

SUMMARY RECORD OF THE 16th MEETING

Chairman: Mr. XIFRA (Spain)

CONTENTS

GENERAL DEBATE (continued)

AGENDA ITEM 12: REPORT OF THE ECONOMIC AND SOCIAL COUNCIL (continued)

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The meeting was called to order at 3.15 p.m.

GENERAL DEBATE (continued)

1. Mr. ANDERSON (Office of the United Nations Disaster Relief Co-ordinator) said that the passage of hurricanes "David" and "Frederic" over Dominica and the Dominican Republic had caused the loss of almost 1,400 lives. Some 300,000 people had lost their homes, and many of them their means of livelihood also. The international community deplored the enormous economic losses, particularly in agriculture, from which those two countries derived most of their export earnings. The immediate assistance given by many Governments, by international and national voluntary agencies, by private individuals and by the agencies of the United Nations family had been one of the heartening features of the relief operations, although they had been hampered by continuing bad weather, which had added to their cost.
2. Those taking part in the relief operations had learnt many lessons. One of the chief difficulties in both countries had been the rupture of virtually all means of communication. Roads had been blocked, bridges broken, telephone and power lines brought down. Initially, little news of what had happened had reached the capitals, so that it had been impossible to let those overseas know what relief should be sent. Another severe difficulty had been lack of water. Inevitably, therefore, there had ensued a period in which supplies had had to be sent without an accurate knowledge of the needs. However, because of the scale of the disasters, there had not been much duplication of supplies. In any event, there was no doubt of the benefits which could accrue from the use of the central information and co-ordination facilities of the Office of the United Nations Disaster Relief Co-ordinator, and he hoped that Member States would take good note of that. Having UNDR0 staff in the disaster area in a co-ordinating and monitoring role had also proved valuable.
3. The Office of the Co-ordinator was not concerned only with relief. It had important roles to play in the fields of disaster preparedness and disaster prevention. The three elements formed an interdependent set of actions, for no relief operation could be conducted in the absence of clear and properly used plans, and the more effective the relief operation was, the faster would the Government be able to turn its attention to rehabilitation and reconstruction and the faster would the economy be restored.
4. A relief operation cost a great deal of money. Even if assistance was received from the international community, it would come from the same budgets in the donor countries as funds for economic development projects, and the same applied to assistance for rehabilitation and reconstruction. The resulting loss of international funds for development was aggravated by the diversion of the country's own efforts and resources from its development programmes. In the Caribbean and other regions where natural disasters were a recurrent problem, Governments should therefore give ~~adequate~~ priority in their development programmes to projects related to disaster prevention and mitigation, so that, to the extent possible, the adverse economic effects could be reduced.

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(Mr. Anderson)

5. Now that Dominica and the Dominican Republic had moved into the stage of rehabilitation and reconstruction, it was to be hoped that their development plans and proposals would be systematically evaluated in terms of their vulnerability to disaster risks, and that preventive measures would be included in them. While the reduction of the intensity or frequency of natural phenomena, for example a hurricane, was beyond present capabilities, the reduction of damage was well within reach.

6. Where large capital investment for development was projected in areas exposed to severe natural hazards, disaster risks must be evaluated beforehand by national, regional and local planning and development authorities. While risk mitigation comprised measures which might incur additional capital costs at the investment and implementation stage, disaster risk evaluation was not in itself a major cost factor at the pre-investment stage.

7. Action was required not only at the national level; natural phenomena like hurricanes did not respect country boundaries. Regional arrangements were therefore not only valuable but frequently vital, because of the timeliness of the response. The Caribbean was a likely area for such regional arrangements, whether in the form of meteorological or seismological networks or of disaster management training courses.

8. UNDRO stood ready, as it had in the past, to assist Dominica and the Dominican Republic in improving their contingency plans for disaster relief. It could provide expert advice through technical assistance missions, arrange for fellowships or conduct seminars on disaster-related subjects. It was limited only by the availability of voluntary contributions for those purposes.

9. The primary responsibility for international action in financing and executing projects with disaster prevention and mitigation effects lay with the specialized agencies of the United Nations and the international financing bodies. The Office of the Co-ordinator was none the less responsible for promoting such projects and for ensuring that due recognition was given in development assistance programmes to disaster prevention activities. The resident representatives of UNDP, who also represented UNDRO, performed a most valuable service when they drew the attention of Governments and funding agencies to the economic benefits of investment in pre-disaster works.

