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New York

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SUMMARY RECORD OF THE 15th MEETING

Chairman: Mr. HARLAND (New Zealand)

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GENERAL DEBATE (continued)

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The meeting was called to order at 3.25 p.m.

GENERAL DEBATE (continued)

1. Mr. ARTACHO (Spain) said that, while many countries of the Organisation for Economic Co-operation and Development (OECD) had managed to raise their levels of economic activity and to make considerable headway in controlling inflation, thus promoting the recovery of international trade, the essential parameters of the crisis - the most serious in recent decades - remained the same and were affecting the developing countries more harshly.
2. Unemployment, which affected young people in particular, was having a demoralizing impact on society as a whole. The high rates of real interest in the United States encouraged a massive flow of capital into the United States market and exercised upward pressure on the interest rates of other countries, thus delaying the recovery of other economies, impeding international trade and adding to the problems of the debtor countries. Furthermore, protectionist practices closed the vicious circle, making economic growth incompatible with servicing the external debt.
3. The external debt was a heavy burden on the economies of many countries, especially in Latin America, and slowed down their development considerably, endangering the survival of the international financial system; comprehensive negotiations between debtor and creditor countries must therefore be held in the existing international financial agencies and, if need be, in a face-to-face meeting between creditor and debtor countries. His Government, which was in favour of multilateral negotiations, had also recently signed, in the Latin American context, bilateral agreements on the refinancing of debt with Brazil, Costa Rica, Ecuador, Mexico, Nicaragua and Peru.
4. As had been recognized by the General Assembly, the high natural growth rate of the population in Africa, together with the slow increase in production, had led to an annual drop of 1 per cent in gross national product, while agricultural output had been gradually falling off since 1960 and even potentially major exporting countries had become net importers of food. The situation was even more distressing for the Sahelian countries and to the progressive destruction of that region's ecosystem. Since 1973 Spain's imports from Africa had increased from 7.03 per cent to 12.4 per cent of the total, resulting in an unfavourable net balance for Spain. Moreover, as a founding member of the African Development Fund, Spain had contributed to all the regular and special replenishments and had also become a non-regional member of the African Development Bank.
5. As pointed out by the Minister for Foreign Affairs of Spain, a stable and peaceful world was possible only if based on a more equitable and balanced economic and social order. The developing countries had, at a very high social cost, adopted adjustment policies, even during the difficult periods when they were progressing towards democracy. It was now incumbent on the international community to co-operate, not just partially and bilaterally but also by making full use of the existing multilateral machinery.

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6. Mr. MORET (Cuba) said that, in addition to the arms race, the adventurist policy of the imperialists and the use and threat of force, the world economic crisis and the policies of the developed capitalist countries had provoked the most serious crisis in international economic co-operation since the new era of multilateral economic relations had been ushered in with the first session of UNCTAD.

7. As had been apparent in the General Assembly and other forums, some industrialized capitalist countries had been reluctant to encourage any real restructuring of international economic relations which would put an end to the prevailing international division of labour that was unfair to the developing countries. Never before in its history had the United Nations been confronted with such hostile policies and practices as at present, when reluctance had turned into refusal and customary dilatory tactics had become resolute opposition.

8. On the basis of concord, unity and solidarity, the developing countries had sought to reactivate international economic co-operation and to persuade their recalcitrant interlocutors of the need for agreements to facilitate world economic recovery and the establishment of a just and equitable international economic order.

9. Ten years after the proclamation of the Charter of Economic Rights and Duties of States and other major instruments of the new international economic order, the consultations held on global negotiations, the negotiations on the code of conduct for transnational corporations, and the Fourth Conference of the United Nations Industrial Development Organization had been frustrated not because of a lack of understanding and inflexibility on the part of the developing countries but because of the bullying of those, headed by the United States, which had refused to reach conclusions of benefit to the developing countries. The obdurate policy of the imperialists which, by exploiting the concept of interdependence for their own benefit, disavowed all the commitments assumed under General Assembly resolution 35/56 and was designed to impose unacceptable concepts and measures, had prevented talks from being held in 1984 for the purpose of considering and evaluating the Third United Nations Decade for Development. As a response to the request of the Latin American Economic Conference, held at Quito in early 1984, the United States had decided to raise bank interest rates which, by causing the flight of capital and the transfer of resources to the most powerful capitalist nations, helped to destabilize the region.

