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at 10.30 a.m.
New York

SUMMARY RECORD OF THE 6th MEETING

Chairman: Mr. VALDES (Bolivia)

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

GENERAL DEBATE (continued)

1. Mr. LUCHTERHAND (German Democratic Republic) said that, in the intensive discussions both within and outside the United Nations on the shaping of economic co-operation and the development of States, his Government had been guided by the fundamental position that political détente promoted the further extension of equal economic relations between States and that the development of stable relations was indispensable for the strengthening of international security. He drew attention in that connexion to the programme adopted at the Twenty-fifth Congress of the Communist Party of the Soviet Union on the continuation of the fight for peace, for international co-operation and for freedom and independence of peoples, which had been fully supported by the Ninth Congress of the Socialist Unity Party of Germany.
2. That programme included the major tasks the fulfilment of which had a bearing on the vital interests of all peoples, namely, the attainment of disarmament and the non-use of force in internal relations, the elimination of remaining hotbeds of war, the deepening of détente, the elimination of all remnants of the system of colonial oppression and the implementation of equal rights for and independence of all peoples, combined with the elimination of discrimination and all artificial obstacles to international trade and the liquidation of all inequality, coercion and exploitation in international economic relations. Only in that way was due regard paid to the right of self-determination, one of the most important human rights.
3. Those tasks were in conformity with the concerns of the United Nations. The principles of his country's approach to international economic relations were set forth in the joint declaration of socialist States to the fourth session of UNCTAD, which noted that the positive changes in the world political situation made it possible to search for ways to restructure the outmoded system of capitalist unequal economic international relations in the spirit of the new realities of development in the world. In that connexion, his delegation fully supported the statement by the Soviet Government on the restructuring of international economic relations (A/C.2/31/2).
4. The manner in which international economic relations were conducted was ample proof of the fundamentally different attitudes towards the shaping of trade and economic relations with developing countries adopted by the two totally different economic and social systems which existed in the world. Economic relations between socialist and developing countries had from the very beginning been based on equality, respect for sovereignty, mutual benefit and non-interference in internal affairs, and on support for the efforts made by developing countries to overcome their economic and social under-development. Those relations were in full accordance with the spirit and the anti-imperialist principles of the Charter of Economic Rights and Duties of States and with the progressive principles of the Declaration of the sixth special session of the General Assembly. The German

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(Mr. Luchterhand, German Democratic Republic)

Democratic Republic was sure that its co-operation with the developing countries would continue to gain strength along the lines set forth by the socialist countries.

5. His delegation was fully sympathetic to the basic concern of the developing countries to reshape completely the international capitalist division of labour, which had originated in the colonial past and had been perpetuated by neo-colonialism. The non-aligned countries had reaffirmed at the Colombo Conference the principled and anti-imperialist character of their struggle for economic independence. His delegation also agreed with the statement issued at that Conference that capitalist countries were still offering strong resistance to the implementation of the resolutions of the sixth special session of the General Assembly and of the Charter of Economic Rights and Duties of States, because they were insisting on solutions "preserving the existing relations of inequality, dependence and exploitation". That appraisal revealed who was responsible for the under-development and the actual problems of the developing countries.

6. Attempts were being made to emphasize demands for pragmatic solutions, to distract attention from the basic questions of a "new international economic order" and to question their importance for profound changes in international economic relations. The resulting negative consequences for the social and economic situation of developing countries had been amply described by the representatives of those countries in the general debate in plenary meetings. His delegation regretted that certain States had not yet declared how they intended to implement the Declaration of the sixth special session and the Charter of Economic Rights and Duties of States; until they did so, assurances of "being a pioneer in the creation of equal, well-balanced relations between industrial and developing countries" could not be taken seriously. That was all the more true when one recalled that those States had voted against the Charter of Economic Rights and Duties, had expressed many reservations concerning the resolutions of the sixth special session and had abstained from voting on the Lima Declaration on Industrial Development and Co-operation. With regard to "development aid", it should not be forgotten that developing countries were entitled to receive reparation for losses caused to them by colonial or neo-colonial exploitation. The implementation of the principles of the Charter of Economic Rights and Duties of States should again be given priority at the current session.

