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**SECOND COMMITTEE, 1456th
MEETING**

Thursday, 5 October 1972,
at 3 p.m.

NEW YORK

Chairman: Mr. Bruce RANKIN (Canada).

GENERAL DEBATE (continued)

1. Mr. WEITZ (United Nations Food and Agriculture Organization) said that he had asked to speak not to draw attention to the work of his organization but to clarify certain points which might be of interest for members of the Committee.
2. The task of FAO was to concern itself with the agricultural aspects of the International Development Strategy for the Second United Nations Development Decade, particularly by collecting, monitoring and analysing statistics and other data in that field. One year after the beginning of the Decade, the results were discouraging: while the goal was to increase agricultural production by 4 per cent per year, the developing countries in 1971 had increased theirs by only 1 to 2 per cent. Thus their agricultural and food production had either just kept pace with the increased number of mouths to be fed, as in the Middle East, or had fallen behind, as in Latin America and the Far East, with the exception of China. Africa, which had registered an increase of 4 per cent, was the only developing region where the picture was brighter.
3. The Director-General of FAO had observed that the events of a single season meant little in assessing the performance of agriculture, but that it must not be forgotten that each below-average year required an above-average year in compensation in order to maintain production at the target level. In that respect, performance in recent months was far from encouraging. Thus, even if agricultural productivity was improving considerably in 1972, the developing countries themselves and the major aid donors should nevertheless reconsider whether their policies were adequate to achieve the targets of the Second Development Decade.
4. Population growth threatened to outstrip food production throughout the Decade, and there might be as many people hungry or victims of malnutrition in 1980 as there had been in 1970. That prognosis had already been confirmed in the first year of the Decade.
5. A third danger was related to trade—the earnings which developing countries obtained from sales of their primary agricultural produce, and the prices which such countries had to pay for manufactures which they imported.
6. On 9 October, FAO would publish its annual *Commodity Review and Outlook*.¹ That analysis indicated that the volume of world agricultural trade, after an exceptionally large increase in 1970, had risen only moderately in 1971. Further, it pointed out that increases in trade values in 1971, of about 11 per cent, had been concentrated on products produced mainly in the developed countries: temperate-zone products. On the other hand, the agricultural export earnings of the developing countries had suffered a decline of about 3 per cent, or \$410 million. That was in sharp contrast with the trend in earnings during the previous year, and with the trend of export growth which had averaged 3.2 per cent over the past decade. If the goals of the Second Development Decade were to be achieved, a substantial improvement in the growth of the developing countries' agricultural exports would thus be necessary.
7. Looking to the future, the same review predicted that the short-term outlook for 1972 was that world agricultural trade might not show any substantial improvement over 1971. Over all, the first year of the Second Development Decade had shown a continuation of the trends of the previous decade, and had shown no improvement either in the relative growth of agriculture vis-à-vis total merchandise trade or in the share of the developing countries in world agricultural trade.
8. The Director-General of FAO, speaking before the Economic and Social Council at the fifty-third session (1820th meeting), had expressed the hope that the increase in food production for 1972 would be higher than that for 1971, but had said that nothing in the present situation gave any solid grounds for believing that it would reach 4 per cent. The Director-General had stressed that the consequences of failure in that field would be catastrophic: for that reason, urgent steps were necessary to remedy the present trend if the entire Strategy for the Second Development Decade was not to be placed in jeopardy.
9. Mr. OSORIO (Mexico) attributed the widening gap between the developing and the developed countries to the fact that the principal industrialized countries had not put into practice the principles of the International Development Strategy. They had refused to appreciate the problems which third world nations faced or to understand the reasons for their demands. The average annual income of 70 per cent of the world's population was \$200 per capita, while that of the

¹ FAO *Commodity Review and Outlook, 1971-1972* (Rome, 1972).

remaining 30 per cent was more than \$2,500. Life expectancy at birth was 70 years in the advanced countries, and only 45 years in developing countries. Ninety-two per cent of the inhabitants of the advanced countries could read and write, as opposed to only 43 per cent in the developing countries. The inescapable sense of pessimism derived not only from a study of the present situation, but also from an analysis of future prospects, which ruled out any hope of improvement. To obtain an idea of the size of the gap in development, it was enough to recall that the annual product *per capita* in the developing countries, which amounted to 11 per cent of that of the industrialized countries in 1960, had fallen to a level of 7.7 per cent in 1970; judging by the statistics in the report of the World Bank,² the gap would become enormous in the future.