10. Furthermore, the stepping up of the arms race provoked by the United States and its closest allies, and the escalation of pressures, coercive measures and blackmail, used to threaten the developing countries, were also part of the sombre international scene. The world was coming close to two explosions simultaneously, the relative importance of which was impossible to predict. United States policy was aimed, first, at keeping the world "on the brink of war", and, secondly, at generating an explosion of poverty whenever the millions of human beings beset by hunger, ill-health, illiteracy and the housing shortage decided to demand their withheld human rights and their scorned human dignity. Cuba continued to stress, in the most diverse forums, the need to avoid both explosions and to achieve the objectives of peace and development simultaneously.

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(Mr. Moret, Cuba)

11. In resolution 38/197, the General Assembly had deplored the application of coercive measures used, with the approval and connivance of the Republican Administration in Washington, against the developing countries, and it had urged their elimination. Cuba believed that the Assembly should take further action in that direction.

12. The international community should take multilateral steps to solve, by providing high technology and infrastructure, inter alia, the serious economic and social problems of the African developing countries and to stop the exploitation and pillaging of their natural resources by transnational corporations protected by the United States and other Western Powers.

13. Cuba took the view that multilateralism, the most eminent expression of which was the United Nations, should be protected from the attacks of the imperialists who were naturally opposed to the existence of international institutions, to planning and to open and frank debate, because they wished to prosper amidst the chaos and the continuing spoliation and dependence of the so-called third world. He therefore reiterated his country's support of the United Nations system, multilateralism and international co-operation for development.

14. Mr. AL KAWARI (Qatar) said that, in spite of the relative prosperity of some countries, the seriousness of the international economic situation was obvious, as was its role in generating an international climate of insecurity. The crisis was also responsible for the deterioration in the situation of the developing countries in the last few years, to the point where, in 1983, per capita income in some of them had been below that of 1969.

15. After emphasizing the fact that the developing countries depended on foreign trade, he pointed out that the dismal prospects of those countries might also be due to external factors, in particular to the protectionist policies adopted by the industrialized countries in violation of GATT and UNCTAD principles, to the declining demand in developed countries for exports from developing countries as a result of decreasing industrial activity, and to the steady fall in commodity prices. It had been a long time since the real value of primary commodities had dropped to such low levels as the present.

16. The external debt could not be dissociated from the rest of the developing countries' economic problems, and was becoming a phenomenon whose negative consequences impeded the development of three quarters of mankind. Currently, 50 per cent of the developing countries' income from exports went on servicing the debt, and that was even more serious when it coincided with the reduction of loans and the shrinking of liquidity and with the excessively high interest rates resulting from the monetary instability which had prevailed since the breakdown of the Bretton Woods system. Consequently, the international community must, in his delegation's view, immediately come to grips with the world's financial and monetary problems; that would require the adoption of a global and equitable solution based on the co-operation of all concerned. He urged the industrialized countries to shoulder their responsibilities in that area, and to bear in mind the declaration on the subject by the Group of 77.

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(Mr. Al Kawari, Qatar)

17. His delegation also considered that the industrialized countries should fulfil their pledges with regard to increasing official development assistance and achieve the targets agreed upon in that respect.

18. The international community needed to take up urgently the subject of the sensitive situation prevailing in Africa, and it was regrettable that the Economic and Social Council had not been able to reach agreement in that respect. Equally regrettable were the lack of progress in the Committee on the Review and Appraisal of the Implementation of the International Development Strategy and the inability of the international community to initiate the global negotiations called for in General Assembly resolution 34/138, which his delegation fully supported.

19. Ten years had elapsed since the approval of the historic resolutions on the new international economic order and the Charter of Economic Rights and Duties of States; in his view, the time had come for both to be translated into practical measures, all the more so in that the fortieth anniversary of the United Nations was approaching, and advantage should be taken of that opportunity to reassert confidence in the Organization's ability to attain the objectives of peace, justice and equity.

