established the Ivory Coast Centre for Agricultural Mechanization, which, prior to embarking on a policy of large-scale mechanization, was already involved in the training of future users and in a study of the agricultural machinery best suited to the Ivory Coast. An amount of \$US 7 million had been included in the national capital budget to complete the motorization of farming over a period of three years. Lastly, research, the purposes of which were to develop high-yield varieties of seed, to improve agricultural techniques and to devise methods of conservation and storage, was also directed towards the processing of Ivory Coast food products by appropriate technologies, whether existing or to be developed. In addition, efforts to achieve food self-sufficiency would also be aimed at developing livestock production, which had increased considerably in recent years but was still insufficient to meet the country's needs. For that purpose, the Ivory Coast was counting on subregional co-operation with the neighbouring countries, especially where the eradication of diseases of cattle was concerned. However, efforts relating to agriculture and livestock production had to be conducted without doing harm to forestry. In order to preserve its forest resources, the Ivory Coast was applying a policy providing for the delimitation of a permanent State forestry domain, reafforestation measures, the identification of additional exploitable species and the creation of an industry to develop local production to the maximum.

4. It must be borne in mind that agriculture and food production depended on such factors as infrastructure, water, capital development, fertilizers, transport and other means of distribution which required huge investments and, therefore, reconstitution of the State's funds. In that connection, his delegation was perplexed by the structure of a world economy which did not pay enough for raw materials, drove up the prices of equipment and fertilizers and, through a policy of donations, imposed patterns of consumption of foods that were not locally grown, thus increasing the dependence of the weakest countries. It must also be borne in mind that the countries of Africa were largely dependent for their foreign currency earnings on the world trade in commodities, from which they derived the income needed to finance their imports from the developed countries and to repay their debts. Consequently, one of the major obstacles to the development of the African countries, and the source of their special difficulties, were to be found in the field of commodities, the production of which had been imposed on them by the international division of labour laid down during the colonial era. The point was that two or three commodities, or even one in some cases, provided those countries with nearly all their export earnings and a large part of their GDP. The results of that system were, firstly, short-term instability in commodity prices and, secondly, an adverse long-term trend in commodity markets which entailed a

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deterioration in the terms of trade and very meagre growth in earnings. In addition, the huge investments made in recent years to improve the production and quality of agricultural commodities came up against the manoeuvring of speculators and other intermediaries who intervened in the market for such commodities at various levels in order to drive down prices to the detriment of the producing countries.

5. Furthermore, because the setting of export prices, which took no account whatever of production costs, and the processing, marketing and distribution of many commodities were in the hands of a few oligopolies, including some transnational corporations or their subsidiaries, it was extremely difficult for African developing countries to take a greater part in those operations. It was true that the international community was attempting, through a number of mechanisms such as commodity agreements, the Stabex system, the IMF compensatory financing facility and, before long, the Common Fund under the Integrated Programme for Commodities, to establish a fair price for commodities, but those mechanisms, however sophisticated, would become factors for development only if they took into account certain objective elements of the human dimension of labour. In that connection, he agreed with the Director-General for Development and International Economic Co-operation that it was through the expansion of international trade, through a policy of setting fair prices for commodities and through stability of the international monetary system that a remedy to the world-wide economic crisis and a solution to the problem of repayment of the debts accumulated by businesses or Governments could be found.

6. Ever since independence, the Ivory Coast had been pursuing a policy of co-operation through subregional organizations, such as the Council of the Entente, or regional ones, such as the Economic Community of West African States (ECOWAS). A prerequisite for any co-operation was the ability of States to survive in a period of turmoil when sovereignties were being flouted and the unity of States was being imperilled. The Government of the Ivory Coast had called for national solidarity to deal with that deep-seated crisis, and it considered that a similar spirit of solidarity should also prevail in international relations. Such solidarity found full expression in the Council of the Entente through its guarantee fund, whose achievements could serve as an example in economic relations, which the United Nations system was trying to restructure. What was needed now was the introduction of a modicum of justice in economic relations and attention to the efforts which each group of States could bring to the building up of a world economy whose interdependence was no longer in doubt. In the last analysis, the establishment of the new world economic order would depend on the extent to which economic decolonization took place and the newer States were guaranteed the stability without which any socio-economic development was impossible. In that connection, his delegation rested its hopes on the launching of the global negotiations, which offered the only means of taking into account the interests of all and creating conditions for world-wide economic recovery, which was vital to world peace.

7. Mr. OTT (German Democratic Republic) said that the prevention of wars, particularly nuclear war, remained the basic prerequisite for the survival of

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Republic)

mankind and the development of international economic co-operation. The United Nations system had to take specific measures to ensure that the relevant proposals contained in the reports of the Secretary-General entitled "Study of the Relationship between Disarmament and Development" (A/36/356) and "Long-term Trends in Economic Development" (A/37/211) yielded concrete results. That requirement should also be taken into account in the preparation and execution of the review and appraisal of the International Development Strategy envisaged for 1984.