10. Thus what was needed was to rouse the political will of the rich countries through a moral crusade which would end the increasing polarization of mankind into rich and poor nations—a trend which would inevitably lead to violence. In order to enable the developing countries to benefit from recent progress in international politics, the relaxation of tension and the expansion of trade between different ideological blocs, that progress should be accompanied by a reformulation of the policies of the great Powers with respect to the third world and by the world-wide application of the principles of social justice which were as yet observed only at the national level. If that was the objective sought, economic development was the best means of attaining it, and thus it was the duty of the industrialized nations to contribute to economic progress in the countries of the third world. For their own part, the developing countries could not remain passive. Today more than ever, the members of the Group of 77 should remain united in order to prevent the division of international society into industrialized countries and poor countries from becoming a new division of the world which would favour the strong at the expense of the weak. The action programme which should be followed had been drawn up in adequate detail in the Charter of Algiers³ and the Declaration of Lima.⁴ Moreover, at its third session UNCTAD had considered the main economic demands of the developing countries and had, in particular, undertaken to draw up a charter of the economic rights and duties of States. The preparatory talks which had been planned for that purpose would give the industrialized countries an opportunity to prove that they freely accepted the new philosophy of development.

11. His delegation considered that expansion of economic co-operation between the industrialized countries and the third world was restricted by the differences in the levels of development of nations making up the various groups of advanced countries, both market economies and centrally planned economies.

² International Bank for Reconstruction and Development—International Development Association, *Annual Report, 1972* (Washington, D.C.).

³ *Proceedings of the United Nations Conference on Trade and Development, Second Session*, vol. I and Corr.1 and 3 and Add.1 and 2, *Report and Annexes* (United Nations publication, Sales No. E.68.II.D.14), p. 431.

⁴ A/C.2/270 and Corr.1.

For that reason, the obligations and responsibilities should not be the same for each nation but should rather depend on their level of development. However, in practice, the agreements drawn up in UNCTAD and in the United Nations generally should be applied in the same manner by all the advanced countries, without special obligations being laid down for each of them. UNCTAD should therefore be urged to reformulate its methods radically, so that it would not lose its efficiency and usefulness. Concurrently with the formation of the group of the least developed among the developing countries, one or more groups of relatively developed countries might be established, thus making it possible to entrust the more advanced countries with international responsibilities consistent with their level of advancement. The various groups of countries which had emerged in UNCTAD whose existence was hampering closer international co-operation could thus be restructured. The observations made in respect of group "B", developed countries with market economies, were also applicable to group "D", socialist countries, among which there was a very wide range of degrees of development. Under that classification, the United States and the USSR should undoubtedly be included in a first group and assigned similar international responsibilities for the economic and social development of the third world. That would of course require a change of attitude because priority would have to be given to the imperative of development.

12. If all those aims were to be achieved, there would have to be a fundamental rethinking of the concept of international solidarity; it would mean that a "progressive tax system" would be established at the international level with countries being classified individually and not by group, as before. Obviously, gross national income and *per capita* income would no longer be the only criteria and a rather complicated system would have to be worked out, similar to the most sophisticated taxation systems which were now being used to assess individual income.

13. Mr. MANGAL (Afghanistan), noting that the failure of the First United Nations Development Decade had been largely due to the lack of co-operation by the developed countries in assisting the developing countries in their development efforts, said that that was probably why the International Development Strategy called for a review and appraisal of progress made in the implementation of the measures it recommended.