20. Mr. AL-JUMAILI (Iraq) stressed his Government's concern at the drop in primary commodity prices, the aggravation of the debt problem, protectionism, the reduction in flows of official development assistance and other problems which restricted the developing countries' capacity for development, and pointed out that the ongoing crisis, the most serious since the Second World War, was a structural phenomenon. Thus, growth in some countries would not suffice to solve the serious problems that existed or to attain the objectives of the International Development Strategy. What was more, any limited or partial solution would inevitably result in failure, and for that reason his delegation was opposed to any attempt to undermine the principle of multilateralism or prevent the initiation of the global negotiations called for in General Assembly resolution 34/138, which it considered to be an essential prerequisite for restructuring the international economy and making progress towards a just and equitable new international economic order.

21. It was regrettable in that connection that, despite the efforts made by the developing countries and the flexibility they had shown, the lack of political will on the part of some industrialized countries had prevented the negotiations being begun. Further sources of disappointment were the failure recently experienced in the process of review and appraisal of the International Development Strategy for the Third United Nations Development Decade, the objectives of which continued to be important for the establishment of a new international economic order, and the slowness with which the implementation of the Strategy had proceeded. For example, according to recent forecasts there was every indication that in 1990 the industrialized countries would have gone only half-way along the course outlined in the Strategy with regard to official development assistance.

22. In view of that situation, as well as of the vast gulf separating the developed from the developing countries and the imbalance and lack of equity in international economic relations, his delegation reaffirmed its conviction that the

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(Mr. Al-Jumaili, Iraq)

progress, or lack of it, made in the implementation of the Strategy should be periodically reviewed.

23. Where confidence-building in international economic relations was concerned, some countries were making regrettable attempts to deny certain realities and divide international public opinion on the subject of development. He reminded the Committee that confidence in the international economic sphere derived principally from the will to find constructive and lasting solutions to development problems. Consequently, any step backwards by the industrialized countries, as well as any refusal on their part to implement General Assembly resolution 38/196 and other similar resolutions, or to put the International Development Strategy, might aggravate the situation and erode confidence in international economic relations still further.

24. The results of the Fourth General Conference of UNIDO had been disappointing, in that no resolution had been approved dealing with the essential problems of the developing countries. It was also regrettable that in recent years there had been a reduction in the resources available to UNIDO, especially for financing technical activities. His Government supported the resolutions dealing with assistance to the people of Namibia and the Palestinian people approved at the eighteenth session of the Industrial Development Board, and condemned the measures taken by Israel to prevent the entry into the occupied territories of UNIDO officials and experts responsible for project and programme execution.

25. The food and agriculture situation of the developing countries was a cause for concern. During the past decade, the volume of their food resources had decreased and the value of food aid had fallen to one fourth of its level in the preceding period. Exports had also decreased, as a result of protectionist measures, and the balance of payments of the developing countries had deteriorated, preventing the attainment of agricultural and food self-sufficiency. Iraq supported the recommendations approved by the World Food Council at its tenth session. Food was a basic human right, and any attempt to use food as a means of bringing political pressure to bear was therefore unacceptable. Iraq supported all measures designed to achieve international food security and an increase in food production and distribution.

26. The implementation of the Nairobi Programme of Action for the Development and Utilization of New and Renewable Sources of Energy was an essential aspect of the international community's efforts to speed up the development of the developing countries. The harnessing of new energy sources on an equitable basis was fundamental from both the economic and the technological standpoint. The developed countries should display their political will in that sphere. His Government considered that the programmes and projects dealing with new and renewable sources of energy should cover a greater number of countries, and should be aimed at increasing national capacity and potential. Resources needed to be mobilized to implement the Nairobi Programme of Action; the proposals contained in the first report of the Committee on the Development and the Utilization of New and Renewable Sources of Energy constituted an appropriate framework for that purpose. The organs and organizations of the United Nations should co-ordinate their activities in that sphere in order to avoid duplication and overlapping.

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(Mr. Al-Jumaili, Iraq)

27. His Government endorsed the report of the Commission on Human Settlements and the decision to proclaim an International Year of Shelter for the Homeless. The utilization of local resources to implement the Commission's projects and recommendations must be encouraged. In recent years Iraq had implemented programmes for the distribution of low-cost - and in some cases free - land and housing in urban as well as rural areas. In addition, schools had been built for children in those settlements.