8. Despite the confrontation course of the imperialist Powers and the deterioration of the situation on world markets, the GDR enjoyed continued dynamic development of its economy, which was closely linked with increasing co-operation with the other States members of the Council for Mutual Economic Assistance (CMEA). The stable development of the GDR within the community of socialist States was of great importance for tightening its relationships with the developing countries. Solidarity with and support for those countries in their struggle for economic independence was not a matter of expediency but a policy which rested on such essential principles as full equality of rights, respect for sovereignty, non-interference in internal affairs and the development of mutually beneficial relations.

9. In pursuance of that policy, the GDR was concentrating on areas of co-operation which would help developing countries to overcome economic backwardness and consolidate their economic independence. For example, it was contributing actively to strengthening their industrial and scientific-technical potential, developing agriculture, increasing food production, organizing education and health services and improving living conditions. To illustrate the point, he cited figures to show that the number of citizens from developing countries receiving post-secondary or on-the-job training kept growing from year to year. From 1970 to 1981, some 20,000 GDR experts had provided assistance to developing countries in the establishment and expansion of efficient socio-economic infrastructures. While maintaining traditional foreign trade, the GDR had developed new forms of economic, scientific and technological co-operation with developing countries, including the issue of licences, for example. In 1981 alone, GDR material and financial assistance to the developing countries had totalled 1,529.7 million marks, or 78 per cent of the country's national income, with a major part going to the least developed countries. Naturally, GDR assistance to developing countries and their national liberation movements was given on favourable terms and financed not by neo-colonialist profits but by funding derived from the product of hard work by the GDR people. The plants built by his country in the developing countries became the property of the latter: there was no transfer of profits. Citizens of developing countries trained in the GDR returned to their home countries upon completion of their training in contrast to the brain drain encouraged by capitalist countries. His Government's position on those questions was set out in detail in a document which had been submitted to the Secretary-General.

10. Like other member States of the CMEA, the GDR would continue its co-operation with the developing countries on the basis of socialist principles and with due regard for the legitimate interests of its partners. The slanders directed against

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his country could not conceal the effectiveness of that assistance or obscure the reality of the economic crisis which was creating upheaval in the capitalist countries. It was clear that the latter were attempting to shift the burden of responsibility for that crisis to other countries, particularly the developing countries, thus disrupting international economic relations. For its part, the GDR had consistently supported the proposal of the developing countries concerning the opening of global negotiations in the framework of the efforts to restructure international economic relations among democratic lines. It was high time for those negotiations to get under way; they should be based on the relevant decisions of the General Assembly, in particular resolution 34/138, and on the proposals put forward by the Group of 77 in March and July 1982.

11. The GDR had consistently advocated the implementation of the Charter of Economic Rights and Duties of States, whose provisions expressly prohibited interference in the internal affairs of States as well as the use or threat of the use of economic, political or other pressures. Consequently, the GDR strongly condemned the economic sanctions imposed by the United States on the Soviet Union, Poland and other socialist States. For the same reasons, his Government firmly supported the position taken on that issue by the Ministers of Foreign Affairs of the Group of 77 in their final declaration of 8 October 1982. Experience proved that economic sanctions not only undermined economic co-operation and efforts to restructure international economic relations, but ultimately were counter-productive for those who initiated them.

12. In that context, his delegation fully endorsed the Polish proposal to institute confidence-building measures in the field of international economic co-operation and the proposal of the Co-ordinating Bureau of the Non-Aligned Countries that the implementation of the Charter of Economic Rights and Duties of States be reviewed at the current session of the General Assembly. The tenth anniversary of the adoption of the Charter offered an occasion for a comprehensive review of the implementation of the principles of the Charter by Member States and the specialized agencies of the United Nations. Accordingly, the Assembly should adopt a resolution to that effect at the current session and call upon all Governments to report to the Secretary-General on how they had contributed to the implementation of the Charter.

13. Stressing the role of industrialization in the struggle of the developing countries for economic independence, he said that the GDR attached much importance to the preparations for the Fourth General Conference of UNIDO. Moreover, UNIDO, in implementation of the Lima Plan of Action, should give greater emphasis to the need to ensure the sovereignty of developing countries over their natural resources, the role of the State in industrial development and of the State sector in the expansion of industry and industrial planning. It should also give due attention to the socio-economic implications of the industrialization of developing countries. That included the adoption of measures to preserve the intergovernmental character of UNIDO and prevent the misuse of that organization by the capitalist private sector.

14. He believed that discussion of international economic co-operation and development required a thorough analysis of the activities of transnational

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corporations which, owing to their control over the industrial production and trade of developing countries and the transfer of technology from capitalist industrial States to developing countries, were the key factor in maintaining the economic dependence of developing countries and the most important pillar of neo-colonialist policy. His delegation therefore recommended that the General Assembly should adopt at the current session a resolution calling for the speediest possible completion of work on a code of conduct for transnational corporations and the use of the code as an essential instrument in the restructuring of international economic relations. In that regard, it was essential to increase the effectiveness of measures taken by the United Nations system to combat other manifestations of neo-colonialism. His country would continue to make a constructive contribution to the furtherance of international economic co-operation.

15. Mr. KOLEV (Bulgaria) said that increasing international tension because of the policy pursued by certain circles in the West, the arms race and the growth of military expenditures at a rate unprecedented for peacetime were hampering the restructuring of international economic relations and the establishment of a new international economic order.