7. In many resolutions of the General Assembly and also in the documents of the Colombo Conference, great attention had been given to the necessity of controlling the activities of transnational corporations, whose negative practices were chiefly responsible for perpetuating the unequal and economically dependent situation of developing countries and shifted the burdens of the capitalist crisis and inflation onto those countries. It was the sovereign right of every country to regulate the activities of foreign corporations in conformity with its national laws. The German Democratic Republic would continue its constructive co-operation in the Commission on Transnational Corporations and would participate actively in the working group responsible for the drafting of a code of conduct for transnational corporations. The Commission should also deal with their corrupt practices, as suggested by the socialist States at the sixty-first session of the Economic and Social Council.

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(Mr. Luchterhand, German Democratic Republic)

8. His country extended economic, scientific and technological assistance to the developing countries in the interests of those countries, and not to gain special or unilateral economic advantages. He cited a number of examples of his Government's considerable contribution to industrialization, to increasing agricultural production and to improving living standards in developing countries. It regarded that bilateral assistance as its contribution to the implementation of the resolutions of the sixth and seventh special sessions of the General Assembly and of other important United Nations conferences. He also recalled that four training courses or symposia had been organized in his country in 1976, in conjunction with UNIDO and UNEP, and that their usefulness had been very much appreciated by the participants from many developing countries.

9. The socialist countries were also doing a great deal to help peoples to overcome the aftermath of imperialist aggression. He referred in that connexion to the extensive assistance furnished by his country to the Socialist Republic of Viet Nam and to other liberated countries, especially in Africa. As to trade relations with developing countries, the foreign trade turnover of the German Democratic Republic with those countries had increased sevenfold in the past 12 years. The proportion of industrial semi-finished and finished products in its imports from developing countries was increasing, and now amounted to one quarter of its purchases.

10. Economic co-operation in the framework of the Council for Mutual Economic Assistance had enabled all member States to increase further the efficiency of their national economies. Continuous and dynamic economic growth had taken place in the German Democratic Republic, which to a large extent made use of its economic results for the implementation of a far-reaching social welfare programme. The execution of that programme would strengthen the economic capability of his country and would undoubtedly have a favourable effect on its foreign economic relations.

11. The German Democratic Republic endeavoured to make a constructive contribution to development and socio-economic progress by its active participation in the struggle for international security and disarmament. In view of the immense resources spent for military purposes, effective measures for the cessation of the arms race and for disarmament would heighten the security of all States and would release considerable material and financial means for the peaceful development of all countries. There was no doubt that the relevant proposals presented by the Soviet Union, particularly on the convening of a World Disarmament Conference and the conclusion of a treaty on the non-use of force in international relations, would serve that aim. Every step forward in the implementation of those proposals would also open up new prospects for the development and stabilization of economic relations among States.

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12. Mr. AL-JEEAN (Kuwait) said that the Declaration and the Programme of Action on the Establishment of a New International Economic Order were primarily designed to rescue the world from the frequent economic crises, virulent global inflation, protracted widespread unemployment, foreign exchange instability and wild price fluctuations which had marked the 1970s. The main pillars of the new order were sovereignty over natural resources, improved terms of trade for raw-material producers and increased transfer of resources to the developing countries.

13. The dialogue of the past two years, however, had shown that, although the new international economic order and the Programme of Action had been accepted, there had been no agreement yet on measures of implementation. The short-term improvement in 1973 and 1974 in the prices of the raw materials exported by the developing countries had not been large enough to offset the rapidly rising prices of their imports. So long as there was a wide discrepancy between the prices of raw materials and those of industrial goods, the developing countries would remain dependent on foreign aid as a means of financing their economic development. The aim of the Programme of Action was to help the developing countries to achieve self-sustained growth which would allow them to depend largely on their own resources to pay for the heavy cost of development. Such growth could not be achieved in the absence of a new pattern of trade and a more sound international economic order. It presupposed access to the markets in the developed countries for capital and technology, outlets for the manufactured and semi-manufactured products of the developing countries, help by developed countries for accelerated agricultural development and industrialization, and security of the supply of food. A crucial element in the new order was improvement of the terms of trade by lifting trade barriers against the exports of developing countries, whose primary aim was to secure stable, remunerative and equitable prices for their exported raw materials and to protect their purchasing power. That was a prerequisite for industrialization in those countries, which was the key to economic and social progress.

14. His delegation continued to pin its hopes on the North-South dialogue, in spite of its disappointing start; the aim was to establish a true partnership between the developing and developed countries and to ensure the implementation of convergent measures that would guarantee once for all an end to the economic and political rift between the two groups.