28. The Israeli authorities had not allowed the consultants who had been asked to prepare a comprehensive report on the current and future impact of the Israeli settlements on the living conditions of the Palestinian people in the occupied Palestinian territories, pursuant to General Assembly resolution 38/166, to enter those territories once again demonstrating its hostility and lack of co-operation. His delegation condemned the Israeli authorities' racist and inhuman policy of destroying families and homes reflected in continuing violations of the rights of the Palestinian Arab people. The Israeli authorities had seized agricultural production and were controlling marketing and industrialization policies in those territories. In addition, they were obstructing freedom of worship, interfering in education and exerting all kinds of pressures and as a result the living conditions of the Palestinian people were steadily deteriorating. He appealed to the international community to impose on Israel the sanctions provided for in the Charter of the United Nations if it refused to co-operate in implementing General Assembly resolution 38/166. The only way to achieve a just solution of the problem was to restore the right to self-determination to the Palestinian people under the leadership of PLO, its sole, legitimate representative.

29. The illegal policies pursued by the transnational corporations in the developing countries must be stopped. The way to do so was to establish a code of conduct but, unfortunately, some developed countries had so far prevented such a code from being elaborated. His delegation also stressed the importance of establishing a new international economic order and, in that connection, supported the report of the Economic and Social Council.

30. Mr. AL-ZAID (Kuwait) expressed the conviction that economic co-operation among developing countries was essential to the achievement of economic and social development goals, self-reliance and freedom from economic dependence. To do so it was not necessary to establish new banking or financial institutions as that would place additional burden for the developing countries whose economic and human resources were limited; existing funds and bodies could be used. It should be remembered that they had achieved positive results in the area of international co-operation, particularly with reference to advanced technology. All that was needed was an objective evaluation of the relevant institutions in light of the experience gained from their operation.

31. The Gulf countries had realized the importance of regional co-operation and had established the Co-operation Council for the Arab States of the Gulf which carried out economic, industrial, commercial and agricultural activities, bearing in mind the interdependence and complementarity of States. In addition, the Council assisted developing countries in Asia, Africa and Latin America through its

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(Mr. Al-Zaid, Kuwait)

financial institutions such as the Abu Dhabi Fund for Arab Economic Development, the Arab Bank for Economic Development in Africa, the Saudi Arabian Bank for Economic Development and the Kuwait Fund for Arab Economic Development. Training of local personnel so that nationals could participate in the development process was also covered. The assistance given by members of the Council to the developing countries - a total of almost \$500,000 million - far exceeded that given by the developed countries both in volume and in percentage. The percentages quoted in document TD/B/C.3/187 were as follows: Kuwait, 5.71 per cent; Saudi Arabia, 7.73 per cent; United Arab Emirates, 6.83 per cent. The large percentage which those States allocated to assistance strengthened the role of economic co-operation among developing countries as an instrument of economic and social progress and prosperity.

32. Kuwait was a small developing country which attached more and more importance to the activities of the United Nations and of the specialized agencies dealing with development and economic and technical co-operation. It had always contributed as much as it could to those activities. Since its establishment, in 1961, until the end of the 1982/83 financial year, the Kuwait Fund for Arab Economic Development had given the developing countries a total of \$US 3,858.3 million in financial contributions. In 1983, the Fund had granted technical assistance valued at \$15.5 million. Attention should also be drawn to its contribution of \$76.7 million to the financial resources of three development bodies in the 1982/83 financial year. That sum had been divided among the Arab Fund for Economic and Social Development, the African Development Bank and the African Development Fund. In recent years the Fund had contributed a total of \$43 million to financial institutions.

33. Several speakers had referred to the deteriorating world economic situation and the catastrophic impact it was having on the gross domestic product of, and on aid flows to, the developing countries. The flow of aid had fallen well below the level set in the International Development Strategy. Considering all those factors together with the adverse economic policy of the developed countries, world inflation and recession, the deteriorating terms of trade, growing protectionism and price fluctuations it was possible to obtain an idea of the adverse effects that that situation was having and would have on the efforts of the developing countries, particularly their efforts to establish co-operation with the developed countries.

34. Among the problems that still had to be resolved were the launching of global negotiations, the North-South dialogue, liberalization of international trade, transfer of technology and food security. He expressed concern at the persisting economic crisis, and at the impasse in the dialogue, noting that there was a link between the two. It was likely that there were still many differences of opinion between the various parties. He endorsed the appeal to the developed countries contained in General Assembly resolution 34/138 and said that the United Nations was the proper framework in which to conduct the global negotiations.

