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SECOND COMMITTEE  
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held on  
Tuesday, 24 October 1978  
at 3 p.m.  
New York

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SUMMARY RECORD OF THE 14th MEETING

Chairman: Mr. MWANGAGUHUNGA (Uganda)

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ORGANIZATION OF WORK

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

GENERAL DEBATE (continued)

1. Mr. LOQUET (Belgium) said he hoped that the solution that had been found to the problem of defining the role of the Committee Established under General Assembly Resolution 32/174, to which the European Economic Community had made a constructive contribution, would finally enable that Committee to fulfil its mandate and achieve progress in the dialogue between developing and industrialized countries with a view to the 1980 special session of the General Assembly.

2. It had become a commonplace to express concern about the world economic situation, which was still characterized by difficult problems such as recession, inflation, unemployment and the threat of increased protectionism, but the sustained rate of growth in the developing countries during 1977 and their increased participation in the world economy were nevertheless gratifying. The economic and social progress achieved by the developing countries over the past 15 years was generally impressive compared with previous trends, particularly in the case of the relatively advanced developing countries, where the average annual rate of increase of per capita income had almost doubled during that period. However, since the corresponding rate in the poorest developing countries had been only 1.6 per cent, and since in most countries the participation of the various social groups had been very uneven, the fight against poverty remained the most acute and urgent problem facing the international community, and priorities must be established.

3. Preferential aid to the least privileged countries had always been a feature of Belgian policy; 80 per cent of official development assistance went to those countries, on particularly favourable terms, as evidenced by the fact that more than 95 per cent of such assistance during the first five years of the Second Development Decade, and more than 98 per cent in 1976, had been in the form of grants. The Belgian authorities intended to reach the target of 0.7 per cent of GNP by 1980, despite the rather unfavourable economic situation; budget appropriations for ODA had amounted to 0.62 per cent of GNP in 1977 and 0.66 per cent in 1978. Investment by the private sector was also making a considerable contribution to the economic and industrial development of the developing countries, and the role of that sector should not be underestimated. In that context, it was essential that the authorities of host countries should strive to create a climate of stability and security which would encourage the efforts of the private sector. Aggregate official and private assistance had amounted to 1.83 per cent of GNP in 1976, and in that respect Belgium ranked third among the OECD countries. The Government had recently decided to review the terms of the debts of five of the least developed countries, in accordance with the agreement reached in May in the Trade and Development Board.

4. His country was pleased with the success of the Conference on Technical Co-operation among Developing Countries: it had supported the idea of that type of

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co-operation from the outset, and believed that it was a new and necessary dimension of international co-operation, which could provide a more propitious atmosphere for North-South relations.

5. Belgium shared the concerns of the developing countries regarding the danger of protectionism in world trade, and hoped that the multilateral trade negotiations would reach a satisfactory conclusion, taking into account the interests of the developing countries in particular, in accordance with the Tokyo Declaration. Past experience had clearly shown that an open multilateral trade system was essential to general well-being.

6. The report of the Director-General of FAO at the second regular session of the Economic and Social Council had indicated that the non-petroleum-producing countries had had to devote the equivalent of one third of their current payments deficit to food imports, which were estimated to have cancelled out more than 80 per cent of the ODA received by those countries in 1976. It was thus clear that increased agricultural production in the developing countries would release resources that could accelerate their industrialization. The eradication of hunger should be an absolute priority.

7. His delegation was concerned about delays in the preparation of regional papers for the United Nations Conference on Science and Technology for Development and the postponement of the third session of the Preparatory Committee, but hoped that it would still be possible to hold the Conference as planned in 1979.

8. In view of the importance of the energy problem in the broader context of international economic co-operation and the interdependence of national economies, and the universally recognized need for a more rational and economic utilization of energy resources, it was regrettable that the subject had been considered only sporadically within the United Nations system. Many countries, including the petroleum producers, had repeatedly stressed the need to prepare for the "post-oil era". Belgium therefore supported the idea of holding a United Nations conference on new and renewable sources of energy, but it also hoped that the intergovernmental bodies of the United Nations system would devote more attention to that crucial problem.

9. Little time remained before the 1980 special session of the General Assembly, and it was essential at the current session to establish the institutional machinery for the preparation of the new international development strategy and to decide on the main conceptual approaches. It would also be useful to have an exchange of views on the contents of the strategy. In general, it was to be hoped that the current session would be a step towards a more equitable international economic order.

10. Mr. VONGSALY (Lao People's Democratic Republic) said that, while the agenda of the Second Committee was virtually the same as at the preceding session, the realities of the world economic situation were very different and were a source of great concern to the international community and particularly to the developing countries, whose efforts in various international forums to initiate frank and serious negotiations with the developed market-economy countries with a view to

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finding adequate solutions to the serious immediate and long-term problems had had very little result. Meanwhile, the international economic situation had continually deteriorated, placing the developing countries, and particularly the least developed and most seriously affected, in a very difficult situation which would become catastrophic unless appropriate measures were implemented immediately at the international level. His delegation believed that the Committee should devote particular attention to the plight of those countries, which constituted a considerable proportion of the membership of the United Nations. All the studies which had been prepared and all the conclusions of the major international meetings which had been held, particularly those of the Conference of Ministers for Foreign Affairs of Non-Aligned Countries in Belgrade, showed the precarious position of the land-locked and island developing countries, the most seriously affected countries and, above all, the least developed countries in the current world economic crisis, and the need for special measures as a matter of urgency to help those countries to accelerate their development. The international community must heed such appeals. The annual rate of increase of per capita GNP in those countries had been only 0.4 per cent during the period 1970-1976, compared with 2.7 per cent in the developing countries as a whole; the special measures which had been unanimously approved by various international bodies to assist the least developed countries must therefore be immediately and fully implemented, and additional resources must be found to complement those allocated to the developing countries as a whole.