16. The Bulgarian position regarding development questions and international economic co-operation was well known. It continued to support the Declaration and the Programme of Action on the Establishment of a New International Economic Order and the Charter of Economic Rights and Duties of States because they were fundamental instruments for the restructuring of international economic relations on an equitable and democratic basis. As far as the Charter was concerned, his delegation believed that, 10 years after the adoption of that unique instrument, a comprehensive and in-depth review and appraisal of its implementation, as provided for in article 34, should be carried out. The Secretary-General should invite Governments to report on the efforts to assist the implementation of the Charter and prepare, on the basis of that information, a report for consideration by the General Assembly at its thirty-ninth session.

17. One of the most important instruments of the United Nations was the International Development Strategy for the Third United Nations Development Decade. As was stated in General Assembly resolution 35/56, the attainment of the goals and objectives set forth in the Strategy was closely linked with the application of the principles contained in the Charter. Consequently, in the Bulgarian delegation's opinion, the implementation of the Strategy should be reviewed in the light of the basic United Nations documents concerned with the restructuring of international economic relations and the establishment of a new international economic order.

18. Bulgaria attached particular importance to questions of industrialization and the activities of UNIDO. His delegation reaffirmed its position regarding the need for UNIDO to continue to concentrate on the implementation of the basic provisions of the Lima and New Delhi Declaration and Plans of Action on industrialization and on the provision of assistance to the developing countries with a view to reducing their technological dependence and eliminating the adverse effects of the

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activities of transnational corporations. It could be concluded from the Executive Director's report that UNIDO had achieved positive results in 1981. The present international situation, however, and the growing needs of the developing countries required that new approaches and mechanisms of multilateral co-operation should be devised in respect of industrialization. Over the past few years, the UNIDO secretariat had expanded its activities in the field of investment but the implementation of projects in the state-owned and co-operative sectors had been inadequate. Yet, as was well known, given relevant planning, those sectors would in the long term be able to create and develop an industrial base. His delegation supported the measures which UNIDO had taken in order to contribute to the Industrial Development Decade for Africa and noted with satisfaction the progress achieved in the preparations for the Fourth General Conference of UNIDO. It supported the provisional agenda for that Conference and the idea of creating an open-ended working group of the Industrial Development Board to prepare for the Conference.

19. As far as the question of science and technology for development was concerned, he reiterated the position already expressed in the statement of the group of socialist countries, namely, that the establishment of a United Nations fund, as called for in the Vienna Programme of Action, was desirable provided that it had a universal and voluntary character.

20. Bulgaria, in pursuance of the internationalism which characterized its policy, was maintaining dynamic co-operative relations with the developing countries in respect of food and agriculture. It was playing its part in the quest for a long-term solution to the food and agricultural problems in developing countries and the elimination of conditions generating hunger and malnutrition. It was participating, to the best of its abilities, in the implementation of the FAO programme. It had assisted, on a bilateral and multilateral basis, the creation of a modern technical base for the development of agriculture and food-processing industries in a number of developing countries.

21. Concerning the question of long-term trends in economic development, his delegation stated that the trends in the world economy and world trade and the need to create conditions for the eradication of the economic backwardness of developing countries aroused grave concern, as had been confirmed by the Secretary-General's report on the subject. In his delegation's opinion, that report, despite a few shortcomings, represented a sound basis for improving further the work and efficiency of the Secretariat in that field. His delegation believed that the United Nations Secretariat should submit to the General Assembly, through the Committee for Development Planning and the Economic and Social Council, revised studies on long-term trends in economic development at intervals of two or three years. Such studies would be conducive to the elaboration of concrete recommendations on ways of solving international socio-economic problems on an equitable basis and in the interests of all States.

22. His delegation had noted with interest the Polish delegation's proposal concerning economic confidence-building measures.

23. Mr. MANDOE (Suriname), noting the growing instability in the international economic system, which was being expressed in many countries in balance-of-payments deficits, deteriorating terms of trade, shrinking exports, greater indebtedness and higher debt-servicing costs, said that, according to United Nations projections, the overall annual economic growth of the developing countries during the 1980s and 1990s was expected to be lower than it had been during the 1960s and 1970s.

Moreover, the flow of concessional financial assistance from the industrialized countries was also expected to decrease. The monetary and financial situation had worsened, thereby making it increasingly difficult for the developing countries to obtain the foreign loans they needed. The rise in interest rates had increased the cost of money, with the result that investment had fallen off and new business initiative had been stifled. That situation had led in the developing countries to higher unemployment, social unrest and, consequently, more poverty and hunger.

24. The delegation of Suriname believed that it was the responsibility of the international community to lend assistance to the millions of human beings affected by a crisis which they had not created. But the industrialized countries did not seem willing to recognize the changes which had taken place in the last decade in the international economic system and which justified the legitimate demands of the developing countries. Obviously, there was currently a clear interrelationship between the progress of industrialized countries and the efforts made by developing countries at attaining prosperity. A policy guided by national interests alone might seem preferable in the short run but, in the long run, could have harmful consequences. It must be realized that the developing countries, which bought more and more products from industrialized countries, thereby imported the inflation prevalent in those countries. His delegation therefore concluded that the industrialized countries had the responsibility of solving the present economic crisis in the context of a global approach not only in the interests of justice but also in their own interests.