10. It was to be hoped that, during the formulation of UNDP country programmes, resident representatives would do all they could to see that disaster-prone developing countries gave the necessary consideration to planning for disaster prevention and that due regard was given to that in the allocation of IPF funds.

11. The latest information from UNDRO staff members who had been in Dominica and the Dominican Republic attested to the widespread destruction that had been wreaked on those countries and the tremendous efforts needed to overcome the effects of that terrible disaster. But those countries could not go it alone, Member States, United Nations agencies and other international bodies must co-operate in their rehabilitation, and he asked Member States to provide all possible assistance to those two countries in their recovery efforts.

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12. Mr. NICOL (Executive Director, United Nations Institute for Training and Research) said that the Institute's programmes fell into three broad areas: the Project on the Future, the Department of Research and the Department of Training. Under the Project on the Future, the project "Technology, domestic distribution and North-South relations" had forged ahead. It was a very comprehensive study looking critically at the policies of development and international co-operation pursued over the past 25 years, and in its first phase attention had been given to the interaction of domestic income distribution and terms of trade and to the choice of technology for development. As UNITAR participated actively in the Task Force on Long-term Development Objectives of the Administrative Committee on Co-ordination and in its Technical Working Group, a report would be available for the thirty-fifth session of the General Assembly.

13. Closely related to the project "Technology, domestic distribution and North-South relations" were the regional conferences sponsored by UNITAR, the first of which had been held in Dakar in July 1977 in collaboration with the African Institute for Economic Development and Planning. A second conference, on alternative development strategies and the future of Asia, would be held in New Delhi in March 1980. The regional conferences were geared to the historical evolution and specific aspects of the movements of emancipation and development in both their economic and their political contexts.

14. The project "Progress in the establishment of a new international economic order: obstacles and opportunities", begun in 1978, was being implemented in close collaboration with the Centre for Economic and Social Studies of the Third World in Mexico. An 18-volume series was to be produced by 1980; the first volume, entitled The Objectives of the New International Economic Order, had been published in 1978.

15. The Institute's activities on the supply aspects of energy and natural resources had been continued during the past year and had included two important conferences. The first, on the future of small-scale mining, had been held in Mexico in co-operation with the Mexican Government, UNDP and a number of other organizations. The conference had helped to illuminate the significant technological changes which were now making the exploitation of those resources commercially feasible. As a result of the conference, four Governments had suggested that UNITAR should organize another international meeting to consider the future of small-scale mining. The second conference, on the future supply of heavy crude and tar sands, had proposed that an international information centre for heavy crude and tar sands should be established, and the possibility of creating such a centre was being explored.

16. The studies carried out by the Institute's Department of Research during the past year had covered two areas: the programme on the United Nations and the new international economic order, and the programme in international law, security and diplomacy. The research efforts had resulted in the publication of five important studies on the role of women in decision-making in the United Nations, the dissemination of United Nations-related information to parliamentarians, multilateral co-operation for development, disaster preparedness, and the nature

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of regionalism. Several other studies were expected to be available in the near future on the presidency of the Security Council, certain aspects of the international civil service, the elimination of racism and racial discrimination, and non-alignment.

17. As a means of disseminating the results of its research, UNITAR also arranged seminars, symposia and conferences on a regular basis. One of the seminars, held in Austria in July, had explored various financial arrangements which might be utilized in promoting science and technology for development and had provided a useful input into the Conference on Science and Technology for Development. Another, held in the Soviet Union, had dealt with the problems of planning in developing countries and had been organized jointly by UNITAR and the Africa Institute of the USSR Academy of Sciences. The papers prepared for that seminar had been discussed in New York and would be edited and later published as a UNITAR study.

18. Links with universities, research institutes and renowned scholars around the world had been strengthened and expanded. In particular, within the United Nations system, the Department of Research had co-operated closely with the International Civil Service Commission, ECLA, UNDP and UNFPA. UNITAR staff and consultants had also presented papers at professional meetings, thus bringing the potentialities of United Nations-related research to the attention of a wide range of organizations.

19. The Department of Training had greatly enlarged the scope of its programmes and had endeavoured to fulfil the needs not only of the world community but also of individual Member States and groups of States, at their request and with their co-operation. For example, preparations were being made to conduct a programme for five newly-independent Portuguese-speaking African countries and one for a number of States in the eastern Caribbean, both of which would help to provide an understanding of the techniques of multilateral diplomacy and international economic co-operation.