11. In order to help those countries to attain the minimum annual growth rate of 3.5 per cent in real terms envisaged in the International Development Strategy for the Second Development Decade, it was absolutely essential that the real volume of assistance to them should be substantially increased, and at least doubled. His delegation joined others in expressing warm appreciation to those Governments of industrialized Western countries which had taken steps to alleviate the debt burden of the least developed among the developing countries. It was to be hoped that many other former colonial Powers, which had become opulent industrialized countries partly as a result of the wealth they had unjustly acquired at the expense of the colonial peoples, would do likewise.

12. As a land-locked developing country, the Lao People's Democratic Republic was well aware of the serious obstacles to the economic and social development of such countries. Although much sympathy had been expressed to them no specific measures had yet been taken to help them, and the Special Fund for Land-locked Developing Countries was not operational for want of the necessary resources. It was to be hoped that the new international development strategy for the third Development Decade would devote particular attention to the situation of those countries, most of which were in the least developed category.

13. There was general agreement on the fact that the crisis in the world economic situation, which was seriously threatening the process of détente and of international co-operation, was due to the survival of an archaic international economic order based essentially on the dependence and exploitation of developing countries, and on the urgent need for a thorough restructuring of the system of

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international economic relations to meet the requirements of development and serve the interests of all countries. In other words, everyone agreed on the crucial need for the establishment of a new international economic order. That concerted profession of faith had been made ever since 1974, the date of adoption of the Declaration and the Programme of Action on the Establishment of a New International Economic Order. However, his delegation was encouraged by the recent decision of the General assembly regarding the Committee Established under General Assembly Resolution 32/174, and hoped that that Committee would be able to provide the necessary impetus to the thus far unsuccessful negotiations in various international forums on the vitally important questions involved in the establishment of the new international economic order.

14. It was to be hoped that greater progress would be made in the negotiations on the Integrated Programme for Commodities, on which the export earnings of the great majority of developing countries depended, and especially that agreement would be reached on the Common Fund, so as to provide greater impetus to other ongoing negotiations, including the GATT multilateral trade negotiations and the negotiations on the transfer of real resources to developing countries, on reform of the international monetary system, on an international code of conduct for the transfer of technology and on the urgent problem of the external debt of the developing countries. In order to make significant progress in all those areas, it was absolutely essential that the developed market-economy countries should show the necessary political will.

15. His delegation welcomed the results of the Conference on Technical Co-operation among Developing Countries, but considered it essential that the developed countries should honour their commitments and offer their full potential in support of such co-operation.

16. He expressed appreciation to all the socialist countries, which had constantly supported the developing countries in their struggle for the establishment of a new international economic order and for the elimination of all forms of discrimination, exploitation, dependence, colonialism, neo-colonialism, imperialism, apartheid and racism, those being insurmountable obstacles to the development of peoples. It would be unjust to those countries, which had never exploited anyone, to make them share the responsibility of the former colonial Powers for the current world economic crisis.

17. In addition to taking into account the needs of the least developed, land-locked, island and most seriously affected developing countries, the new international development strategy must take into account the principles and objectives of the new international economic order. Furthermore, since the current Strategy had produced meagre results because of the lack of political will on the part of the industrialized countries, the new strategy must lay particular stress on the commitment of those countries to implement concrete measures within specific time-frames.

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18. Mr. ULRICHSEN (Denmark) said that the subject of the major recession which, since 1973, had severely affected developed as well as developing countries had already been touched upon by the Minister for Foreign Affairs of Denmark during the general debate in the plenary Assembly.

19. Denmark's point of view on the future of the Committee Established under General Assembly Resolution 32/174 had been explained by the President of the European Economic Community during the debate on item 58 (a) in plenary meeting. His Government attached great importance to a fruitful continuation of the work in that Committee. The solving of the procedural questions involved in the interpretation of the Committee's mandate had demonstrated agreement on the need for a forum which could take an over-all view on how best to proceed with the establishment of a new international economic order, but had left open the question of the substantive work of the Committee; thus, informal consultations must be initiated without delay on how to proceed. At the same time, it was extremely important to concentrate attention on the negotiations on specific issues, in the course of which the continued elaboration and refinement of the contents of the new international order would take place.

20. Although the Director-General for Development and International Economic Co-operation had commented in his introductory statement on the limited results achieved in the negotiations which had been under way since 1974, it should be borne in mind that those negotiations had taken place at a time of the major recession in the developed countries and also that, during the relatively short period since the Declaration and the Programme of Action on the Establishment of a New International Economic Order had been formulated, there had been a clear change in attitude towards the problems of the developing countries among developed countries, involving a realization of the interdependence between developed and developing countries and of the need for more fundamental changes in the current international economic system. Although the process of giving effect to the measures of the new international economic order was complex, it had been initiated at a number of important United Nations Conferences and, furthermore, nearly all aspects of the North-South dialogue would be discussed at conferences scheduled during the forthcoming year; it was precisely in order to assess the progress made in various forums of the United Nations that a special session of the General Assembly was to be convened in 1980.