25. One year after the Cancún Summit, negotiations between developed and developing countries had not yet been resumed, in spite of far-reaching concessions made by the developing countries. It had not even been possible to arrive at an agreement on the conditions for launching global negotiations. His delegation therefore deplored the intransigence of some industrialized countries, which was harming the legitimate interests of millions of persons, but it hoped that those countries would come to understand that it was essential for them to co-operate with the developing countries.

26. The developing countries had become increasingly aware of the importance of science and technology for development. Consequently, a number of them had made attempts to develop a technology which was adapted to the special needs of developing countries. In that respect, the delegation of Suriname welcomed the guidelines set out in the Caracas Programme of Action providing for technical co-operation and the transfer of science and technology among the developing countries themselves. While the Government of Suriname recognized the importance of science and technology for development, it considered it imperative that any bilateral or multilateral arrangement should provide for the transfer of technology suited to the needs of developing countries. Since the convocation of the United

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Nations Conference on Science and Technology for Development, there had been much discussion on the financial, institutional and administrative arrangements necessary to establish a financing system for science and technology for development. In that regard, it was regrettable that none of the major financial and institutional problems had been successfully resolved. His delegation would therefore like to appeal to the industrialized countries to show the necessary political will in order to reach an agreement at the thirty-seventh session of the General Assembly on the establishment of such a financing system.

27. Mr. GRECU (Romania) said that the present division of the world into rich and poor countries and the persistence of unjust and inequitable economic relations between States had led to the appearance and extension of serious economic anomalies and tensions in international life, which had diminished, and even nullified, the results of the efforts made in the economic and social areas by developing countries and had accentuated the disparities between the rich and the poor countries.

28. His delegation noted that the unjustified delay in the launching of global negotiations, the absence of decisive progress in various ongoing sectoral negotiations and the fact that some developed countries continued to take unilateral measures which primarily affected the developing countries were all factors running counter to the objectives stated in the Declaration and Programme of Action on the Establishment of a New International Economic Order, the Charter of Economic Rights and Duties of States and the International Development Strategy for the Third United Nations Development Decade. It was already clear that the international community was far from attaining the objective set in the Strategy, namely, "reducing significantly the current disparities between the developed and developing countries, as well as the early eradication of poverty and dependency, which, in turn, would contribute to the solution of international economic problems and sustained global economic development ... on the basis of justice, equity and mutual benefit". The delegation of Romania thus considered that urgent measures were called for to decide, through international negotiations, on effective measures to expedite the economic and social progress of developing countries, to stimulate world-wide economic activity and to establish new relations between States based on equity and justice and on mutually beneficial trade.

29. The Charter of Economic Rights and Duties of States, adopted eight years ago by the General Assembly, and which Romania had actively helped to draft, was of particular importance in terms of international economic co-operation for development. The principles and objectives laid down in the Charter were still very timely and had been embodied in a number of documents adopted subsequently by the General Assembly, including the International Development Strategy. His delegation therefore considered that the urgent launching of global negotiations in the context of a United Nations conference devoted to the consideration and solution of basic problems of international economic co-operation as well as the full application of the provisions of the Strategy would definitely promote the implementation of the Charter of Economic Rights and Duties of States.

(Mr. Grecu, Romania)

30. With regard to the role played by industrialization in the economic growth and social transformation of developing countries, his country had consistently supported efforts to strengthen the capacity of UNIDO so that it would be in a better position to meet the technical assistance needs of the countries undergoing industrialization. Romania took a positive view of the results of the industrial consultations organized to date by UNIDO and supported the strengthening and expansion of the System of Consultations designed to ensure the concerted restructuring of industry. It was therefore satisfying that, at the end of long negotiations, the rules of procedure and the objectives of that system had been adopted. It was also satisfying to know that, at its next session, the Industrial Development Board would consider the proposal to establish an industrial development financing mechanism. According to the Executive Director of UNIDO, that proposal had stimulated a great deal of interest. His delegation considered that if UNIDO became a specialized agency, it would be better able to meet the growing needs of developing countries. Consequently, Romania had ratified the Constitution of UNIDO and endorsed any action aimed at its prompt entry into force. His delegation also approved of the provisional agenda for the Fourth General Conference of UNIDO and agreed to the establishment of an open-ended working group of the Industrial Development Board to prepare for that Conference. UNIDO had made a particularly important contribution to the preparation for and conduct of the meeting of experts of developing countries on the training of administrative staff for industry, held at Bucharest in May 1982. The Final Document of the Meeting provided for a number of measures, which UNIDO would also play a significant role in implementing.

31. His delegation considered that science could be much more instrumental in solving the major problems confronting mankind. Romania was therefore endeavouring to consolidate its own research facilities and to promote scientific and technical co-operation with other countries. It was necessary to adopt specific measures at regional and subregional levels, and the regional economic commissions should contribute more actively to the implementation of provisions of the Vienna Programme of Action.