20. The Department of Training had collaborated with the Economic Development Institute of the World Bank in organizing the annual joint programme on economic development and its international setting, and with UNESCO in preparing a programme on general systems and information networks similar to the one organized in 1977. UNITAR had also collaborated closely with the United Nations University, UNIDO, UNEP and the United Nations Centre for Disarmament. The Department of Training was expanding its co-operation with the academic community and had organized jointly with the Hague Academy of International Law a regional training and refresher course in international law for Latin America, which had been held in Mexico City in May. A similar course would be organized early in 1980 in another region. The Department had also been reviewing three decades of internship and fellowship programmes organized by the United Nations, UNDP and UNITAR, and the study would be published in 1980.

21. The success of UNITAR's training activities was indicated by the continuing introduction of new programmes and the participation of larger numbers of national and international officials. In 1975, there had been 13 seminars with 479 participants; three years later, there had been 27 seminars and

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(Mr. Nicol)

977 participants. More than 40 programmes and projects were now under way in New York, Geneva and other regional centres, and some of them had been placed on a permanent basis because of their success.

22. In accordance with the guidelines laid down by the Board of Trustees and the General Assembly, the Institute's programmes increasingly reflected the emphasis placed by the United Nations on the establishment of a new international economic order. However, if the Institute was to make a significant contribution to the objectives of the United Nations, it must achieve a sounder and more stable financial basis. The resources at its disposal were insufficient to maintain and expand its programmes, and uncertainty about funding hampered any long-term planning. He therefore appealed to delegations to urge their Governments to support UNITAR more generously.

23. Mr. ROSEN (United States of America) said that success in restoring balance to the world economy and promoting national and international growth and prosperity would be achieved only if strong actions were taken, domestically and globally. Failure would result from procrastinating or seeking to avoid hard decisions by casting all the blame for the current malaise elsewhere. New initiatives would be required, but older programmes and institutions whose effectiveness had been tested must continue to be utilized and strengthened.

24. In addition to seeking international solutions to issues of global significance, all nations must set their domestic houses in order. The industrialized countries must curb inflation while maintaining employment, stimulate growth, seek to ensure that their economic actions did not adversely affect others, and undertake effective measures to produce more energy and moderate their consumption. The developing countries must increase domestic savings and investment, utilize scarce economic resources more effectively, and make difficult trade-offs between growth rates and indebtedness. The oil-exporting nations must accept the responsibilities for global economic health and stability thrust upon them by their position as suppliers of the world's chief source of energy. The countries with centrally planned economies must follow internal programmes and policies which reflected their increasing participation in the global economic system and enabled them to assume their responsibilities vis-à-vis the developing countries.

25. His Government had recently taken several actions to strengthen the United States economy and contribute to international economic prosperity and stability. It had adopted a policy of engaging in exchange market operations to ensure the stability of the dollar, and a strong current account surplus was expected in 1980. The measures which had been announced to raise interest rates, slow monetary growth and increase reserve requirements would moderate the inflation rate, reduce inflationary expectations and strengthen the dollar. The new national accord with labour provided, among other things, for a voluntary programme of wage and price restraints. Oil imports would be held down, domestic oil prices would be raised to world market levels and the development of domestic alternative energy supplies, including new and renewable sources of energy, would be encouraged.

26. Domestic actions were necessary, but by themselves they were not sufficient.

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(Mr. Rosen, United States)

The world faced many common problems, most of which were not North South issues that demanded action by one group of countries for the benefit of another. Instead, they were global concerns that required action by all and entailed gains to all. The subject of energy was the most obvious. The oil-importing developing countries were the ones that suffered the most from energy scarcity. In 1979 their oil imports would cost more than \$35 billion, an increase of \$10 billion over the preceding year. As the Minister for External Affairs of India has said, developing economies were marked by limited substitution possibilities for priority uses such as transport by the high capital intensity of alternative energy sources and by the difficulty of further reducing a level of consumption already at the bare minimum.

27. Even the oil-exporting countries themselves could not disregard the effects of the price and supply policies on the world economy. Global inflation and recession, which were related in part to rising oil prices, could have an adverse impact on them. As the United States Secretary of State had indicated in the General Assembly, a key question at the moment was whether the oil-exporting nations were prepared to stabilize prices and, to the extent that it was within their control, to ensure an adequate supply. All nations must use energy more efficiently, and intensify their efforts in the development of petroleum and of alternative energy sources.