21. Those more abstract questions would undoubtedly influence the deliberations on a number of more specific items, particularly when policy guidelines for the preparation of a new international development strategy were being worked out. While it would be unrealistic to try to solve all the questions involved in that difficult task at the current session of the General Assembly, work must be initiated. As his delegation had stated at the summer session of the Economic and Social Council, the broad objectives which the Committee for Development Planning had outlined for a new strategy seemed to offer a very good starting-point for deliberations. His Government was prepared to participate actively in the search for solutions to such difficult and delicate questions as those which had been mentioned by the Director-General for Development and International Economic

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Co-operation. It recognized the need for basic changes in the current international economic system, but also felt that a positive answer to those questions must constitute the basic orientation of a new strategy.

22. Turning to more specific points, he said that in the view of the Danish Government a new development strategy must aim at substantial improvements in the life of the approximately 800 million people representing more than one third of the total population of the developing countries, who in spite of the efforts of the two first Development Decades still lived in absolute poverty. It would also be necessary to create possibilities for rapid economic growth in all developing countries. Rapid growth was fundamental to any successful development strategy. In the poor countries, progress in reducing poverty would be impossible without accelerated growth rates, but growth alone was not enough. As the Director-General had reminded the Committee, one of the faulty assumptions in the existing International Development Strategy was that economic growth in the sense of an expansion in gross product would engender development in a sense including qualitative and structural changes in society. Deliberate action by the developing countries, in the form of a reorientation of national development policies, was needed to meet effectively the elementary needs of the population. Such deliberate action would be possible only if it were supported by a substantial increase in official development assistance.

23. The possibility of rapid economic growth in all developing countries also depended on whether the necessary international economic environment could be created. Rapid economic growth in the developing countries was largely dependent on whether the necessary increases could be sustained in international trade. Yet during the past year the trend had been towards protectionism, which had presented special problems for the developing countries. The Danish Government had often stressed the need to change that trend. It considered that the multilateral trade negotiations in progress must result in commitments to maintain an open world trading system, including further commitments for special and differential treatment of developing countries.

24. The economic environment would also depend on how the problems of raw materials and energy were dealt with. He underlined the need to bring the UNCTAD negotiating Conference on a Common Fund under the Integrated Programme for Commodities to a successful conclusion. The Danish Government would like to see a permanent framework established for discussions on global energy matters, to the benefit of both developing and developed countries. He welcomed the adoption of Economic and Social Council resolution 1978/61 on the convening of a conference on new and renewable sources of energy at the earliest possible time. One other requirement in creating the right environment was to increase the transfer of resources to developing countries. Denmark was fully aware that the major efforts in financing their development plans must rest with the developing countries themselves. The representative of India had pointed out that only about 4 per cent of the resources needed to achieve the development aims of India was expected as net foreign assistance, while the remainder would have to be raised domestically.

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25. In accelerating growth in developing countries, the transfer of resources was of key importance. For the poorest countries in particular, official development assistance would for many years to come continue to be of major importance. It was therefore highly disturbing that most of the major donor countries were still far from achieving the target figure of 0.7 per cent of GNP, and that the performance of the Western countries as a whole had fallen from 0.33 per cent of GNP in 1976 to 0.31 per cent in 1977. At the same time, the performance of Eastern European countries providing ODA was lagging behind. Every effort should be made to increase the volume of ODA as rapidly as possible, and the industrial countries with relatively strong economies should carry a greater share of the aid responsibility.

26. As far as non-concessional capital flows were concerned, the role of the multilateral development institutions should be strengthened. There should be increased use of co-financing of projects in the developing countries in co-operation with the private capital market. In particular, the middle-income countries had a growing need for the supply of non-concessional capital. Another problem was facilitating the access of those countries to loans with a longer maturity than was now generally available. Encouragement of the flow of capital from various surplus countries should lead to an increase in investments in developing countries. Increased investment would in the first place affect the developing countries, but would also be to the advantage of the world as a whole. However, increased investments in developing countries could only be brought about in a favourable investment climate. That meant not only a satisfactory relationship between the host countries and the investors, but also improved access to the markets of industrialized countries and stabilization of the prices of raw materials.

27. Nevertheless, important as it was to consider alternative means of increasing the transfer of resources, efforts in that direction should in no way subtract from endeavours to increase the flows of official development assistance. The Prime Minister of Denmark had stated at the recent opening of the Danish parliament that the Government expected in 1979 to attain the ODA target figure of 0.7 per cent of GNP.

28. He noted that there was a tendency on all sides to replace action that might lead to substantive progress by the use of concepts which meant different things to different people. His delegation had tried to explain on earlier occasions what its Government meant by the concept of a new international economic order. He was aware that Denmark's understanding did not fully coincide with the definition given by the developing countries. There were also different interpretations on what was meant by economic interdependence between developed and developing countries. Denmark considered that interdependence meant that the responsibility for economic progress rested with all parties. It would be wrong to pretend that all were equally strong partners in global economic co-operation. Efforts to bring about better management of the international economy must be geared to the special needs of the developing countries and their poorest population groups. The only way to solve the differences in defining those two

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important concepts was to agree on the underlying specific issues. No convergence of rhetoric could obviate the long and difficult negotiating process on the specific issues. However, the pragmatic course was only possible if both sides showed willingness to take into account the position of the other side. If the general debate in the Second Committee could contribute to a better understanding of the different points of view, it would have served its purpose.