35. The deteriorating situation in Africa was a serious problem which deserved the closest attention. The crisis of the African countries had been compounded by

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(Mr. Al-Zaid, Kuwait)

desertification, drought, natural disasters, the problem of crops and the food crisis which threatened the survival of the population. He appealed to the international community to take as a matter of urgency whatever steps were necessary given the magnitude of the crisis to help Africa overcome the crisis. Food security was very important, particularly for the least developed countries.

36. The worsening world economic situation had affected the price of oil on the world market and that had led to a sharp decline in the income of oil-exporting countries such as Kuwait. In spite of that his country intended to respect its commitments and to help strengthen the position of the developing countries. He reiterated his appeal to the industrialized countries to assume their responsibility vis-à-vis the third world and to increase their aid to those countries.

37. The credibility of the Group of 77 depended on the success of its efforts. In that connection he endorsed the comments made in the Declaration of the Ministers for Foreign Affairs of the Group of 77 (A/39/536).

38. Mr. OSMAN (Somalia) said that all the developing countries continued to be seriously affected by the slow-down in economic growth and the associated reduction in import demand, which had reinforced inflationary pressures in the rest of the world. Countries had been forced to cut back the resources and reduce the efforts directed at structural transformation and the development of their economies. Over and above the changes envisaged in their development plans, those countries had been forced to respond to changed market incentives and reduce their current account deficits.

39. Changes in the relative prices of many goods had made import substitution necessary. In particular, the increase in the relative price of energy during the 1970s had spurred the search for domestic sources of energy, efforts to economize energy and the production of non-oil exports in an attempt to keep trade deficits down. Nevertheless, the growth of the debt relative to export earnings, combined with ever higher interest rates, had progressively reduced the possibility of financing for any significant length of time the large deficits that had arisen. One might well ask whether high interest rates in the international capital markets had become an enduring feature of the world economy. As a result of the high levels of commercial debt already incurred, interest payments formed a significant structural component of current account deficits. Accordingly, developing countries had implemented policy measures intended to increase domestic savings, further diversify exports and increase the pace of import substitution. Serious social consequences had ensued, since those policies led to pressure on domestic financial and monetary systems, brought about currency devaluations and contributed to domestic inflation in many parts of the world.

40. The crisis caused by the drop in commodity prices had hit the developing world hardest. According to UNCTAD statistics, in 1981 and 1982 the combined index of non-oil primary commodities exported by developing countries had experienced its greatest drop in percentage terms in 20 years. Nor had the modest increase in world trade and commodity prices of the past few months produced a recovery in

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(Mr. Osman, Somalia)

export earnings. In addition, adverse weather conditions had had a devastating effect on agricultural output in a number of countries, particularly in Africa, which was why it was extremely appropriate that an item concerning the critical economic situation in Africa should be included in the agenda of the General Assembly.

41. Exports of manufactured goods by developing countries had less and less access to the markets of developed countries. Balance-of-payments deficits and external debt had assumed gigantic proportions. Many countries, particularly the least developed, had experienced a decline in per capita gross domestic product in recent years, and most least developed countries had had to curtail their investment programmes and imports of essential goods drastically. Given the high levels of debt and debt-servicing in relation to export earnings, the developing countries would remain highly vulnerable to sharp fluctuations in their export earnings and to abrupt changes in market perceptions of their creditworthiness.

42. The developing countries had stated in many international forums that the current crisis of the world economy was not simply a cyclical phenomenon. It was primarily the consequence of structural maladjustments in virtually all areas of the international economic system. It would be even more difficult to modify the world economic situation if those structural issues in international economic relations were not taken into consideration.

43. Despite signs of recovery in some developed countries, the international environment remained unfavourable for growth in the developing countries, and had become very bleak in some respects. The resources available for balance-of-payments and development financing were inadequate, and the prospects for growth in the near future had become more adverse than ever.