14. It was not enough to divide the world into developed and developing countries; the latter group included even less developed countries, some of them land-locked and with an extremely vulnerable economic structure. Afghanistan was one of those: two years of severe drought had plunged the country into unprecedented social and economic chaos. There was no question but that the primary responsibility for lifting themselves out of their rut rested with the developing countries themselves, but their efforts could not succeed unless they could rely on international assistance and co-operation. It remained to be seen,

therefore, how the developed countries would respond to the urgent appeal made on behalf of the least developed countries in UNCTAD resolution 62 (III) of 19 May 1972.

15. He noted with regret that the third session of UNCTAD had been a disappointment and had once again proved that the developed countries were more interested in concentrating on the reservations they had made on various provisions of the Strategy than in exploring the possibilities of agreement on the implementation of the provisions which had been unanimously accepted. Nevertheless, the session had had positive results, for agreement had been reached on two important items of the agenda, even though a number of reservations had been made on the two resolutions dealing with those items.

16. He recalled that the International Development Strategy stated that special measures should be adopted in favour of the least developed countries so as to enable them to benefit fully and equitably from the general measures contained in the Strategy. The developed and developing countries affected by UNCTAD resolution 62 (III) should make every effort to ensure the rapid implementation of the special measures called for in the resolution, because any delay in the implementation of those special measures would delay the capacity of the least developed countries to benefit from the general measures of the Strategy. Out of a sense of solidarity, the developed countries should take immediate and concrete steps to that end and the developing countries should, in turn, accept without pre-condition the fact that the least developed among them were entitled to a privileged treatment.

17. Mr. AL-EBRAHIM (Kuwait), quoting from a statement made by Mr. McNamara on 25 September 1972 to the Board of Governors at the annual meeting of IBRD/IMF, described the situation of the developing countries, stressing the inadequacy of the assistance they were receiving in relation to the established targets and the disparity in *per capita* income levels between the developed and the less developed countries.

18. The increase in the prices of capital goods produced in the advanced countries, the decline in the revenue from the sale of primary commodities by the less developed countries and the competition of synthetic substitutes were serious handicaps which the developed countries should help to eliminate in compliance with the objectives of the Strategy for the Second Development Decade.

19. He emphasized that development, through trade and assistance, was the responsibility of the whole world. It was therefore regrettable to note that, according to a report prepared by the UNCTAD secretariat, only three countries would attain the objective of 0.7 per cent of the gross national product called for in the Strategy. In the circumstances, that objective should be reconsidered, as should the objective of 1 per cent of the gross national product, which also appeared to be far from attainable.

20. He then briefly reviewed some of the measures taken by his Government to help other developing countries, in particular the establishment in 1961 of a Fund with a capital of \$600 million granting loans to certain countries for the financing of investment projects or development institutions. Among the future projects of the Fund was the establishment of a law and development centre which would offer training and research facilities to qualified Arab lawyers wishing to acquire the necessary knowledge in international economic relations. In addition, Kuwait subscribed one third of the capital of the Arab Development Bank and contributed to the capital of the African Development Bank.

21. In conclusion, he recalled the ideas formulated by the Foreign Ministers of the Non-Aligned Countries in the Declaration of Georgetown on 11 August 1972, and expressed the hope that other developing countries would show a greater spirit of co-operation; he also reaffirmed the need for the developing countries to enjoy sovereignty over their natural resources.

22. Mr. YOKOTA (Japan) said that his delegation welcomed the efforts made within the framework of IMF to create a better monetary system; it was essential to stabilize that system in order that international trade should continue to expand for the benefit of both the developing and the developed countries. Monetary instability would also affect the flow of assistance to the developing countries and it was therefore encouraging to see that IMF, which was the body competent to deal with the problem, had already made some progress. The Japanese Government fully concurred in the currency realignment which had been effected at the end of 1971 on the understanding that a nation's exchange rate would ultimately depend on the discretion of the national Government.

23. The aspirations of the developing countries to secure increased participation in negotiations dealing with international monetary issues was fully justified and his delegation therefore welcomed the establishment of the Committee of Twenty. In that context, emphasis should be given to the interrelationship between the international economy and national economic policy; concerted action at the international as well as the national level was required in order to overcome the recent crisis.