29. Mr. VINCI (Italy) expressed his delegation's satisfaction that agreement had been reached on the interpretation of the mandate of the Committee Established under General Assembly Resolution 32/174. That agreement, and the atmosphere of mutual understanding and co-operation created by the goodwill of all parties, provided a sound basis for the Committee to begin functioning as the focal point for the strengthening of international economic co-operation. Italy, together with its European partners, was ready to engage in fruitful negotiations in the Committee of the Whole on the various issues under consideration in the context of the dialogue between industrialized and developing countries. The coming sessions of that Committee would provide the proper forum for achieving satisfactory results. One condition for a successful outcome of the Committee's work was careful preparation of its meetings, which should include the prior selection of a limited number of items, avoidance of overlapping with concurrent meetings of a similar nature, the participation of high-level representatives qualified to give impetus to negotiations, and the exchange of preliminary information through informal consultations. Such arrangements should create the conditions for broadening the areas of agreement. Progress was important not only in the light of the disappointing nature of past results, but also in view of the recognition that the international recession called for more concerted action by all States to ensure balanced and more equitable economic growth world-wide and more substantial progress by the developing countries.

30. In that context, he underlined the importance of the various negotiations taking place in UNCTAD and the need for a common effort to bridge the differences that remained regarding the Common Fund and the code of conduct on the transfer of technology. He also underlined the importance which the Italian Government attached to careful preparation of the fifth session of UNCTAD.

31. The launching of a new international development strategy would be the main task of the Second Committee at the current session. He expressed appreciation to the Director-General for Development and International Economic Co-operation and the Under-Secretary-General for International Economic and Social Affairs for the stimulating ideas they had introduced in their comprehensive statements to the Committee. The Italian Government believed that the new strategy should provide an important tool for the promotion of development, a frame of reference for the establishment of a more just and equitable economic order, and at the same time a means of verifying the progress achieved. At the present stage, the task was to establish a mechanism that could be entrusted with the preparation of the strategy, but to enable that mechanism to work effectively the General Assembly would have to decide at the current session on a number of basic principles.

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32. In that context, some consideration should be given to the short-comings of the International Development Strategy for the 1970s, and there would have to be broad recognition of the new elements which had emerged on the international scene after that Strategy had been adopted. He referred in particular to the proposal for a new international economic order. Italy had on previous occasions announced its readiness to accept that idea and to co-operate in the realization of its objectives, and agreed with the basic assumption by the developing countries that a new international development strategy could not disregard the requirements of the new international economic order, or, in other words, that there was a need to restructure the existing system of international economic relations.

33. In the preparation of the new strategy, qualitative aspects of development should be considered on an equal footing with quantitative aspects, and the goal must therefore be to transform generalized economic growth into a process that would truly benefit all people, especially the poorest. That would imply the need for a greater participation in the development process for all people, to ensure them a full share of its benefits. That goal should be pursued not only through adequate policies for income distribution, but also through measures to create new productive capacity in the developing countries. A logical consequence of that approach would be the reaffirmation of the primary responsibility of developing countries for their own development, in a context in which the role of industrialized countries and international organizations would complement, and not replace, individual national effort. Thus, national Governments should have exclusive jurisdiction not only over options regarding their internal policies, but also over decisions aimed at balancing the burden of an occasionally excessive dependence of the economies of developing countries upon external circumstances. In other words, their national development programmes should be reoriented towards fulfilling the principle of self-reliance at the national and collective levels.

34. If any new strategy was to be effective, it would have to deal with the problem of differing rates of development and diverse economic and social structures in the developing countries. Without in any way questioning the solidarity of the third world, he wished to draw attention to the need to introduce a methodological instrument that would help to adapt the strategy to the different needs of different developing countries. Specific measures should be envisaged for some categories of developing countries and not for others, and different means of achieving common objectives might be necessary according to the individual characteristics of the countries concerned. To some extent, the same applied to developed countries. Not only did their gross national product vary substantially from country to country, but there was a considerable variation in their social fabric and structure, their indebtedness, their balance of payments and their currency stability. The present International Development Strategy, however, took into consideration only the single factor of GNP while disregarding all the other factors, no matter how relevant they might be. Italy believed that the commitments deriving from the new strategy should take full account of those other elements, in

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order to allow for an indispensable flexibility in applying the strategy. The United Nations system had considered most of those elements when establishing the amount of assessed contributions to the general budget, and it appeared logical that the new international development strategy should work in a similar manner.

35. In shaping the strategy, the results of a number of world conferences and international meetings at the highest level should also be taken into account, since interesting ideas that could help to broaden the scope and objectives of a new strategy emerged from such gatherings. The possibility should be kept open, during the preparatory process, of considering new elements derived from various sources such as research, financed by public or private sources, contributions from academic circles, or suggestions and advice originating from mass communications media or public opinion. That was a field in which UNITAR, given its priority interest in the study of economic problems of a global nature, could make important contributions.

36. As to the substantive aspects of a new strategy, he wished to stress the importance of two basic and complementary elements, industrialization and agricultural development, as corner-stones of the development process. Industrialization was a necessary condition for the accelerated development of developing countries. It would be mainly their own responsibility to develop that process effectively, and to select the sectors for investment according to individual national development priorities and the need for a level of productivity and competitiveness appropriate to the dimensions of the country concerned and of the market. Industrialized countries would have to accept or even promote adjustments in their own production structure, in the context of a mutually agreeable and more efficient distribution of labour and production at the international level. That process should be supported by an adequate transfer of both public and private resources from developed to developing countries, by the necessary co-operation in the field of transfer of technology, and more generally by an effort on the part of developed countries to make available to developing countries their own experience in the field of industrialization - a kind of co-operation channelled through bilateral agreements and through multilateral organizations such as UNIDO, which would also have to include suggestions and advice as to the best ways of avoiding some of the harmful social and economic effects of accelerated industrialization. In that field, Italy could provide most useful assistance on the basis of the experience drawn from its own post-war development.