28. Food and nutrition were also economic problems of global dimensions. Demand was rapidly outdistancing supply, and there were alarming predictions of famine in several parts of the world in the 1980s. A major international effort was required to increase food production, improve its distribution, and promote better nutrition, particularly among the world's poorest. The United States was making a major contribution in that sphere. Its bilateral assistance in agriculture, including concessionary food assistance, would exceed \$2 billion in 1979. The United States was pressing for progress on world food security, including rapid completion of a new food aid convention and increased funding for agricultural research. The United States was also urging the adoption by Governments of food sector strategies that could help to increase domestic food production and improve nutritional levels.

29. The experiences of the past 30 years had demonstrated the value to all nations of an open international trading system. The recently concluded multilateral trade negotiations had resulted in major tariff cuts, significant reductions in non-tariff barriers, and a framework agreement that permitted special and differentiated treatment for developing countries. It was in the interests of developing countries to sign the various codes at an early date, and participate actively in their application.

30. Other global issues requiring the attention of the international community included managing the growing deficits of a number of countries, providing better health care, spreading the benefits of science and technology, increasing employment opportunities and improving living conditions of the poor, and protecting the political, economic and social rights of all human beings.

31. Energy was one of the few international economic problems that was not being

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(Mr. Rosen, United States)

examined in international forums. Thus, the General Assembly could make a significant contribution to global economic stability by agreeing to a programme for embarking on a discussion of the world energy situation.

32. The General Assembly had before it an extremely full international calendar, which included the activities of UNCTAD, the World Bank, the International Monetary Fund and GATT, together with the new series of global negotiations which, if approved by the General Assembly, were to take place later, the special session of the General Assembly to be held in 1980, and the Conference on New and Renewable Sources of Energy. That full calendar was a positive sign that the international community recognized the urgency of dealing with the global issues. It was to be hoped that it would act vigorously and with urgency for the benefit of all nations.

33. Mr. EL-JEAAAN (Kuwait) said that, although five years had passed since the adoption of the Declaration and Programme of Action on the Establishment of a New International Economic Order, very little progress had been made. The recent failure of the fifth session of UNCTAD and of the last session of the Committee of the Whole were only part of a long series of disappointments. The Western countries had refused to change the economic order, and had managed to transfer the effects of their own inflation and unemployment to the developing countries. Thus the latter, which in addition were suffering the effects of the devaluation of the dollar, were obliged to ask for loans in the international market, and to suffer a continual increase in the volume of their external debt.

34. Kuwait was keenly interested in the development of the new international strategy and considered it vital that the industrial countries should radically alter their position if they really wished the strategy to be implemented. Great hopes were attached to the forthcoming special session of the General Assembly. Although Kuwait supported the idea that the question of energy should be studied, it considered that it should be only one among the important problems considered in the context of international economic relations.

35. The energy crisis was a reflection of the general situation, and its roots lay in inappropriate patterns of consumption. Some developed countries, for the purposes of external and internal propaganda, and with the aim of dividing the developing countries, were making accusations against a group of countries that were doing no more than exercising their legitimate rights over their natural resources. Those developed countries did not confine themselves to trying blackmail and economic threats, but were even creating a favourable climate for military intervention. A Citibank report for July 1979, referring to the general view that the OPEC price rise was the sole reason for the recession, stated that the political utility of that rationale became rapidly apparent at the Tokyo summit and later in Washington. Yet the signs of recession and the reasons for it were there long before the rationale invoking the rise in oil prices.

36. Kuwait, as a developing oil producer and a member of OPEC had no need to declare its solidarity with the developing countries. It had always supported

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(Mr. El-Jeaaan, Kuwait)

efforts to facilitate international negotiations, and shared the views expressed by the Group of 77 and the Non-Aligned Movement.

37. The recent adjustment in oil prices by OPEC was a response to the speculations of the oil companies, which were reaping vast profits at the expense of the developing countries. The United States paid more for its oil imports from non-members of OPEC than for those from OPEC countries. Moreover, it was important to consider the impact on American fuel costs of the continuing depreciation of the dollar in relation to other currencies.

38. It was also important to point out that oil prices in 1979 were falling in real terms in relation to their 1974 level. According to the Wall Street Journal, OPEC had not raised its dollar price for oil nearly as rapidly as the dollar price for gold had been rising, and thus in a sense OPEC had been underpricing its oil.

39. As to OPEC's responsibilities towards the developing countries, it should be pointed out that the oil imported by those countries represented only 13 per cent of OPEC sales. The serious situation of the developing countries was due to the crisis in the developed world and the price of energy was only part of their costs of production. Furthermore, Kuwait was now devoting over 10 per cent of its gross national product to official aid to development, whereas such aid by the developed countries did not yet amount to 1 per cent of their gross national product.