32. His delegation regretted that the fourth session of the Intergovernmental Committee on Science and Technology for Development had achieved only modest results and that, in spite of the efforts made by the developing countries to arrive at long-term arrangements for a financing system for science and technology for development, no significant progress had been made. His delegation expressed the hope that at the present session of the General Assembly it would be possible to arrive at a solution which would make it possible for the definitive version of the financing system to enter into force on 1 January 1983.

33. The problem of world hunger and other major problems confronting humanity at present were closely linked to the eradication of underdevelopment and could not be solved unless all countries combined their efforts with a view to eliminating inequalities and establishing a new international economic order. His delegation supported the conclusions and recommendations formulated by the World Food Council at its eighth Ministerial Meeting and thought that they should be adopted by the

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(Mr. Grecu, Romania)

General Assembly. It also considered that it was essential to strengthen the International Fund for Agricultural Development so that it could respond effectively to the assistance needs of the developing countries.

34. Miss GARCIA-DONOSO (Ecuador) said that, in an international situation characterized by conflict, economic structural crisis and virtual stagnation of development, the developed countries had adopted certain policies - high interest rates, credit restrictions, protectionist measures and discriminatory practices - without any regard for their impact on third world countries. The latter's foreign trade and finances had often suffered dramatically from such policies and their efforts at integration were being undermined by attempts by transnational corporations to meddle in their markets and industries. The crisis had highlighted countries' economic independence (and the fact that henceforth no country could claim to control the entire system singlehanded): thus, almost a third of world trade was based on a financial system which operated outside of traditional official circuits and capital was often private. Those factors had made the developing countries particularly vulnerable to the impact of such external phenomena. The situation of the Latin American countries, more particularly Ecuador, all of whom had been sorely tested in 1981, was a case in point.

35. Unfortunately, the international conscience appeared to be indifferent to that state of affairs for, only recently, a group of developed countries, mixing politics with economics, had flouted the provisions of General Assembly resolution 3201 (S-VI) and the Charter of Economic Rights and Duties of States and imposed economic sanctions on a developing country. At their annual session, the International Monetary Fund and the World Bank had failed to take the decisions expected of them with regard to monetary instability, inflation and employment. In particular, no increase had been made in the Fund's capital and no measures taken to reduce the balance-of-payments deficit of the developing countries, a deficit caused by their disadvantaged position in international trade.

36. In those circumstances, there was little prospect of resolving the chronic problems of underdevelopment - foreign trade dependent on commodity exports, industrialization difficulties, persistent imbalance in the current trade balance, high foreign debt, extreme poverty of the population - and the developing world of the 1980s had got off to a bad start in achieving the objectives of the International Development Strategy. If the developing countries were to be set back on their proper course, the structure of international economic relations must be transformed and conditions created that would make it possible to balance those countries' balance of payments. They must also receive assistance in the form of international technical and financial co-operation which would in the end be universally beneficial. The main objective must be to launch a programme of world recovery in which the developed countries would have to co-operate if the crisis was not to go out of control. International negotiations must aim to transform the structures, functioning and orientation of the world economy, as well as national policies, and the General Assembly must, in priority areas of development, adopt measures compelling Governments to take specific steps in the fields of action covered by the programme of work of the Second Committee.

(Miss Garcia-Donoso, Ecuador)

37. With regard to food problems, there was a dangerous contradiction between massive nuclear weapon spending and the fate of the starving rural populations of the developing countries. The developed countries must transform the arms race into a collective search for world food security. An international strategy was needed which was based both on food and agricultural development and on improving the situation of rural populations and increasing productivity, especially in countries with a huge deficit or those where the natural environment was propitious. Such a strategy required the financial and technical support of the international community. Prices must also be stabilized and markets opened to exports from the developing countries. More generally, the developing countries must receive help in the form of food aid, transfers of technology and commercial policies which were in keeping with the commitments entered into in the Tokyo Declaration. In line with the Programme of Action of the World Conference on Agrarian Reform and Rural Development, Ecuador had set up a secretariat for integrated rural development which was guided by a humanistic philosophy and, as its name indicated, dealt with very diverse areas. There was also a fund for the development of marginal rural areas, which acted as a financing agency.

38. Industrial development formed an integral part of Ecuador's development plan, which was designed to make industry keep pace with all other sectors and, in particular, progress at the same rate as agriculture. Among the various aspects of the industrial sector, industrial redeployment formed part of the transfer of technology to the third world. It must correspond to the priorities of the developing countries and be effected in such a way as to protect their environment. The third world countries were anxious to see UNIDO become a specialized agency, thereby strengthening international industrial co-operation.

39. She welcomed the fact that the Interim Committee on New and Renewable Sources of Energy had stressed the need to mobilize funds for the implementation of the Nairobi Plan of Action. Financial and technical co-operation in the search for and the development of new and renewable sources of energy played a decisive role in development. The activity of development agencies had come to a virtual standstill pending agreement on the launching of global negotiations. The Committee must therefore reopen talks on specific action to be taken in the field of international economic co-operation so as to create the necessary conditions for the development of nations which was one of the fundamental aims of the Charter.

