

1643rd meeting

Tuesday, 3 December 1974, at 3.15 p.m.

Chairman: Mr. Jihad KARAM (Iraq).

A/C.2/SR.1643

AGENDA ITEM 98

Programme of Action on the Establishment of a New International Economic Order (A/9603, chap. IV, sect. A; A/9603/Add.1 (part II), A/9784, A/9787, A/9828, E/5555, E/5590)

1. Mr. ÅLGÅRD (Chairman of the *Ad Hoc* Committee on the Special Programme) introduced the Committee's report on its second session (E/5590) and said that the *Ad Hoc* Committee's terms of reference were given in section X, paragraph 6, of General Assembly resolution 3202 (S-VI). With regard to the first of the three tasks entrusted to the *Ad Hoc* Committee by that resolution, the Committee had not considered the question of the establishment of the Special Fund but had studied several proposals relating to its modes of operation; the conclusions reached by the Committee on the subject were reflected in the draft resolution in paragraph 1 of document E/5590. In that connexion, he recalled that the Economic and Social Council had decided to recommend that the General Assembly adopt that draft resolution at its twenty-ninth session, since it was the General Assembly which would have to take whatever measures it thought necessary regarding the Special Fund.

2. With regard to the second part of the *Ad Hoc* Committee's terms of reference, which was dealt with in paragraphs 4 to 7 of the report, the *Ad Hoc* Committee had benefited from the assistance of the Special Representative of the Secretary-General. Annex II of the report summarized the emergency assistance officially reported as of 8 October 1974; the figures given there would perhaps be updated by the Secretariat.

3. Lastly, paragraphs 8 to 12 of the report summarized the work done by the *Ad Hoc* Committee with regard to the third part of its terms of reference; the Committee had not been in a position to make a broad assessment of requirements and had limited itself to noting the preliminary assessment made by the Special Representative of the Secretary-General.

4. Mr. PREBISCH (Special Representative of the Secretary-General for the United Nations Emergency Operation) informed the members of the Committee that the amounts pledged so far for the Emergency Operation amounted to \$2,734 million. That figure included only half the total contribution of EEC, since the other half was dependent on the other contributions received. In any case, he had no doubt whatsoever that EEC would contribute the total amount of \$500 million which had been pledged, since that organization had been the first to display an interest in the Emergency Operation.

5. A few days previously, the Secretary-General had received a communication from the Government of the

United States of America announcing its intention, subject to congressional approval, to contribute an amount of \$1 thousand million in direct assistance to the developing countries most seriously affected by the economic crisis.

6. The total of actual or potential pledges would thus amount to \$4,074 million, compared with a balance-of-payments deficit in the most seriously affected countries which was estimated at \$4.6 thousand million for 1974 and 1975. The amount needed to cover that deficit had thus almost been attained, although he warned that all those estimates were provisional and might vary according to circumstances.

7. At an FAO meeting of specialists, held in Rome, immediate food needs and food availability had been considered; it had been concluded at that meeting that food requirements up to the middle of 1975 amounted to 7.5 million tons of wheat, maize and rice, and that there were sufficient grain surpluses in the world to meet those most immediate needs. Nevertheless, there too it should be borne in mind that those were merely statistics and that the food was available as long as it was not used for other purposes. It should also be borne in mind that the necessary funds to purchase it were not available; of the amount of \$1.8 thousand million which would be needed to purchase that grain, the Director-General of FAO estimated that between one third and one quarter could be provided from the regular budget of FAO and that another source of financing would have to be found for the rest. In addition, a meeting of experts from the United Nations bodies involved in the Emergency Operation would be held in New York in the current month, in order to study the figure for each country and to include the figures relating to food requirements.

8. It had not been possible to make as much progress as had been expected in determining the net deficit of each country, because essential data were not available on the manner in which each donor country had distributed its aid and on the concessionary element of the aid; the lack of that information could affect the duration of the Emergency Operation.

9. With regard to the status of the Secretary-General's special account, he announced that the Secretary-General had received the sum of \$223.8 million in cash, of which \$34.9 million had been disbursed to date; that figure might reach \$100 million if the necessary information were available.