44. The General Assembly had before it an important item for discussion in the review of the implementation of the International Development Strategy for the Third United Nations Development Decade; that review would make it possible to assess what had happened and to present a realistic picture of the evolution of the development process in the context of the overall economic situation. The picture which had been presented in the Assembly and other forums, such as the Fourth General Conference of UNIDO and the Trade and Development Board, showed a continuous deterioration of the development process. To correct that situation, it was of primary importance to the developing countries that the General Assembly should develop new and concerted policy approaches, responses and orientations to renew the tempo of development, particularly in the developing countries, including the least developed countries, which had been the hardest hit during the current crisis. The international community should pay special attention to the critical situation of that group of countries, which had registered the lowest level of growth. The least developed countries of Africa had been affected by other problems, such as drought and desertification coupled with shortages of food, fuel and essential raw materials, which threatened all sectors of the economy and society.

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(Mr. Osman, Somalia)

45. The terms of trade of the least developed countries had worsened, and their effort to maintain the volume of their exports during the early 1980s had not been sufficient to offset the losses suffered as a result of the decline in prices of those exports. The Substantial New Programme of Action clearly recognized the role the industrial sectors would have to play in the structural transformation of the least developed countries' economies, particularly with regard to greater economic diversification and accelerated economic growth. The Programme of Action had set a target growth rate of 9 per cent for manufacturing output, but the actual performance of the industrial sector in the least developed countries fell far short of that.

46. Given the very low income levels in the least developed countries, it must be concluded that they would not be able to achieve sustained economic development and provide their people with minimum acceptable standards of living without a substantial increase in external financial assistance. That was why the international community had recommended at the sixth session of UNCTAD that that assistance should be doubled.

47. Despite the commitment to the Substantial New Programme of Action, its implementation had been very slow, and the general economic situation of the least developed countries had deteriorated further in the recent past. Consequently, an immediate and prompt response by the international community was required.

48. UNCTAD was celebrating its twentieth anniversary in 1984, and a special meeting of the Trade and Development Board had been held to mark the occasion. He drew attention to the statements delivered by the spokesman for the Group of 77 on the consensus for development on which the work of UNCTAD was based.

49. In the present context, there was an urgent need to reverse not only the existing situation but also the trends that were weakening multilateralism and the will necessary for international co-operation for development. That phenomenon was reflected, for example, in the area of finance, in which it had been difficult to achieve and maintain an adequate flow of resources to the developing countries. In the area of trade restrictions had increased, and in the area of commodities, despite the long-standing commitment to stabilizing and strengthening international commodities markets, negotiations had also met with difficulties and setbacks.

50. The weakening of international economic co-operation had been reflected in various sectors and events. The efforts made at various high-level international economic meetings had not led to decisive results with regard to the international economic situation, nor had they succeeded in providing an impetus for economic co-operation for development. Somalia was prepared to co-operate in every way to enable the Second Committee and the General Assembly to make a major contribution to international peace and security by improving the living conditions of the peoples of the world, particularly those in developing countries.

51. Mr. MARO (Papua New Guinea) said that the proposals of the Chairman of the Group of 77 and of those contained in the Group's ministerial Declaration on the remedial actions needed to revitalize the economies of the developing countries

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(Mr. Maro, Papua New Guinea)

could not be more timely. Despite the holding of numerous economic summit meetings, it had not been possible to find solutions to the developing countries' problems.

52. Papua New Guinea welcomed the recovery in the developed countries, and saw it as meaning higher prices for basic commodities, brighter prospects for exporting those commodities, higher incomes and well-being for the peoples of the developing countries.

53. The developed countries' protectionism not only prevented the recovery gaining momentum, but also made it extremely difficult for the developing countries to continue with their internal adjustment efforts, concerned as they were with the trends in interest rates which, since the beginning of 1984, had started to increase again. The economic policies that gave rise to those trends in interest rates needed to be corrected.

54. The United Nations system as a whole should pay more attention to building up the bargaining capacity of developing countries in sectors of vital interest.

55. The heavy foreign debt burden had not only affected the developing countries, it had also threatened the stability of the global financial system. Resolving the debt crisis would continue to require a collective and co-operative effort by the international community. For their part, many of the debtor countries, especially the oil-importing countries, had accepted economic adjustment programmes even though those programmes had meant lower incomes and living standards for their people. However, the increase in their exports to developed countries had not resulted in a reduction of their foreign debt, because of the erosion of the developing countries' terms of trade and the protectionism of the developed countries. Papua New Guinea supported the efforts to bring about a new and more equitable structure to regulate trade in basic commodities.