40. Mr. KITTIKHOUN (Lao People's Democratic Republic) said that the international machinations of imperialist and hegemonic forces were threatening peace and security, essential guarantees for the development of peoples and nations and, at the same time, causing a deterioration in international economic relations. Multilateral international economic co-operation, the *raison d'être* of the United Nations, was facing serious difficulties. As in the past, some of the most powerful and most aggressive imperialist circles continued to oppose the demands of peace- and progress-loving peoples, advocating outdated economic doctrines for their own ends and applying restrictive economic policies and sanctions which were in fundamental contradiction with the very spirit of international economic co-operation. Those circles hoped to return the world to a by-gone age in which the strongest had ruled the weakest.

(Mr. Kittikhoun, Lao People's
Democratic Republic)

41. In the view of his delegation, a healthier international political atmosphere must be created which would benefit all peoples and promote their economic recovery. When the Soviet delegation had explained in detail principles, nature and volume of Soviet assistance to developing countries, certain Western delegations had indulged in baseless and often discourteous criticism aimed at side-tracking international opinion and lessening the influence of the Soviet Union. The statement by the Soviet delegation had, however, found a favourable response among many developing countries and had no doubt also aroused a great deal of concern in the ranks of certain Western countries who saw the massive profits which their transnational corporations in the third world countries had until now reaped for them dwindling dramatically. He believed that members of the Committee should be spared that kind of malicious criticism so that they could get on with their work.

42. His delegation wondered whether the alarming deterioration in the world economic situation was not yet sufficient proof that serious attention and greater priority must be given to the implementation of the Declaration and Programme of Action on the Establishment of a New International Economic Order and the Charter of Economic Rights and Duties of States. Those documents, which set forth clearly the principles and rules which should govern international relations, had aroused great hopes among peoples the world over. Any attempt to consign them to oblivion would thus be tantamount to a refusal to build a new international order that was not based on relations of exploitation, domination and dependence.

43. His delegation therefore launched a sincere appeal to the international community, and to the developed market-economy countries first and foremost, to take definite steps to overcome the present difficulties that were seriously impeding full implementation of the above-mentioned documents.

44. The extent and gravity of food problems in various regions of the world, particularly Africa, were well known. Yet the international community did not seem to be giving those problems all the attention they deserved.

45. Prompted by self-interest, the developing countries had used and continued to use food products as a political weapon for exerting pressure on independent sovereign States. By using rhetoric to conceal their dark designs and blunt the frustration of the developing countries who were the victims of iniquitous economic relations, they would only further impede efforts to establish a new international economic order. It was high time that the Second Committee embarked on sincere and honest deliberations that would provide a useful basis for its future activities.

46. Mr. LEIDO (Philippines) said that, in his opinion, the report entitled "Long-term trends in economic development" (A/37/211) was extremely useful. It explained that the instability of the world economy and the disruption of growth stemmed from the failure of structural adjustments to respond to the changing social and political conditions affecting the distribution of power and from the inability of the international community to act in concert. To remedy that

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situation, a mere economic analysis was not sufficient; it was necessary to ensure that the measures to be taken in the social and political context were properly interrelated, both within countries and at the international level, to impress upon the public that equitably shared benefits and responsibilities represented the only way out of the current crisis, and to realize that a new basis must be found for the search for solutions.

47. Despite the prevailing mood of despondency, hopeful signs could be found in the scenario of the International Development Strategy for the Third United Nations Development Decade, which concerned both the developed and the developing countries. To attain the desired results, the developing countries must increase savings shares and capital productivity to at least 25 per cent of the gross domestic product and maintain the necessary supply of imports, even though they might find it difficult to pay for those imports owing to their large external deficits, a problem that was particularly serious in the case of the low-income countries. It was assumed that the developing countries had primary responsibility for solving their problems, for example by encouraging capital inflows, by increasing their productivity and by promoting exports. However, the developed countries must help them by adopting appropriate policies: removing trade barriers, making private capital more accessible, improving the terms of trade for primary commodities and increasing flows of concessional aid.

48. In the case of the developed market economies too, the Strategy scenario was more favourable than the low-growth scenario: the latter would be socially and politically unacceptable in view of current unemployment; it would, moreover, generate stagflation which would be disastrous for the developing countries, for they would be confronted with renewed protectionism and reduced capital flows. In contrast, under the Strategy the developed countries would pursue expansionary policies, which would create the necessary conditions for satisfactory growth in the Western world. That high-growth scenario assumed rapid structural adjustments in key industries, and the growth of imports and the revival of the commodity markets in developed economies. The momentum thus generated should stimulate investments and technological innovations. The Strategy scenario should also benefit the ASEAN countries, which were experiencing critical development problems because they had adopted outward-looking strategies and which were consequently vulnerable to all the fluctuations in the international economic situation. By creating a favourable environment, the Strategy would enable them to adjust to the world situation, thanks to their relatively high investment ratios and improved productivity, and, with regional co-operation, to provide a growing market for each other's products.

49. Agriculture in the developing countries had progressed remarkably in the past three decades, but the problem posed by the existence of millions of hungry people persisted. The main source of the problem was poor distribution of food, as a result of which some people suffered from malnutrition, while others had large food surpluses. The solutions were well known: modernization of food production, improved distribution, adequate stocks and also elimination of the restrictive measures imposed by the developed countries. The talks on an international grain

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agreement must be resumed, the International Fund for Agricultural Development must be replenished on a regular basis and technical assistance must be provided to the developing countries which, in turn, must establish their own food reserves.