10. It was quite likely that the estimated deficit of \$4.6 thousand million might increase in the near future; in addition, the emergency situation would not be limited to 1974 and 1975; in some cases, the situation of the countries included in the list of most seriously affected

countries¹ might deteriorate and it might even be necessary to include additional countries. It was therefore necessary to look to the future and work out long-term solutions. In that connexion, he had submitted to the Secretary-General a report detailing certain possibilities which should be studied at the current stage. Among those possibilities, reference should be made to the so-called "triangular recycling of earnings" from oil. The reasoning was that, instead of continuing to absorb petroleum resources and to increase their indebtedness due to balance-of-payments problems, the principal industrialized centres could help to solve those problems by increasing their exports; if, at the same time, the earnings from oil were invested in developing countries, those countries would be able to import more capital goods from the developed countries. That would benefit all three parties; the developed countries would increase their exports, the developing countries would achieve an increase in the flow of financial resources from the rich countries to the needy countries, and the oil-exporting countries would find a wide outlet for investments on the periphery of the world economy.

11. Mr. NANAYAKKARA (Sri Lanka) said that the Declaration and the Programme of Action on the Establishment of a New International Economic Order adopted at the sixth special session of the General Assembly (resolutions 3201 (S-VI) and 3202 (S-VI)) had laid the foundations for a new international economic order which should eliminate the inequities, injustices and hardships currently apparent in international economic relations. As the President of the World Bank had stated before the Economic and Social Council at the resumed fifty-seventh session (1924th meeting), the rising prices of essential imports, the slack demand for their exports to industrialized countries and the erosion by inflation of the real value of development assistance meant that the poorer countries would suffer an actual decline in their *per capita* income in each of the remaining years of the decade, with appalling effects on the already marginal living conditions of the poorest 40 per cent within those countries.

12. Sri Lanka was one of the countries most seriously affected by those events. Prices of its major imports had at least quadrupled or quintupled in the space of one or two years. The situation was currently even worse and one did not venture to forecast the prospects for the immediate future. The Special Programme, adopted by the General Assembly in its resolution 3202 (S-VI), to mitigate the difficulties of the most seriously affected countries was therefore of vital importance to Sri Lanka.

13. In assessing the needs of the most seriously affected countries, the Secretary-General stated in his report that "the calculations of import requirements were designed to reflect the minimum needs associated with a modest rate of growth of gross domestic product (GDP) derived from historical trends" (A/9828, para. 4). In the context of Sri Lanka's serious economic situation, the projections of balance-of-payments deficits given in the Secretary-General's report were an under-statement of the minimum needs.

14. His delegation urged the immediate establishment of the Special Fund and observed that it was essential that the

emergency operations be sustained over a sufficiently long period of time—at least until the end of the Second United Nations Development Decade—in order to contribute to the attainment of the targets set in the International Development Strategy (General Assembly resolution 2626 (XXV)). In addition, any assistance provided to the most seriously affected countries should be granted on the softest terms possible.

15. Mr. HOSNY (Egypt) said that he wished to make two observations on the *Ad Hoc* Committee's report (E/5590). First, with reference to table 1 in annex II of the report, he pointed out that developing countries had provided 75 per cent of the assistance, while developed countries had provided only 25 per cent. A similar conclusion could be drawn from table 2 in annex II, since the statement concerning the Secretary-General's special account as of 8 October 1974 showed that contributions from developing countries accounted for 72 per cent. That was inconsistent with the objectives of the Special Programme and represented a dangerous trend, which was also apparent in bilateral assistance and in contributions to IMF and to the World Bank. It was not possible for the principal financing responsibility to devolve upon the developing countries and for the rich countries to evade their obligations by providing increasingly smaller percentages of the gross national product. On the contrary, an effort should be made to implement the relevant resolutions of UNCTAD, as well as the International Development Strategy and the Declaration and Programme of Action, with regard to the commitment of the developed countries to provide assistance which bore a specific relationship to their national income.

16. Secondly, he emphasized that Egypt should be included in the list of most seriously affected countries, since its *per capita* income was less than \$200 a year and its budget would show a deficit of 24 per cent in 1974 and 34 per cent in 1975. Those figures clearly corresponded to the criteria adopted by the Secretariat in compiling the list. The Egyptian Government had given the relevant details to the Special Representative of the Secretary-General and hoped that its request would be considered with due care.

AGENDA ITEM 51

United Nations University: report of the University Council (*concluded*) (A/9762 and Add.1, A/C.2/L.1391)

17. Mr. SANDERS (United States of America) observed that progress towards establishing the United Nations University had been steady and comparatively swift. The Secretary-General deserved special commendation for selecting an admirably balanced Council which reflected wide diversity of academic discipline and professional experience. His Government viewed the progress of the Council as most encouraging; it was to be hoped that progress would be speedier as a result of the appointment of the Rector of the United Nations University (see A/9762/Add.1).