15. The work of the Ad Hoc Committee on the Restructuring of the Economic and Social Sectors of the United Nations System should be complementary to the new international economic order and the Charter of Economic Rights and Duties of States. It was essential that the United Nations should meet the challenge of the new order and improve its structure so as to meet the ever-growing needs of the developing countries.

16. Although the gap between the developed and the developing countries in the field of technology was still tremendous, the international sense of responsibility in that connexion was almost non-existent. What was needed was not a haphazard transfer of technology, but a systematic process "corresponding, in particular, to the special needs of the developing countries", in the words of General Assembly resolution 3362 (S-VII). Patent rights and trade-mark institutions should be radically revised, with the ultimate result of making technology more readily

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(Mr. Al-Jeean, Kuwait)

available to those countries which needed it at a reasonable cost. There was also an urgent need to modernize and expand the developing countries' scientific and technological institutions in order to reduce the brain drain. Multinational corporations should be persuaded to adapt their technology to the technological needs of the host countries. The developing countries could no longer tolerate islands of advancement in a sea of backwardness.

17. With particular reference to agenda item 12, (Report of the Economic and Social Council), he reiterated his delegation's support for the decentralization of all economic activities. It was pleased that the Economic Commission for Western Asia had chosen a permanent headquarters and would be able to continue its normal activities. It hoped that ECWA would be able to make a constructive contribution to economic development in the region so that its activities might complement rather than duplicate those carried out by the League of Arab States and other Arab regional institutions.

18. Kuwait had always advocated self-reliance and co-operation among developing countries for the prosperity of all; those principles were not in contradiction with international co-operation and the realities of interdependence. His country also felt that it had a self-imposed role to play through international, regional and national institutions. Finally, peace and stability were vital for economic development and progress, while at the same time economic co-operation was vital for the maintenance of peace and stability. Kuwait had always been eager to strengthen and promote its economic ties with the Gulf States, the Arab world and the developing countries.

19. Mr. VILLAVARDE (Spain) welcomed the fact that the improvement in the world economic situation had permitted a considerable change during the past year in the climate of international economic co-operation. Nevertheless, the economic recovery was not yet general, nor had it had an equal impact on the economies of all countries. It had occurred for the most part in the large industrialized economies, which had demonstrated a greater capacity to adapt themselves to new circumstances than could have been imagined at the outset of the crisis, although the effects of the recovery, together with a relative increase in grain production, had also resulted in a relative improvement in the economic situation of many other countries, including the non-oil-exporting developing countries.

20. However, with some notable exceptions, the recovery had demonstrated that the imbalance in the world economy between countries having the capacity for self-sustained growth and those with weaker economies was not lessening, but increasing. Consequently, changes of substance in the world economy were more and more unavoidable. Internationally, such a "recovery" simply could not mean a return to the pre-crisis patterns.

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(Mr. Villaverde, Spain)

21. Spain was among the European countries which had been most seriously affected by the crisis; its trade deficit was one of the highest in the world in relative terms, it was burdened with an external debt unprecedented in recent history and, for the first time in many years, the medium-term prospects at least were sombre. Accordingly, it would have to make a greater effort than ever to maintain the level of its contributions to multilateral assistance agencies such as UNDP. Moreover, its participation in new funds, such as the International Fund for Agricultural Development, to which Spain had pledged \$2 million for the next biennium, would also be a great burden, as would - if it became a reality - the increase in its contribution to the regular budget of the United Nations proposed by the Committee on Contributions. He referred in that connexion to the statement made by his delegation in the Fifth Committee.

22. Spain continued to believe that co-operation for development was the only means of overcoming common difficulties and would continue to honour its commitments, despite its economic situation. The Government had decided in August 1976 to establish a Development Assistance Fund which would provide concessionary credits amounting to some \$200 million annually for developing countries. It intended to continue to pursue its development assistance policy in the coming years.

23. However, it must be borne in mind that without a radical transformation of international economic relations, reflected in increasingly forceful commitments by the major economic blocs to share the benefits which nature and history had bestowed on them, "traditional" co-operation would prove of little use in the future. The time was ripe to redefine the objectives of co-operation for development, and preparations for a third Strategy, together with a restructuring of the economic and social sectors of the United Nations system, could lay the groundwork for a thorough reorganization of the world economy.

The meeting rose at 11.30 a.m.