50. With regard to trade and industrialization, the most promising policy for many developing countries still appeared to be the expansion of non-traditional exports, for that would help to remedy foreign exchange problems and would encourage the efficient use of resources.

51. In some developed countries, declining productivity could be remedied and industrial dynamism restored by making structural adjustments. UNIDO was helping in that regard through its System of Consultations, its training activities and its transfer of technology, all of which furthered the industrial development of the developing countries. It was to be hoped that, when it became a specialized agency, UNIDO would be able to play an even more important role in serving the developing countries. The Technical Assistance Council of the Philippines had concluded an agreement with UNIDO for the establishment of a training programme for the least developed countries.

52. Concerning science and technology for development, he said that it was extremely regrettable that some developed countries were currently opposing the establishment of the United Nations Financing System for Science and Technology for Development, even though the decision concerning it had been adopted by consensus. Such an attitude had a negative effect on international co-operation and since the Financing System was an important feature of the Vienna Programme of Action, it was to be hoped that those countries would reconsider their position.

53. Women constituted a large proportion of the working population, particularly in the developing countries. They were therefore capable of playing an important role in economic development. However, their potential was not yet being fully utilized, and they were still the subject of discrimination. Therefore, special efforts should be made to remedy that situation.

54. Mr. AKAO (Japan) said that the world economy was faced with a serious crisis, which affected developed and developing countries alike. The industrialized countries were confronted with high rates of unemployment and inflation and, thus far, their efforts to cope with those difficulties had not been successful. The growth rate of the gross domestic product (GDP) of those countries had declined steadily in recent years. As a result, there had been a heightening of protectionist pressures in the field of international trade. It was imperative to resist those pressures and to maintain a system of free trade.

55. The developing countries were the most seriously affected by the current economic recession and the accompanying decrease in export opportunities, stagnation of foreign capital inflows, high energy prices and decline in the growth rate of their GDP. In that connection, his delegation wondered whether the world economic survey prepared each year by the United Nations Secretariat did not duplicate similar studies carried out by the International Monetary Fund, the World

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Bank, GATT and UNCTAD. The survey for 1982 was, of course, more detailed than previous ones but an effort should be made further to improve the contents and dissemination of such studies. Given the highly interdependent relations between nations and the multi-dimensional, interrelated and complicated nature of current world economic problems, all countries must co-operate in dealing with them, and to that end, constructive dialogue, deeper mutual understanding and accommodation were essential.

56. Therefore, the global negotiations on international economic co-operation for development could be expected to play a very great role in advancing the North-South dialogue in the 1980s. Japan was aware of the political significance of the global negotiations and hoped that all the arrangements for launching them would be completed as soon as possible. It was to be hoped that the General Assembly would achieve tangible results in that regard during its current session and, accordingly, Japan would participate actively in consultations on that subject.

57. The global negotiations should not prevent the continuation of existing negotiations and consultations on such urgent problems as development, trade, industrialization, food, commodities and energy. Japan was determined to contribute further to the development of the world economy and to global peace and stability through economic and technical co-operation with the developing countries. To that end, his Government had set, as its medium-term target, the doubling of its official development assistance during the first five years of the 1980s; moreover, it would endeavour to increase its official loans and would respond positively to requests for capital subscription from international development financing institutions. His Government would spare no effort to attain those objectives, despite Japan's extremely stringent budgetary situation. In view of those constraints, aid programmes must be implemented effectively so as to make full use of the limited resources available. Recipient countries, in turn, must co-operate by intensifying their development efforts.

58. In the field of industrialization, he welcomed the fact that an agreement had recently been reached to transform UNIDO into a specialized agency and that the Constitution of that organization, having been ratified by the required number of countries, could enter into force. However, it was essential to secure the broadest possible participation in the organization as soon as it became a specialized agency. In particular, such broad participation must be taken into account in setting the dates for the consultations provided for in article 25 of the Constitution and for its entry into force.

59. With regard to the negotiations on the financing system for science and technology, he noted that no conclusion was yet in sight. His Government, which was well aware of the important role played by science and technology in the development process, would participate in international co-operation in that field. However, his delegation considered that the scope of the projects to be financed by the system was not as clearly defined as it might be, a situation that might jeopardize the credibility of that independent system. It also had reservations about the concept of burden-sharing in respect of contributions to the financing system: it felt that such contributions should be voluntary.

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60. Negotiations which, like those concerning the financing system, were aimed at establishing a new fund, normally took a long time, particularly when many countries were facing financial and budgetary constraints. His delegation therefore hoped that all countries would continue to participate in the negotiations with patience, sincerity and a sense of realism, so that a solution acceptable to all would be found. In that connection, his delegation commended the efforts of the Secretary-General, who had just appointed a special representative to conduct consultations with various Governments with a view to finding an answer to that difficult question.