37. The other essential element of soundly based economic growth was agricultural development. Increasing and diversifying agricultural production in developing countries was the most effective response to the pressing problems of world hunger. All other measures, such as food aid and emergency assistance in the form of goods, or international efforts to implement a system of food security, were complementary measures intended mainly to resolve contingency situations or meet special needs. International co-operation efforts should therefore be directed essentially towards the goal of increased agricultural production, so as not only to satisfy the

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growing food demand which would arise as a consequence of better living standards and higher population growth, but also to improve the total productive capacity of developing countries. That would enable them also to deal more effectively with their own problems of trade imbalances and balance-of-payments constraints.

38. Such international organizations as FAO, WHO, the World Bank, the World Food Council and the recently established International Fund for Agricultural Development were performing valuable work in that area. Italy welcomed the appointment of Mr. Maurice Williams as Executive Director of the World Food Council, and wished him all success in his future work.

39. The other problems that the international development strategy would have to deal with in a cohesive framework included the promotion of equity in trade relations, rational use of natural resources, definition of the role of education and training, management of science and technology for development, encouragement of an adequate transfer of resources, and a mutually satisfactory approach to the problem of indebtedness of developing countries. The Second Committee was now undertaking an important task which should be successfully concluded at the special session of the General Assembly in 1980, when the new strategy should be finally agreed on. The Committee should proceed with its work on the assumption that that new and fundamental achievement would be a further significant step towards strengthening international economic relations and promoting the development of the developing countries.

40. One aspect on which co-operation efforts should focus was the energy problem. The energy challenge required a concerted response in which both consumer and producer countries, both developed and developing countries, must be associated. A realistic evaluation of the problem created by an ever-growing demand for energy, as a necessary component of the development process, together with the consideration of a decreasing availability of sources; the adaptation of policies in both consumer and producer countries to implement effective conservation measures or develop new alternative energy sources; the need to improve and increase research and development potential in the field of energy - all those issues constituted not only the subject for decisions and commitments at individual national levels but also the focus of new forms of international co-operation.

41. Italy had warmly endorsed the adoption of Economic and Social Council resolution 1973/61, calling upon the General Assembly to convene a United Nations conference on new and renewable sources of energy. He reiterated his Government's support for that proposal, and its willingness to co-operate in defining the various elements that would enable the initiative to be successfully carried out. His delegation supported the holding of the conference at an early date, possibly in 1981, on the sole condition that the date selected would allow for an adequate period of careful preparation. A decision would have to be taken on the intergovernmental machinery entrusted with that preparation; it might well be the Economic and Social Council itself, possibly in subject-oriented sessions, as envisaged in paragraph 7 of the annex to General Assembly resolution 32/197. In addition, the secretariat of the conference should be selected on the basis of a

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careful evaluation of professional qualifications. Technical inputs should be encouraged from both developed and developing countries, as well as from consumer and producer countries, in order to make possible an analysis of the full range of problems relating to the development of new forms of energy. In formulating the mandate of the conference, particular consideration should be given to the following requirements: first, an evaluation of developments in the world energy market; secondly, a detailed analysis in a long-term perspective of the technological and economic prospects for new and renewable energy sources; thirdly, consideration of the establishment of institutional machinery that could promote the dialogue on energy problems within the United Nations system. Much research had been carried out on the subject of energy and related matters in various national and international, governmental and non-governmental organizations and institutions, and those entrusted with the preparation of the conference should be encouraged to make use of the results of all that work so as to avoid unnecessary duplication or wasteful expense.

42. Italy had been one of the first industrialized countries to give firm support to the concept of technical co-operation among developing countries as an instrument to benefit developing countries by enhancing their collective self-reliance. His Government had always believed that TCDC was a necessary complement to the established flow of technical co-operation from North to South, which should be further complemented by a similar flow from East to South. The conclusions of the Conference on Technical Co-operation among Developing Countries were a constructive step in the right direction. The international meetings at the intergovernment level which were to take place concurrently with the sessions of the Governing Council of UNDP would provide a satisfactory assessment of the progress made in implementing the Buenos Aires Plan of Action. Italy also believed that, in the future, TCDC should continue to make use of the institutions existing within the United Nations system, with due co-ordination by UNDP. TCDC should give special attention to rural development and industrialization, emphasizing production and marketing of agricultural products duly processed for domestic and international markets. The experience of Italy as a partly agricultural and partly industrial country, with some of its territory highly developed and some still in the process of development, could be very useful. In particular, Italy was willing to participate in any TCDC initiatives, especially those in favour of the least developed or most disadvantaged countries, and to contribute in the technical field, inter alia by sending experts and consultants and preparing technical studies.