56. The recent initiatives and discussions for rescheduling debt repayments over a longer period were encouraging. What was needed was further expansion in world trade, greater flexibility on the part of lending institutions and more responsiveness and understanding among developed country Governments of the implications of their national economic policies for the developing countries, especially in the fields of acquisition of technology and in negotiations for external capital for agriculture and industrial development.

57. Mr. ORLANDO (United States of America), speaking in exercise of the right of reply, noted that Nicaragua, in its statement of the previous day on the effects of United States Government policy, had merely attempted to make the United States a scapegoat in order to avoid acknowledging the true causes of the problem.

58. In the first place, the United States had sincerely supported the movement that overthrew Somoza, since that movement had promised to establish democracy. Since then, both the United States and Nicaragua had realized that that was not the way it was going to be. Rather, Nicaragua was becoming a military camp and an exporter of revolution: while five years ago Nicaragua had had 10,000 soldiers, it

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(Mr. Orlando, United States)

currently had 100,000. In 1983 alone, it had accepted \$100 million worth of military equipment from the Soviet Union and, in 1984, it intended to purchase MIG bombers. Those arms were to be used to set up a base of operations for exporting death and destruction to neighbouring countries, such as El Salvador, where Nicaragua was actively supporting 10,000 guerrillas. It was that policy, and not the policy of the United States, that was preventing economic growth.

59. Moreover, in spite of what the representative of Nicaragua called "the hostile attitude of the United States", the United States imported 25 per cent of Nicaragua's exports. Moreover, Nicaragua's Ministry of Trade was ruining the peasants by the exceedingly low prices that it set, thereby producing a general scarcity of important foodstuffs. While the United States sympathized with the Nicaraguan people because of the economic privations to which they were being subjected, those privations were due to the policy of their own Government.

60. It was regrettable that the general debate had degenerated into a diatribe of unfounded accusations made by countries such as Cuba. Although the United States welcomed well-intentioned and constructive criticism, since it recognized that the policies and measures of a country with an economy as large as its own affected many other countries, and not always favourably, and that the representatives of Cuba had many reasons to be concerned about their country's economic situation, the solution to their problems did not lie in the United States' attitude on global negotiations, the International Development Strategy or the new international economic order. After 25 years, the Cuban revolution continued to be a total economic and political disaster, unless success was measured by the fact of remaining in power. Although it spoke a great deal of racism, neo-colonialism, imperialism, and other "isms", Cuba had become the most glaring example of a colony that subordinated the well-being of its people to political objectives, and sent troops and its scarce resources to remote places in support of its political objectives, which helped make its representatives feel important.

61. However, it did not surprise the United States - which had just increased its contributions to the United Nations Development Programme by \$5 million and to the United Nations Fund for Population Activities by \$8 million, and which continued to contribute one third of the budget of the United Nations Environment Programme, to mention only a few examples - to have to continue to listen to the same vacuous statements that the representatives of that unimpressive, undistinguished and unelected Government were accustomed to make.

62. Mr. HILLEL (Israel), speaking in exercise of the right of reply, pointed out that the statement made at the current meeting by the representative of Iraq had been sad proof of the inept way in which the issues relative to the Committee had become confused. Instead of politicizing the Committee's work, the delegation of Iraq would do better to devote itself to reducing the threat that its country posed to international peace and security.

63. Moreover, no far-fetched accusation and no manipulated report or resolution would prevent Israel from maintaining order in the territories that it administered nor from promoting, in perfect legality, economic and social development, thereby keeping the door open for future peace initiatives.

64. Mr. MORET (Cuba), speaking in exercise of the right of reply, said that, as a representative of the world's principal imperialist Power, the United States representative did not like having to listen to certain truths, particularly when they came from the delegation of a small country that had succeeded in making considerable advances in its political, social and economic development, despite the forces of imperialism and their policies of pressure, blackmail and blockade.

65. The representative of the United States accused other delegations of undermining international economic co-operation and using the Second Committee for political advantage, but it was common knowledge that it was the United States that had so intensified the arms race that it had attained unprecedented levels. It was also generally known that it was the United States that was keeping the world on the brink of a conflagration, and that that country, as had been demonstrated in the recently concluded debate, was mainly responsible for the current crisis in international economic co-operation.