40. The oil-exporting countries were the first victims of the economic crisis in the capitalist countries. They were producing more oil than they should produce, at the expense of future generations. Kuwait recognized that the energy crisis was real and would not disappear as if by magic, and it supported all efforts to solve the problem. Oil was a non-renewable energy source, and consequently other sources must be found. If the problem was to be finally solved, there must be an end once and for all to propaganda and unfulfilled resolutions. It was high time that the developed countries renounced their claims to dominion and hegemony and ceased trying to blackmail the developing countries.

41. Mr. MALVE (Observer for the European Economic Community) said that although efforts to promote international economic co-operation had achieved useful, although limited, results, they were usually criticized by most of the developing countries. However, the increasing awareness of the need to approach international economic relations from a global aspect gave grounds for some optimism.

42. The EEC countries, like other industrial countries, were facing great economic difficulties, in particular high rates of inflation and excessively high levels of unemployment. The industrial countries could not give up their policy of gradually reducing the expansion of the money supply, and their budgetary deficits prevented them in general from resorting to any increase in public expenditure to stimulate economic activity.

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(Mr. Malve, EEC)

43. The prevailing disquiet and uncertainty were due to a combination of factors. Inflation was already a universal phenomenon which affected both developed and developing countries, as well as economic systems which had previously claimed to be untouched by it. For their part, the industrialized countries had taken measures to deal with the situation, such as the decision of the Tokyo summit conference to impose a maximum limit on oil imports by 1985. The European monetary system which had been put into effect in March 1979 to provide a zone of monetary stability in Europe had also achieved adjustments in exchange rates for some currencies, and notably a revaluation of the German mark in relation to the dollar. Interest rates had also been increased in an attempt to remedy an increasingly worrying situation, and the same could be said of the talks aimed at setting up an IMF reserve account. However, all such measures would remain ineffectual as long as uncertainty persisted with regard to energy supplies.

44. The Community was concerned about the possible repercussions of energy supply problems on its economic situation, and on the development policies of the developing countries. It had been calculated that each 10 per cent increase in oil prices led to a direct increase of 1 per cent in the prices of products of the developed countries, plus an indirect increase of 0.50 to 0.65 per cent. The most recent increase decided by OPEC would involve an extra import burden for EEC of the order of \$12 billion and a drop of approximately 1 per cent in gross national product. In 1979, the balance of payments surplus of the oil-producing developing countries would reach \$43 billion, while the deficit of the non-oil-producing developing countries would exceed that of 1978 by \$12 billion.

45. The Community could not remain indifferent when faced with the prospects he had just described; and indeed, it was seeking to bring about changes in energy consumption patterns which would enable savings to be made. There was no doubt that the extra expenditure of \$12 billion which the non-oil-producing developing countries would have to bear in 1979 would be an enormous burden for them. The Community therefore favoured a study of the proposal of the Group of 77 to hold global negotiations on international economic co-operation for development, including energy, and had paid close attention to the proposals made by the President of Mexico during the current session of the General Assembly.

46. In spite of its difficult economic situation, EEC was continually increasing its share of imports from developing countries, and its imports of their manufactures had increased by 30 per cent each year since 1972. The EEC could not be protectionist, as it imported 75 per cent of its raw materials, and developing countries received 40 per cent of its exports. In fact, the progress in world trade in recent times was due to the developing countries and exports to those countries. It should also be noted that mutual trade among developing countries which were rapidly industrializing was growing at a faster rate than their trade with the industrialized countries.

47. In the present difficult period, a relapse into protectionism would be extremely risky. For its part, EEC adhered firmly to an active trade policy which remained open to the outside world. With regard to trade with the member countries of the Association of South East Asian Nations (ASEAN), for example, it now

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attributed special importance to the development and diversification of trade, the complementary role of each region in increasing industrial co-operation, and investments of an appropriate kind both for the Community and for ASEAN. The trade agreement signed with China and the negotiations in progress with the Council for Mutual Economic Assistance similarly reflected the policy of remaining open towards the outside world. Trade with Latin America was also increasing, and EEC was the main purchaser of exports from Brazil.