43. When considering the report of the Economic and Social Council, the Second Committee would be called on to take a decision on a draft resolution concerning the United Nations Transport and Communications Decade in Africa. That proposal, which had originated in the Economic Commission for Africa and to which the General Assembly had given its approval in resolution 32/160, was considered most important by the Italian Government. The support that the Italian authorities would be giving to concerted efforts in the field of transport and communications in the African continent derived from a more general conviction of the urgent need to increase international co-operation in the field of infrastructure as an essential prerequisite for sound and balanced development. His Government hoped that it

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would be possible in the near future to establish closer contacts with those responsible for the organization of the Decade, so that it could be constantly informed of the programmes through which the initiative would be carried out. That would also make it possible for Italy to contribute ideas and any intellectual or technical inputs that might be deemed useful. An Italian research institute had already prepared a comprehensive study for the integrated system of transportation in Africa and was ready to proceed with a more detailed elaboration of the project, possibly in co-operation with the executing agency for the Decade.

44. His delegation welcomed the Chairman's proposals on the organization of the Second Committee's work. There appeared to be objective reasons why in the future the Committee should continue to hold separate debates on single items under consideration, not only because of the highly technical nature of some of the questions concerned, but also because of the need to have the relevant documentation in good time and to have the officials responsible for the various units of the system available in New York to take part in the debates. Consequently, it appeared that the best course would be to eliminate the general debate. The broad policy statements made by heads of delegations in the plenary Assembly should permit the Committee to concentrate on more specific problems. Moves might be made in that direction even at the present stage, if statements could be limited to the most essential points relating to the items under consideration, if collective self-restraint could be exercised in putting forward proposals that could produce only meagre and costly results, and if representatives could demonstrate their readiness to break the vicious cycle of the continual proliferation of resolutions.

45. If the Committee really wished to conquer the growing sense of frustration which was sometimes in evidence in its discussion, and which was reflected in public opinion, if it really wished to improve the effectiveness of international co-operation, it should try to concentrate on the essential, instead of dispersing its energy and time among activities that did not decisively affect the core of the problems it faced. The Committee should make an effort to correct the unfortunate situation described by the Secretary-General in his report on the work of the Organization (A/33/1), which noted the widespread criticism that the United Nations was too long on oratory and documentation, but short on performance, spontaneous debate and practical action. The Committee must face that challenge and produce results that would improve the functioning of the Organization and benefit mankind as a whole.

46. Mr. BA-ISSA (Democratic Yemen) said that economic conditions in the developing countries continued to deteriorate and, even in the most advanced developing countries, progress towards development was slow and unbalanced. Because of the failure of the capitalist countries to fulfil their commitments and the hardening of their attitude towards the granting of assistance to developing countries, an impasse had been reached in the North-South dialogue and there were serious doubts regarding the outcome of those negotiations. The effects of the continuing economic crisis in capitalist countries were being exported to the developing countries, and the increasing trend towards protectionism in the capitalist countries

(Mr. Ba-Issa, Democratic Yemen)

was creating stagnation in the world economy. The resulting instability in several areas of the world and the tendency to have recourse to the use of force to effect change hindered efforts to establish the new international economic order. Those factors had led to an increased awareness on the part of the developing countries of the need to reinforce their collective self-reliance and unity. The problems could not be resolved in a purely technical context, since they were essentially political in nature. Consequently, his delegation insisted that negotiations should be at the political level, particularly in view of the lack of progress in such areas as the attainment of the target for official development assistance, the need of the developing countries, particularly the least developed among them, for untied assistance, science and technology, increased access to markets and improved prices for their exports, and the Integrated Programme for Commodities and the Common Fund.

47. The existing system of international economic relations favoured the industrialized, capitalist, monopolistic countries. The developing countries had taken the initiative in establishing dialogue with a view to effecting a change in that system by peaceful means. However, such dialogue could only be based on recognition of the sovereign right of all countries to determine their policies and dispose of their resources for the benefit of their peoples. Consequently, those selfish régimes that dominated the economic, social and cultural life of the developing countries through monopolist, colonialist practices must change their attitudes.

48. The transfer of real resources, particularly ODA, continued to decline. The capitalist propaganda media sought to distort the facts and accused the OPEC countries of shirking their responsibilities despite the large-scale recycling of petrodollars in the capitalist countries and the significant transfer of resources from OPEC countries to developing countries. Any oil price increase or embargo was regarded as a threat to the capitalist economies to be counteracted by the use of force to take over oil resources. Such propaganda was clear evidence of the duplicity, arrogance and dual standards of capitalism. How could the concern of the capitalist countries at the plight of the millions of people living in poverty in the developing countries be genuine when they continued to squander and misuse natural resources, including oil? The new international economic order could not be established if the capitalist countries maintained that attitude. The Prime Minister of Jamaica had summed up the situation in his address to the special meeting of the General Assembly in observance of International Anti-Apartheid Year, when he had stated that political conquests had always been perpetrated in the name of economic advantage, which in turn was ultimately dependent on the political process. Thus, in the past the developing countries had assumed that, if the conquest was reversed, political liberation would guarantee the removal of economic inequities. However, in the modern world that was no longer so. As the tide of modern imperialism in its visible political aspects receded it left behind supranational economic structures, corporations and institutions which threatened to make the traditional political process redundant. That fact could not be ignored by any country, regardless of its size or ideological persuasion.

49. Despite their political differences, the developing countries were increasingly aware of the benefits of solidarity and exchange of experience, and meetings of the non-aligned countries, the Group of 77 and regional groups had emphasized the need

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(Mr. Ba-Issa, Democratic Yemen)

to establish a new system of international relations based on national and collective self-reliance.