61. On the subject of food problems, at the eighth ministerial session of the World Food Council, held at Acapulco in June 1982, Japan had expressed its support for the co-ordination of efforts by the international agencies in order to improve the manner in which food assistance was provided to Africa. It was important that the primary efforts to resolve the food and agricultural problems of developing countries should be made by those countries themselves, and his delegation was gratified that the idea of national food strategies was moving towards realization in an increasing number of countries. Japan, for its part, was helping Burma to establish its food strategy in accordance with the ideas promoted by the Council. Furthermore, Japan had supported the proposal for building up grain reserves in developing countries, but had expressed the view that international activities, such as the conclusion of an international grain agreement, should be fully taken into consideration.

62. In connection with agricultural trade, the positions of both importing and exporting countries were important considerations in attempting to find a solution to that issue, because each country had its own social and economic difficulties in the field of agriculture.

63. His delegation associated itself with many who had spoken at the observance of the second World Food Day, asserting that the international community should work more actively to eradicate hunger, poverty and malnutrition in the third world.

64. Mr. MI Guojun (China) said that the current world economic situation was very grave: major developed countries remained in a persistent economic recession which had had a devastating impact on the developing countries. At the current session, many representatives had said that the first victims of the current economic crisis were the developing countries, which were facing serious difficulties: the slowing down or even decline of their economic growth, the worsening of trade terms, the protectionist restrictions on their exports, the adverse effects of high interest rates and the heavy burden of external debts, the deterioration of their balance-of-payments position, the persistence of grave food problems, and the drying up and shortage of financial resources for development.

65. In the face of that grave situation, there were two alternatives. The one advocated in the International Development Strategy for the Third Development Decade consisted in involving the entire international community in the promotion of international development co-operation with a view to reducing significantly the

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current disparities between the developed and the developing countries and to contributing to the solution of international economic problems and to sustained global economic development. The other alternative ran directly counter to that one. In that regard, he wished to refer first to the tendency to advocate selective bilateralism at the expense of multilateral co-operation, about which the Ministers for Foreign Affairs of the Group of 77 had expressed serious concern in their Declaration (A/37/544). They had pointed out that that was a negative trend which ran counter to the objectives of multilateral co-operation and weakened the United Nations system, which was the framework for organizing and conducting such co-operation. The agencies and bodies in the United Nations system concerned with multilateral aid and co-operation had been established as a result of long years of joint efforts by the international community and were engaged in very useful work. To hamper those organizations in their respective tasks would be detrimental to the interests of the international community as a whole.

66. There was a second tendency which consisted in advocating a so-called economic "model", especially the free play of market forces. A number of developing countries had rightly criticized that position, and had pointed out that that very "model" had to date failed to cure its proponents from their own economic recession. To that he wished to add two points. Firstly, respect for the sovereignty of the aid-receiving countries was a basic principle: however poor the countries of the third world might be, they would on no account barter away their sovereignty. Secondly, the way in which a country went about its national construction and development must be in line with the aspirations of the people and the conditions prevailing in that country. To impose arbitrarily an alien model on a sovereign State was erroneous and could only lead to a blind alley. There was also a third tendency: certain countries, under various pretexts, refused to assume obligations in United Nations multilateral co-operation endeavours. While preaching incessantly about the need to divert money spared from disarmament to development, they repeatedly refused any undertaking to provide official development aid equal to 0.7 per cent of their GNP, as stipulated in the International Development Strategy.

67. His delegation supported the view put forward by many developing countries concerning the need to encourage economic assistance and co-operation on the basis of equality and mutual benefit and respect for state sovereignty, and to reject assistance which ran counter to that basic principle. The current world-wide economic crisis had brought into relief the injustice and inequality of the old international economic order as a serious impediment to the economic development of the developing countries. The existing inequitable international economic system must therefore be restructured, with, inter alia, the launching of the global negotiations aimed at establishing the new international economic order and reaching a satisfactory all-round solution to international economic problems. Moreover, the commencement of those negotiations would make a marked contribution to the improvement of North-South relations. In an interdependent world, the developed countries could not achieve economic growth without the rich resources, vast markets and prosperous national economies of the developing countries. It was therefore unwise for some of the developed countries to object to the restructuring

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of the international economic system on the ground of having economic difficulties at home. His delegation therefore hoped that it would be possible at the current session to overcome the obstacles to the early launching of the global negotiations.

68. Moreover, the pressing issues confronting the developing countries in the fields of trade, development, finance, food, science and technology for development, and new energy resources should be resolved through enhanced international co-operation on the basis of equality and mutual benefit. The developed countries should be called upon to honour the commitments which they had already entered into, so that some short-term measures could be adopted which would pave the way for a medium- or long-term solution. In that context, he wished to mention draft resolution A/C.2/37/L.5, which had been proposed by the Group of 77 and merited the support of the international community.

69. Furthermore, his delegation wished to stress the importance of South-South co-operation. In order to promote the North-South dialogue and the restructuring of international economic relations, the developing countries must strengthen their economic co-operation and political solidarity, so as to enhance their individual and collective self-reliance and strengthen their negotiating position. South-South co-operation had boundless potential and would produce fruitful results.

70. Only a change in the existing international economic order and the strengthening of international economic co-operation and South-South co-operation would facilitate the economic growth of the developing countries and lead to the improvement of North-South relations and recovery of the world economy.

The meeting rose at 1.10 p.m.