48. The Multilateral Trade Negotiations had been a success for the international community, which was itself thought provoking. The negotiations had checked protectionist trends, and special attention had been paid to the trade requirements of the developing countries, which, for the first time, had been taken into account from the very beginning of the negotiations. Among other things, the developing countries would therefore benefit from the preferential tariff arrangements, the support measures for trade balances in the light of development problems, and the provisions for the settlement of disputes. Agriculture had also been included in the Multilateral Trade Negotiations, and EEC, which had concluded agreements with the main exporters of agricultural products, would respect its obligations in the export markets, while of the view that consultation would lead to better co-operation among producers, importers and exporters of farm products.

49. The negotiations for a new Lomé Convention had now been successfully completed, confirming an established pattern of interregional relations between EEC and 57 developing countries in Africa, the Caribbean and the Pacific. Under the Convention, co-operative relations were protected, national sovereignty and the cultural identity of individual countries were fully protected, all the instruments of co-operation were used in the light of economic structures and levels of development in the various countries, and co-operation was based on continuous dialogue within an institutional framework.

50. Over the five-year period during which the new Convention would be in force, EEC would make financial contributions totalling \$8 billion as well as food aid and sums spent on co-financing operations. Eighty per cent of the resources to be allocated to the European Development Fund would consist of subsidies, and special arrangements had also been made for the least developed countries.

51. The main characteristics of the commercial régime were free access to EEC markets for 99.5 per cent of exports from African, Caribbean and Pacific countries, the absence of reciprocal trade clauses, the development of trade promotion through EEC finance, and a requirement that any safeguard measures adopted by EEC should be preceded by consultations. The Community had also explicitly committed itself not to use the safeguard clauses for protectionist purposes, or to impede structural change.

52. STABEX, a mechanism to stabilize export revenue for the African, Caribbean and Pacific countries, had been improved, and a special régime was now planned to reduce the impact of price fluctuations and to help to maintain potential production capacity. Technical and financial assistance was also planned for

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(Mr. Malve, EEC)

programmes of exploration and development in mining and energy, and specific protection agreements would be reached for the promotion of private investment. The new Convention would therefore encourage industrial development, as well as agricultural co-operation, in the African, Caribbean and Pacific countries.

53. The Lomé Convention would not prevent the Community from increasing its financial and technical assistance to developing countries which were not covered by it. At the present time, consideration was being given to increasing credits and extending them to other countries of Asia and Latin America, as well as to regional organizations of an economic or social kind.

54. Certain factors - a rate of population increase which outstripped that of economic growth, the concentration of economic growth in modern sectors and on too limited a scale to improve living conditions for the majority of the population, and the fact that advances in education and urbanization had not been accompanied by the necessary expansion of job opportunities - pointed to the crying need for a massive effort of joint reflection, to find models of co-operation which would ensure economic growth and better distribution of its benefits. What was needed was the resolve to combine the new international economic order with social development, and the realities of interdependence with the demands of the developing countries for collective self-sufficiency.

55. The proposed structural changes would be achieved through an ongoing process based on closer co-operation. The Community did not wish to regard structural change as an external obligation but as a positive internal response which would generate economic and social progress satisfactory to all. The most important thing was to create a climate which would encourage investment and acceptance of risks, without having to fear economic recession, uncertain conditions of supply or monetary tensions. For the industrialized countries, the speed and extent of structural adjustment would depend on their ability to achieve a satisfactory rate of economic growth.

56. The preparation of new International Development Strategy presented an opportunity to achieve development objectives within a stable world economy, differentiated in terms of economic realities and needs so that different countries could develop structures which would not only respond to their internal needs but would make for solidarity in the use of the material and human resources of the world. For its part, EEC was fully aware of the political dimension of international economic relations and of the fact that it could no longer establish its objectives and policies without taking account of the reality and potential capacities of the developing countries.

57. Mr. NAVA CARRILLO (Venezuela), speaking on behalf of the member countries of the Andean Pact, said that the theoretical assumptions approved by the heads of State of those countries on the occasion of the tenth anniversary of the signing of the Cartagena Agreement had been justified by the results achieved, particularly in the economic and political fields. In the economic field, joint industrial planning was the basic element of the Agreement, particularly in the automotive, metal-machinery and petrochemical programmes. The adoption of common legislation

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(Mr. Nava Carrillo, Venezuela)

on the treatment of foreign capital and transfer of technology, the initiation of joint operations in the agricultural sector, the creation of an integrated system of transport and communications, programmes for frontier integration and co-operation in the development of the Andean Amazon basin were other areas of high priority.