50. Many developing countries, including his own, had adopted a socialist system after having experimented unsuccessfully with the capitalist system. At present, with the assistance of fraternal socialist countries and international organizations, his Government was directing its efforts towards the implementation of a national development plan based primarily on maximum utilization of national resources for the benefit of the people. The forces of imperialism and reaction were endeavouring to hinder that process for their own purposes, and their manoeuvres constituted a threat to the region, to the Arab nation and to the entire international community. Developing countries must resist such aggression and continue their efforts to establish socialist systems in their countries which were in line with their cultural traditions.

51. In addition to the repercussions in the political, economic and social fields, the failure of the Second United Nations Development Decade had also hindered efforts to promote international peace and security. The present instability in certain areas of the world had its roots in the economic problems arising from the inequitable structure of international relations. Consequently, he emphasized the need to establish a new system of international relations which would recognize the importance of interdependence. The new international development strategy must take account of the reasons for the failure of the previous strategies. Its aim must be to effect changes in the existing structure of international relations and organizations with a view to promoting the establishment of the new international economic order. In that connexion, he expressed the hope that the industrialized countries would reconsider their position and recognize the United Nations as the most appropriate forum for dialogue on issues that affected the entire international community.

52. Mr. KATIL (Afghanistan) noted that little progress had been achieved towards the establishment of the new international economic order, or in the negotiations on the Integrated Programme for Commodities and the Common Fund. He hoped that the developed countries would fulfil their commitments so that the developing countries and in particular the least developed and land-locked, could benefit from the Fund.

53. There had been a similar lack of progress on the implementation of the Lima Declaration and Plan of Action adopted at the Second General Conference of UNIDO. It was important that UNIDO should achieve the status of a specialized agency and that the resources of the United Nations Industrial Development Fund should be increased. Consequently, he hoped that the second conference on the establishment of UNIDO as a specialized agency would be successful.

54. The world community had not been able to achieve the reforms that were required in the international monetary system in order to meet the needs of the developing countries, ensure their full participation in the decision-making machinery of the International Monetary Fund and effect a more equitable distribution of international liquidity.

55. While welcoming the decision of certain developed countries to cancel the official debt of the least developed countries, he noted that other developed

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(Mr. Katil, Afghanistan)

countries had not yet committed themselves to increasing their official development assistance to 0.7 per cent of GNP by 1980. The debt burden of the developing countries was more than \$200 billion, and debt servicing would absorb 25 per cent of their export earnings in the coming year. The capacity of individual countries to repay loans was dependent on the productivity of investment. In the case of the least developed countries, it was essential that assistance should be provided in the form of grants. The plight of those countries, particularly the land-locked ones, had reached a crisis point. Consequently, there was an urgent need to implement the measures recommended in UNCTAD resolution 98 (IV) concerning the declaration of a moratorium on and the cancellation and rescheduling of the external debt of those countries.

56. It was discouraging to note the substantial differences that still existed between the various countries belonging to different economic groups with regard to the transfer of technology.

57. Recent developments had demonstrated the unwillingness of the majority of the developed countries to engage in serious negotiations with a view to restructuring the world economy and changing the present unjust system of international economic relations, which was the result of centuries of imperialistic plunder of the natural resources of the developing countries. It would be impossible to achieve just and lasting peace unless there was a transformation of the existing economic order, which was characterized by inequality, imbalance and a widening gap between rich and poor. Noting the lack of progress in the work of the Committee Established under General Assembly Resolution 32/174, he expressed the hope that the agreement reached at the present session of the Assembly would enable the Committee to carry out its mandate.

58. The new revolutionary Government of Afghanistan had taken fundamental steps aimed at improving the standard of living of the working classes. Special measures had already been promulgated for achieving land reform, which was an important objective of the new régime. Those measures would relieve the working classes of the heavy burden of mortgage and interest collected by landlords and usurers.

59. There was an urgent need to implement all the special measures recommended by the various United Nations bodies, particularly the General Assembly resolution on the establishment of a Special Fund, to mitigate the ever-increasing economic problems of land-locked developing countries. He expressed regret at the fact that the Fund had not yet become operational and at the lack of progress towards the realization of the internationally recognized rights of land-locked countries. His delegation called for the immediate adoption of the measures necessary to make the Special Fund operational and to persuade transit countries to respect the right of land-locked countries to free access to and from the sea, including their right of free transit.

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(Mr. Katil, Afghanistan)

60. Most developing countries were in urgent need of bilateral and multilateral financial and technical assistance in order to finance their development programmes. However, such assistance must be free of all political or exploitative aims. The new revolutionary Government of Afghanistan was in the process of formulating a five-year development plan to improve over-all living standards, with particular emphasis on the amelioration of the problems of the working classes. Implementation of that plan would require not only proper utilization of national resources but also unconditional assistance from the international community.

61. The aims and objectives of the Second United Nations Development Decade had unfortunately not been fulfilled. As one of the land-locked and least developed among the developing countries, his country hoped that the problems of such countries would be adequately reflected in the new strategy for the third Development Decade. In conclusion, he expressed appreciation for the help it had received from certain countries, and from the United Nations and its specialized agencies, in its endeavours to improve the living standards of its people.

#### ORGANIZATION OF WORK

62. The CHAIRMAN said that, as there were no more speakers on the list for the current meeting, he would invite the Committee to consider the draft proposals on its work, which had been circulated as a working paper.

63. According to the draft proposals, the Committee's work would be divided into eight segments: segment 1, item 60; segment 2, items 63 and 68; segment 3, items 62 and 64; segment 4, items 61 and 67; segment 5, item 69; segment 6, item 70; segment 7, items 12, 53, 65, 66 and 71; segment 8, item 59. The dates assigned to each segment would be regarded as flexible, depending on advice from the Secretariat, to be made available as soon as possible, on meetings of the Economic and Social Council and other developments. The Committee would, of course, be able to extend or contract the period of time allotted to each segment in the course of the discussion of the items concerned.