18. His Government had no plans to make a contribution to the funding of the University, although non-governmental institutions might wish to contribute voluntarily. His delegation would support the draft resolution (A/C.2/

¹ See A/AC.168/6/Add.1.

L.1391) introduced by the Japanese delegation at the previous meeting.

19. Mr. POERWANTO (Indonesia) said that the purpose of the United Nations University would be to serve the needs of all countries by promoting the study of the pressing problems of human survival and welfare through action-oriented research and multidisciplinary training, on the understanding that the special interests of the developing countries would always be taken into account.

20. It would be appropriate, in his delegation's view, for the University to develop step by step so as not to dissipate its resources beyond its ability to perform its mission. Limited co-operation with various university and research institutions should be established, to be expanded when the financial resources were assured. In that connexion, it would be wise to concentrate on a few priority areas requiring urgent attention. His delegation supported the request to the Secretary-General to continue his efforts to raise the necessary funds.

21. Since the University would form a decentralized network of institutions around the world, his delegation hoped that the coherence of the system would be maintained and that the University could work out precise guidelines to be followed by the participating units. There should be emphasis on assisting those developing countries' institutions which were part of the University system.

22. Co-operation between the University and the agencies of the United Nations system should be undertaken on the basis of mutual agreement. The principle of equitable representation should be observed in the selection of personnel.

23. His delegation supported draft resolution A/C.2/L.1391 and hoped that it would be adopted by the Committee without difficulty.

24. Mr. KUNIYASU (Japan) announced that the delegation of Jamaica had joined the sponsors of draft resolution A/C.2/L.1391. He proposed that in paragraph 2 of the draft resolution the word "all" should be deleted and the words "in particular, developed States," should be added after the words "Member States".

25. Mr. PETRONE (Italy) said that the United Nations University would bring new academic opportunities to developing countries, accelerate economic growth and educational standards in the third world and, above all, facilitate and foster closer co-operation among States in the scientific and cultural fields.

26. UNITAR had played an important part in the preparations for the establishment of the University and would undoubtedly maintain a fruitful relationship with it in a number of areas of mutual concern; he was accordingly pleased to learn from the note of the Secretary-General (A/9762) that co-operation had begun in the most favourable circumstances. Further discussions with UNITAR would be required in order to define the precise relationship between the Institute and the University.

27. He was glad that the University Council was in the process of defining programme priorities and hoped that

that process would greatly facilitate the consideration of contributions to the University by Governments and private institutions. In that context, he pointed out that Italy had offered to be host to one of the University's units in Trieste.

28. His delegation supported draft resolution A/C.2/L.1391 and hoped that it would be adopted by consensus.

29. The CHAIRMAN announced that Ghana had joined the sponsors of the draft resolution. If there were no objections, he would take it that the Committee adopted draft resolution A/C.2/L.1391 without a vote.

The draft resolution was adopted.

30. Mr. DE MOURA (Brazil) said that he was pleased that the draft resolution had been adopted. In connexion with operative paragraph 1, he pointed out that in accordance with article IV, paragraph 4 (h), of the Charter of the University, the University Council was required to report annually to the General Assembly, the Economic and Social Council and the Executive Board of UNESCO through the Secretary-General of the United Nations and the Director-General of UNESCO, respectively, on the work of the University. He asked that his statement should be recorded in the summary record.

31. Mr. UDOVENKO (Union of Soviet Socialist Republics) said that his delegation had not opposed draft resolution A/C.2/L.1391 but wished to point out that his country was not participating in the activities of the United Nations University.

AGENDA ITEM 48

Charter of Economic Rights and Duties of States (continued) (A/9615, TD/B/AC.12/3, TD/B/AC.12/4 and Corr.1, A/C.2/L.1386 and Corr.1-4)

32. Miss GARCIA (Ecuador) expressed her delegation's gratitude to the Group of 40 for the preparation of the draft Charter of Economic Rights and Duties of States.

33. Her Government believed that the adoption of a legal instrument regulating economic relations between all States and based on the fundamental principles recognized by all Members of the United Nations would help to resolve some of the problems affecting the contemporary world, including the growing disparity between developed and developing countries.