58. As for the political field, he drew attention to the joint action undertaken by the Andean Pact countries during the Nicaraguan crisis and the joint communiqué issued by the Andean Ministers for Foreign Affairs on 19 July 1979, in which they had proposed a co-operative mechanism for increasing assistance in the reconstruction of Nicaragua, and also the "Act of Panama" which the leaders of the Andean Pact had signed in recognition of the historic importance of the putting into effect of the Panama Canal Treaties and as an expression of satisfaction at the intention of Panama to subscribe to the Andrés Bello agreement on cultural co-operation.

59. In the "Act of Panama" the leaders of the member countries had also, inter alia, expressed satisfaction at the recent political progress which had made a return to democracy possible in Ecuador and Bolivia, support for Bolivia's just demand for sovereign access to the Pacific, and concern at the release onto the international market of thousands of tons of tin from the United States strategic reserves, in view of the serious damage it would do to the economy of Bolivia.

60. The States members of the Andean Group were concerned at the serious situation of the world economy, of which the developing countries were the main victims. Developing countries received unfair prices for their raw materials and manufactures. Their products encountered all kinds of obstacles in gaining access to the markets of developed countries. The technology they needed for their industrialization process was subjected to many restrictions, as were their access to sources of finance and their participation in the international monetary system.

61. That situation was at variance with the fundamental importance of the developing countries to the world economy. In addition to supplying raw materials to the developed countries, the developing countries had also become very important markets for their exports and, by stimulating demand during the current recession, had played a stabilizing role in the world economy. The right of the developing countries to participate in the decisions which were required in order to solve current international problems was therefore unquestionable.

62. The existing system had broken down, and the new international economic order had become an imperative necessity. The stalemate in the North-South negotiations was therefore a cause of deep concern. The new negotiations proposed by the Group of 77 could help to remedy that situation. Moreover, during the next few months priority attention would have to be given to the formulation of a new International Development Strategy, and the developed countries must show real political will in that connexion. As the President of the Economic and Social Council had stated in his introduction to the Council's report, "a resumption of growth in developed countries can be neither a precondition of policy measures nor

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(Mr. Mava Carrillo, Venezuela)

an absolute constraint on the indispensable growth of developing countries" (A/34/3/Add.1, p. 4). The special session of the General Assembly in 1980 must see the completion of the work in those fields.

63. Economic and technical co-operation among developing countries was a powerful tool for transforming world economic relations and increasing the pace of economic and social development. Regional and subregional integration systems could accelerate that process. Collective action by the poor countries had been strengthened by the decisions on economic matters adopted by the non-aligned countries at the Havana Conference, which had also been reflected in the subsequent declaration by the Ministers for Foreign Affairs of the Group of 77.

64. The various efforts of co-operation and integration by developing countries should be mutually complementary and supportive. The Andean Group therefore maintained relations with other co-operation and integration groups in the Latin American region, such as the Latin American Economic System (SELA), the Latin American Free Trade Association (LAFTA), the Central American Common Market and the Caribbean Community (CARICOM), and hoped to develop relations with groups in other developing regions. It also hoped to conclude co-operation agreements with developed countries, such as the prospective agreements with the European Economic Community and the United States.

65. It was particularly important to find an appropriate solution to the problem of linkage between the code of conduct for transnational corporations and the draft international agreement on illicit payments. Since illicit payments were one aspect of the general problem of the activities of transnational corporations in the host countries, it would be pointless to reach an agreement on that matter alone and to leave the conclusion of a code of conduct completely up in the air. It was to be hoped that the draft resolution on the Transport and Communications Decade in Africa recommended by the Economic and Social Council would be adopted without difficulty by the Assembly and that a pledging conference would soon be held in order to obtain the necessary resources.

66. With regard to the transfer of real resources for development, a negative trend had recently been apparent in the policies of some countries and some financial co-operation agencies. In addition to official development assistance, international action would have to be taken on other aspects of the transfer of resources, such as the improvement of terms of trade, long-term autonomous flows of capital and possibilities of compensatory financing. In that connexion, the principle of universality must be respected in United Nations development co-operation programmes.

67. The Andean Group countries were sympathetically disposed towards the proposal made by the President of Costa Rica for the establishment of a University for Peace, which came within the framework of efforts to attain the purposes set forth in the Charter of the United Nations. That institution must, of course, be organized in such a way as to avoid duplication of efforts with other institutions and ensure co-ordination with the United Nations University system.

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(Mr. Nava Carrillo, Venezuela)

68. The Andean Group countries commended Economic and Social Council resolution 1979/60, concerning measures to be taken in consequence of the floods in Jamaica. Similarly, they urged the international community to provide support and assistance to the Dominican Republic and Dominica in repairing the damage done by the natural disasters which had struck them.