24. The accumulation of Japan's reserves had slowed down after the revaluation of the yen, but the achievement of equilibrium in the balance of payments was dependent above all on judicious management of the national economy. In 1971, his Government had accordingly taken various measures—promotion of import liberalization, implementation of the generalized scheme of preferences, reduction of tariffs, promotion of orderly export and import operations, etc.—to reduce the scope of cyclical phases of the Japanese economy due to its trade with other countries and to achieve a greater equilibrium in its balance of payments.

25. Since it was essential to maintain confidence in special drawing rights, his delegation had urged at the recent meeting of IMF that the policy of allocating them should be continued. Another issue which was closely connected with the future of the world monetary system was the question of the link between special drawing rights and development assistance. As stated at the third session of UNCTAD, his country hoped that IMF would give the issue of "the link" active and serious consideration, keeping in mind its relationship with the examination of the role of the special drawing rights themselves.

26. In regard to world trade, a certain protectionism and introversive regionalism should be avoided. For that purpose, and in order to expand international trade with the participation of all developed and developing countries, his Government had already made joint declarations with the United States and EEC to initiate and support the GATT negotiations which would begin in 1973, and stated that those declarations included the intention to give special attention to the problems of developing countries, a concept which was reflected and expanded in UNCTAD resolution 82 (III) of 20 May 1972 concerning multilateral trade negotiations.

27. The question of the economic and social development of developing countries should not give rise to a confrontation between the developed and developing countries, as it frequently had in the past. It should be approached in a spirit of joint responsibility by the international community and the efforts of the developing countries should be complemented by the assistance provided by the developed countries. His Government was glad that at the third session of UNCTAD the need for effective participation by the developing countries in the international monetary and trade systems had been recognized. That idea had already been implemented in part when the Committee of Twenty had been established within IMF and in the preparations for the multilateral trade negotiations. On the other hand, the third session of UNCTAD had left many problems unsolved. Japan would implement the measures it had pledged itself to at Santiago, including such measures as the attainment of the target of increasing its official development assistance to 0.7 per cent of its gross national product, improving the terms and conditions of such assistance, the promotion of untying in general and the improvement of the general scheme of preferences.

28. The United Nations Conference on the Human Environment was certainly one of the most successful conferences ever held by the United Nations and the Declaration adopted (see A/CONF.48/14 and Corr.1, chap. I) was of particular importance. His Government intended to contribute up to 10 per cent to the Environ-

ment Fund and hoped that, if the Fund were properly managed, all United Nations activities and the efforts of every nation to protect the human environment would be effectively co-ordinated.

29. Turning to matters which had been considered by the Economic and Social Council and would be taken up by the Second Committee, he recalled that the establishment of an international university had received wide support in the Economic and Social Council, but that some delegations, although in principle supporting establishment, had expressed reservations on the timing and financial aspects of the project. He hoped that a better meeting of minds could be found in the Second Committee, taking fully into consideration the conclusions which would be reached at the General Conference of UNESCO.

30. The United Nations was taking practical steps in the matter of population. The World Population Conference scheduled for 1974 would be most important and his delegation hoped that the Second Asian Population Conference, to be held shortly in Tokyo, would provide it with valuable material. Japan was determined to make a positive contribution to the international effort in that area which was one of the key factors in the International Development Strategy.

31. The international community should spare no effort to solve the problems arising in the field of natural resources, even though some maintained that certain resources were inexhaustible. His delegation therefore supported the establishment of a United Nations revolving fund which would facilitate the exploration and development of natural resources and would be particularly useful for countries which did not have the means to do so. It was to be hoped that at its resumed fifty-third session the Council would take the necessary steps to draw up a workable scheme for the fund.

32. The Council's decision to enlarge its membership, endorsed by the General Assembly (resolution 2847 (XXVI)), would undoubtedly enable it to fulfil its mandate under the Charter. It was gratifying to note that a number of countries had already ratified or intended to ratify the amendment of the Charter to that effect. His Government would submit the matter to Parliament soon.

33. Specific steps should be taken to improve the Council's working methods bearing in mind the Council's recommendations. His delegation was determined to contribute positively to the work of the Working Group established for that purpose.

The meeting rose at 4.25 p.m.