64. Each segment of the Committee's work would begin with a short debate. A speakers' list would be opened at the beginning of the debate and closed at the beginning of the second day. Delegations would be asked to be very limited in exercising the right of debate and, if necessary, there would be a suggested time-limit on interventions. Executive heads of agencies or programmes addressing the Committee would in principle do so at the opening of the debate or one or two days earlier. In the latter event, discussion of the segment under consideration would be suspended to allow the report to be delivered.

65. Proposals should be submitted as early as possible. Deadlines for their submission should normally be at the beginning of the consideration of each segment. As far as possible, consultations on proposals should take place during the time allotted to the segment in question. Proposals should be formally introduced to the Committee in their original or revised form at the conclusion of debate. Whenever possible, proposals should be adopted at the conclusion of consideration of the segment concerned.

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66. The Committee should make a constant effort throughout the session to expedite its work programme. That would require a certain amount of flexibility. If consideration of a segment could be completed earlier than scheduled, the remaining time should be used to consider the succeeding segment. If there were any proposals, particularly under segment 7, which could be brought before the Committee earlier than the dates allotted to the segment, the Chairman should be notified.

67. Mr. CORDOVEZ (Assistant Secretary-General for Secretariat Services for Economic and Social Matters) said that most of the documents that had not been available when the question of the Committee's organization of work had first been discussed had now been circulated or would be circulated by the end of October. The ACC report on measures for achieving better co-ordination between social and other development activities within the United Nations system would have to be reviewed by ACC before it was circulated and would probably be available in November. He reminded the Committee that the Economic and Social Council was expected to meet in resumed session on 30 and 31 October.

68. The CHAIRMAN said that, in the light of the observations made previously and of the draft proposals in the working paper, it was clear that a good deal of flexibility would have to be maintained in the organization of meetings. If the Committee decided now on a plan for the rest of the session, informal meetings would still be needed to see what recommendations could be made regarding the Committee's future work in order to ensure that the present difficulties did not recur year after year.

69. Mr. MESTIRI (Tunisia), speaking on behalf of the Group of 77, said the Group felt that the Committee was ready to decide on the draft proposals. The suggested time-table was quite satisfactory, and the drafters of the proposals were to be congratulated on having taken into account all the views expressed. The proposal that executive heads should address the Committee one or two days before the opening of the debate on their items was acceptable to the Group of 77, provided that they would be available during the debate to answer questions and engage in a fruitful dialogue. The other groups had been consulted on that point and there seemed to be no objection.

70. Mr. GBEHO (Ghana) said that the Committee had complete confidence in the Chairman's judgement regarding the necessary flexibility. The draft proposals were quite acceptable to his delegation, which was ready to proceed on that basis.

71. Mr. JÖDAHL (Sweden) said that the draft proposals were very helpful. In view of the Chairman's assurance that there would be flexibility, his delegation regarded them as a good basis for the Committee's work during the remainder of the session.

72. Mr. KÓMIVES (Hungary), speaking on behalf of the Eastern European countries, welcomed the draft proposals. They offered the best possible combination of necessary firmness and unavoidable flexibility. The proposals should, however, be supplemented by self-restraint on the part of representatives, who should refrain

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as far as possible from lengthy statements although the sovereign right of States to express their views on any matter would of course remain intact.

73. Mr. YORK (Federal Republic of Germany), speaking on behalf of the countries of the European Communities, said that those countries were ready to take a decision at once on the basis of the draft proposals. The special situation at the current session meant that the Committee must reach a speedy decision on the order of items and must then try to keep to the schedule as far as possible and make prudent use of its time. There should be flexibility, but the suggested time frame should be adhered to as strictly as was practicable. In particular, lists of speakers should be closed at the earliest opportunity.

74. He asked whether the Committee would be able to meet concurrently with the resumed session of the Economic and Social Council. If not, the time available for disposing of the first segment, relating to UNIDO, would be very short.

75. Mr. CORDOVEZ (Assistant Secretary-General for Secretariat Services for Economic and Social Matters) said that, as the resumed session of the Council would be using the facilities of the Second Committee, the two bodies would not be able to meet concurrently. The Secretariat was at the moment in a position to offer some flexibility with regard to meetings arrangements, but from mid-session on the Committee would be limited to an average of five meetings a week, as explained in the letter from the Chairman of the Committee on Conferences.

76. Mr. RIEMER (United States of America) said that, in the circumstances, his delegation was prepared to proceed for the remainder of the session on the basis of the draft proposals. He endorsed all the sections of the working paper and associated himself with the comments of the representative of Tunisia regarding the presence of the executive heads of the agencies during the debates. The proposals offered the best solution available for the current session, in view of the special circumstances, but he hoped that in future it would be possible to make even further progress in rationalizing the Committee's organization of work. His delegation would be willing, before the thirty-fourth session, to engage in informal consultations in that respect.

77. The CHAIRMAN said that the draft proposals covered the Committee's work to the end of the session. However, he intended during the session to hold consultations on its future work on the basis of observations made in the Economic and Social Council and in the Committee and in the light of the difficulties experienced at the present session.

78. If there was no objection, he would take it that the Committee adopted the draft proposals.

79. It was so decided.

The meeting rose at 5.55 p.m.