69. The Andean Group's interest in the situation in Nicaragua had been clearly demonstrated since the Cartagena meeting of heads of State of the countries of the Group in May 1979. The struggle against the dictatorship was over, but the cost of liberation had been high. The Nicaraguan people now had to undertake a tremendous task of reconstruction, and the international community should immediately mobilize all means in its power to support them. The Committee of the Whole of ECLA had already adopted a decision to that effect, and he hoped that the Second Committee would also support the granting of financial and technical assistance to Nicaragua.

70. Mr. TANICUCHI (Japan), referring to the comments made by the representative of Costa Rica to the effect that Japan's interpretation of the Secretary-General's report on the question of the establishment of a University for Peace (A/34/496) was inaccurate, said that he wished to exercise his right of reply in order to avoid any misunderstanding.

71. The Government of Japan fully respected Costa Rica's initiative concerning the establishment of the University for Peace and recognized the importance of the ideals underlying it. However, it was concerned about the difficulties involved in implementing it at the present stage and considered that further study was needed before a decision was taken.

72. According to the Secretary-General's report, only 10 Member States had responded to the note seeking views on the proposal. Although most of them had endorsed the underlying idea in principle, only two countries had supported the proposal without reservation. Several Governments had felt that "it is not appropriate, at the present stage, to take a decision towards establishment of the proposed institution within the United Nations University system" (A/34/496, para. 7).

73. While it was true that in paragraph 8 of its opinion (A/34/496, annex I) the Executive Board of UNESCO said that the proposal of the Government of Costa Rica merited unreserved moral support, in paragraph 7 it stated that "Clearly, vast sectors would thus come within the competence of both institutions" (the United Nations University and the University for Peace) and that "at the same time, care must be taken to avoid any duplication of work with UNESCO". In the same paragraph, the Board stated that "the establishment's operating costs would have to be met, at least in part, by aid from countries and from international organizations in the years to come" and that the search for resources was "a very important point". He also drew attention to paragraph 10 of the opinion of the Executive Board and paragraph 7 of the opinion of the Council of the United Nations University (A/34/496, annex II), and to the conclusions of the Secretary-General's report,

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(Mr. Taniguchi, Japan)

which stated (para. 15) that it was important that the Council of the United Nations University should "expedite completion of its consultation with the Costa Rican Government on the proposed project". With regard to the similarity between the University proposed by Costa Rica and the University proposed by U Thant, he quoted paragraph 7.IV of the opinion of the Executive Board of UNESCO.

74. The statement made by his delegation at the 14th meeting was precisely in line with the contents of the Secretary-General's report and the opinions of the Executive Board of UNESCO and the Council of the United Nations University. His delegation was open-minded and was willing to co-operate in finding a solution acceptable to all Member States at the current session.

75. Mr. PIZA ESCALANTE (Costa Rica) said that his delegation was aware of the reservations made by UNESCO, the United Nations University and the Secretary-General regarding the proposed University for Peace. However, those reservations were taken into consideration in the Costa Rican proposal, since it stipulated as an essential condition that the University for Peace should not constitute a financial burden for either the United Nations or the United Nations University; the Government of Costa Rica had undertaken to obtain the necessary financing.

76. It had also been stipulated that there should be no duplication of efforts, and it was clear that the curriculum of the University for Peace should not include teaching activities being carried out by other institutions. Furthermore, it should be borne in mind that the United Nations University was a system of institutions and that the proposed University for Peace would, in fact, be one of those institutions. It was also stipulated in the Costa Rican proposal that the University for Peace and the United Nations University should agree on the type of association between the two institutions.

AGENDA ITEM 12: REPORT OF THE ECONOMIC AND SOCIAL COUNCIL (continued)
(A/C.2/34/L.6)

77. Mr. KOROSSO (United Republic of Tanzania), introducing draft resolution A/C.2/34/L.6 on behalf of the sponsors, said that Botswana, Burundi, the Congo, India, Uganda, Zaire and Zambia had now become sponsors. He announced that two changes should be made in the text. Firstly, the fourth preambular paragraph should be deleted. Secondly, operative paragraph 1 had been revised to read: "Endorses the Declaration of Principles and the Programme of Action as adopted by the World Conference on Agrarian Reform and Rural Development". He hoped that the draft resolution would be adopted by consensus.

The meeting rose at 6.10 p.m.