34. The draft Charter of Economic Rights and Duties of States embodied the basic principles by which international relations should be guided and contained provisions designed to eliminate the major obstacles to the economic and social development of the countries of the third world. The draft Charter was also a balanced and progressive document which, if adopted, would enable international economic relations to be restructured. For those reasons her delegation had sponsored draft resolution A/C.2/L.1386 and wished to take the opportunity to express the Ecuadorian

Government's view on an item which it considered to be of particular importance within the context of the Charter, namely, the exploitation of shared natural resources.

35. Ecuador shared the view that rules should be established for international co-operation with regard to the exploitation of natural resources and the preservation of the environment, particularly between neighbouring States, without detriment to each State's sovereignty and its legitimate right freely to dispose of its natural resources. Consequently, the exploitation of shared natural resources should in no way affect those principles. There should also be an exchange of information, but it should be the product of technical research establishing the possibility of causing damage to neighbouring States. In the event that consultations were necessary they should in no way result in delay or in unnecessarily holding up development projects and the exploitation of resources. Her Government considered that article 3 of the draft Charter might have such effects and might even affect every State's sovereignty and right freely to dispose of its natural resources; consequently, should that article be the subject of a separate vote, her delegation could not vote in favour of it. With that reservation, her delegation would support the draft Charter as a whole in the belief that it was of vital importance for the establishment of a new international economic order.

36. Mr. OUEDRAOGO (Upper Volta) said that the Charter of Economic Rights and Duties of States should be not only a general code of conduct for economic relations among States but also a means of promoting the economic and social development of the least advanced developed countries, and it should therefore be adopted at the current session of the General Assembly. It was clear from the discussion, however, that all groups had adopted unduly rigid positions, which might prevent the achievement of consensus.

37. He had two proposals to make which might help to eliminate the disagreements.

38. If the debates on the item were not to become deadlocked, it was essential to keep alive the spirit which had prevailed at the sixth special session of the General Assembly and which had led to the adoption of resolutions 3201 (S-VI) and 3202 (S-VI), and to that end the best course might be to delete the whole of article 15 of the draft Charter.

39. Article 20 of the Charter might be better balanced if a paragraph were added inviting the socialist countries to maintain and increase their assistance to developing countries.

AGENDA ITEM 46

United Nations Environment Programme (continued)* (A/9603, chap. VI, sect. C; A/C.2/292):

- (a) Report of the Governing Council (A/9625, A/C.2/L.1368/Rev.1);
- (b) United Nations Conference-Exposition on Human Settlements: report of the Secretary-General (A/9729);
- (c) Criteria governing multilateral financing of housing and human settlements: report of the Secretary-General (A/9575, A/9790, A/C.2/L.1382/Rev.1)

40. Mr. BOOTHE (Jamaica) introduced draft resolution A/C.2/L.1382/Rev.1 on the establishment of a United Nations Habitat and Human Settlements Foundation. Reference was made in the preambular paragraphs to General Assembly resolution 2999 (XXVII), Economic and Social Council resolution 1882 (LVII) and decision 16 (II) of the Governing Council of UNEP, all of which reflected the growing awareness of the international community of the seriousness and urgency of the problems arising in that sphere. He pointed out that both Council resolution 1882 (LVII) and decision 16 (II) of the Governing Council of UNEP had been adopted by consensus, and the purpose of the single operative paragraph of draft resolution A/C.2/L.1382/Rev.1 was to implement the provisions of that decision and those resolutions. The operative paragraphs of decision 16 A (II) of the Governing Council of UNEP were reproduced in the annex.

41. Mr. MUNGAI (Kenya) said that his delegation had become a sponsor of the draft resolution introduced by the representative of Jamaica in the belief that the establishment of an International Habitat and Human Settlements Foundation was the most suitable means the international community could adopt to resolve a problem which so gravely affected the developing countries. He hoped that the draft resolution would be approved by consensus.

42. Mr. SANDERS (United States of America), supported by Mr. CHANDLER (Barbados), asked that the voting on draft resolution A/C.2/L.1382/Rev.1 should be deferred until the following day's meeting.

43. Mr. BOOTHE (Jamaica) said that his preference was for taking a vote at the current meeting, but that he would accede to the Committee's wishes.

44. The CHAIRMAN said that the vote on draft resolution A/C.2/L.1382/Rev.1 would accordingly be deferred until the following meeting.

The meeting rose at 4.50 p.m.

* Resumed from 1631st meeting.