66. The United States, which considered that the method of capitalism and transnational corporations was the only acceptable means of international co-operation and was unwilling to accept any change that affected its interests, was also mainly to blame for the general stagnation in international economic negotiations, including the deliberations on the global negotiations and negotiations within the framework of UNCTAD.

67. Moreover, in its international imperialist policing role, the United States believed that it had the right to install and remove Governments in accordance with its hegemonistic interests. It was therefore particularly irritated with the case of Cuba, a country which it had not been able to subjugate in spite of its constant threats of aggression and a cruel and brutal 25-year blockade.

68. Cuba was a free and sovereign country pursuing an independent foreign policy based on the principles of proletarian internationalism. It was therefore sending assistance to peoples who had just freed themselves from the colonial yoke, a fact that was also unpalatable to the United States, and which led it to distort historical facts.

69. Mr. MADRIZ FORNOS (Nicaragua), exercising his right of reply, said that he did not wish to recite the history of the foreign policy of the United States towards Nicaragua, from the many occasions on which the United States had invaded Nicaragua up to the time of the Somoza dictatorship, or trace that history back to the days of dollar diplomacy and the policy of the big stick, but he was sure that the representative of the United States would remember the heroic deeds of General Sandino and was well aware of the firm determination of the people of Nicaragua to defend their sovereignty at all costs, because the motto "A free country or death", far from being a mere motto, was a belief.

70. Referring to the statement made by the representative of the United States, he said that the delegation of Nicaragua had not intended to elicit a response of that kind, but had sought a positive response, a change of political attitude and, more specifically, a change in the mistaken policy of the United States towards

(Mr. Madriz Fornos, Nicaragua)

Nicaragua, a policy which would continue to be mistaken until the United States changed its attitude.

71. Nicaragua, as the representative of the United States had said, was a small country, but a country that was not for sale and would not surrender, and if it had military equipment and could expect assistance in opposing counter-revolution, that was due to the military aggression against Nicaragua subsidized by the United States.

72. Mr. AL-JUMAILI (Iraq), exercising his right of reply, said that in his statement he had referred to information contained in the report of the Economic and Social Council (A/39/233), and he requested delegations to refer to that document as in his statement he had only given some of the facts. The delegation of Iraq did not question the truth of the information contained in that report; but, if some delegations disagreed with it they should allow experts to visit the occupied territories for the purpose of preparing the report requested by the General Assembly. The refusal of the Israeli occupation authorities to permit a visit by experts provided further evidence of their aggressive intentions, and their policy of demolishing dwellings and establishing settlements. Those facts would not have been mentioned in the report of the Economic and Social Council if they were not true, nor would there be any resolutions on sending experts to the occupied territories.

73. The CHAIRMAN said that he was not yet in a position to respond positively to the request that he should prepare a summary of the current situation as a contribution to the meetings which the Development Committee of the World Bank and the Interim Committee of the International Monetary Fund would be holding early in 1985. Any contribution from the United Nations to those meetings would no doubt take the form of General Assembly resolutions.

74. The current economic recovery in certain industrialized countries had been stronger than expected, but had had only a limited effect on other countries, and particularly developing countries. The world economy still suffered from structural problems the most pressing of which, apart from lagging agricultural growth, were accumulated debt and growing protectionism. The debt problem was aggravated by high interest rates, which arose from competition for resources for economic and other purposes. Protectionism also aggravated the debt problem and made sustained growth harder to achieve for all countries. The economic crisis in Africa could lead to an international disaster unless special steps were taken.

75. Development depended largely on the efforts of each individual country, but international action could ease or aggravate problems at the national level. Also, the international economic system might be due for a thorough overhaul. Lastly there was an urgent need for practical results in order to reduce human suffering and strengthen the United Nations, and a general debate of the kind conducted in the Committee, could help to identify areas for action and to promote the consensus that was required for such action to be effective.

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76. Mr. KHALIL (Egypt) said that the basic idea of the meetings to be held shortly in Washington could be considered informal consultations and the conclusions reached could be brought to the attention of the Committee.

The meeting rose at 6.10 p.m.