



SUMMARY RECORD OF THE 16th MEETING

Chairman: Mr. PAPADATOS (Greece)

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The meeting was called to order at 3.20 p.m.

AGENDA ITEM 71: DEVELOPMENT AND INTERNATIONAL ECONOMIC CO-OPERATION (continued)
(A/37/324, A/37/333, A/37/447, A/37/3 (Part II), A/37/16, A/37/291, A/37/37 (Part I and Corr.1 and 2 and Part II), A/37/19, A/37/390, A/37/260, A/37/381, A/37/211 and Corr.1 to 4 and Add.1, A/C.2/37/2; A/C.2/37/L.5, L.6 and L.8)

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1. Mr. HAGNILO (Benin) said that the persistence of the crisis confronting the world was felt primarily in the least developed among the developing countries. Moreover, the industrialized countries were using the crisis as a selfish pretext for not extending the necessary co-operation to the developing countries. The developed countries were therefore growing even richer while the disadvantaged countries were becoming poorer.

2. In analysing the crisis, it was necessary to take into account the world political situation and, in particular, one of its most intolerable manifestations: the exorbitant expenditure resulting from the arms race. In order to extricate themselves from the crisis, developing countries should enter into global negotiations. His delegation regretted that the negotiations had not yet been initiated. While the industrialized countries should be asked to show a

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(Mr. Hagnilo, Benin)

greater willingness to co-operate, it was also necessary for the least developed countries to establish their own development strategies.

3. Benin was committed to the task of establishing an economic community in which the other countries of the western African subregion would participate actively in order to create more favourable conditions for joining the Economic Community of West African States (ECOWAS). Benin considered that implementation of the Lagos Plan of Action would ensure the achievement of many of the economic development and co-operation objectives in the subregion.

4. Benin had adopted a strategy aimed at reforming structures and eliminating underdevelopment. The results of that strategy had been studied on completion of the first three-year State plan (1978-1980). At present, Benin was drawing up a second plan to cover the period 1983-1987.

5. Because Benin was essentially an agricultural country, agriculture was the basic component of development. Benin had set as its goal food self-sufficiency, and even the provision of food to the subregion. To reach that goal, Benin would rely on its own means, although it continued to believe that international co-operation was necessary to achieve satisfactory results. To that end, the developed countries would have to allocate 0.7 per cent of their GNP to the development programmes of the economically weak countries. Financial institutions would also have to collaborate by increasing grants and providing loans on favourable terms and at low interest rates.

6. Benin had benefited in recent years from an increase in bilateral aid from friendly countries and some international organizations. Nevertheless, it was necessary for other countries, financial bodies and non-governmental organizations to provide greater assistance for Benin's development.

7. In his speech at a plenary meeting of the General Assembly, Mr. Adjibade, the Minister for Foreign Relations and Co-operation of Benin, had again underscored the need for international economic co-operation and had invited the international community to participate actively at the round table conference to be organized on that topic by Benin at Cotonou in 1983.

8. Mr. GIBSON (New Zealand) said that if the current world economic crisis was not solved, it could soon reach critical proportions. Sadly, the burden of the crisis had fallen most heavily on the developing countries, especially the least developed.

9. His country believed that in seeking to remedy some of the effects of the crisis, it was not palliatives, such as protectionism, that were required, - they merely aggravated the long-term problems - but the convening of an international conference to re-examine the role and adequacy of the international institutions established at Bretton Woods. His country believed that, as the New Zealand Minister for Foreign Affairs had told the General Assembly at the beginning of the current session, those institutions needed to be strengthened and supplemented.

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(Mr. Gibson, New Zealand)

10. Where food problems were concerned, experience had shown that success in agricultural production not only reduced poverty, but helped to sustain the momentum of the economy in general. For that reason, agricultural development deserved the highest priority. His delegation fully endorsed the report of the World Food Council in that respect; that report noted that in certain circumstances results could be achieved fairly quickly at the national level. The importance his country attached to promoting agricultural development was reflected in its bilateral aid programme. In 1981 27 per cent of its Official Development Assistance had been committed to the agricultural sector.

11. He observed that progress also had to be made towards more open and stable trade flows. The World Food Council report had stressed the serious effects of import barriers and adverse trading practices which distorted the function of world agricultural markets. In working towards a dependable system of world food security, there was a need for effective measures to safeguard the interests of both exporting and importing countries.

12. Mr. OLZVOY (Mongolia) said that the current session was taking place in a climate of significant heightening of international tension as a result of the policy of imperialist circles. The economic crisis of the capitalist system was having repercussions on the developing countries, making their situation all the more precarious. The imperialist Powers were opposed to the implementation of the Charter of Economic Rights and Duties of States and the Declaration and Programme of Action on the Establishment of a New International Economic Order. Some Powers were even resorting to threats and sanctions against a number of countries. His delegation stood for the intensification of the struggle to restructure international relations on just and democratic foundations. To that end, it was essential that the principles set forth in the Charter of Economic Rights and Duties of States should be honoured. To mark the tenth anniversary of the adoption of that important document, the General Assembly, in 1984, should assess the progress made towards its implementation.

13. Not only did his country support the work being done by UNIDO to establish basic industrial sectors in the developing countries, but it also supported its conversion into a specialized agency. In his view the System of Consultations that had been established in the industrial development field should be a channel for the exchange of experience and information, however, it must serve the developing countries not the expansionist aims of private capital.

14. His delegation expressed satisfaction at the significant growth of UNIDO technical assistance programmes, the value of which, had reached \$88.5 million in 1981, and welcomed the decision taken by the Industrial Development Board to provide technical assistance to the Palestinian and Namibian peoples through their legitimate representatives, the Palestine Liberation Organization and SWAPO.

15. His delegation attached great importance to the holding of the Fourth General Conference of UNIDO, which ought to give further impetus to the implementation of the provisions of the New Delhi Declaration and Plan of Action and the Lima

(Mr. Olvzoy, Mongolia)

Declaration and Plan of Action on industrialization and co-operation. At that conference, the main obstacles to the industrialization of the developing countries would have to be spelled out. The programme of work of the Conference ought to be expanded to focus on items such as the role of the public sector in industrialization, measures to eliminate neo-colonialist policies and practices, the social aspects of industrialization, and the mobilization of financial resources for industrial development. In that respect, emphasis should be placed on the need to divert resources accruing from disarmament to development and the curtailment of the outflow of capital resulting from the activities of the transnational corporations.

16. His delegation was in favour of stepping up activities undertaken by international organizations to enhance the scientific and technological capacity of the developing countries. The Financing System for Science and Technology for Development should be put into operation promptly.

17. Mr. NGUYEN QUOC DUNG (Viet Nam) stated that, for the second consecutive year, the world economy had been plagued by sluggish development, instability and disequilibrium. The major market-economy countries had resorted to large fiscal deficits, tight monetary policies and high interest rates, thereby shifting their crises to the developing countries, which had had to curtail their imports and growth, and see their export earnings decline at the same time as their external debt increased to more than \$500 billion. Under-development, which was a legacy of colonialism, and the current capitalist economic relations characterized by inequality, dependence and exploitation, continued to have a negative impact of the development efforts of those countries.

18. His delegation very much regretted that efforts to translate the goals and principles of the International Development Strategy and the Charter of Economic Rights and Duties of States had been resisted by forces which wished to maintain the anachronistic international economic order. In that connection, he had three remarks to make. First, for the first time, the developing countries had experienced a decline in their real per capita income in 1981, thereby threatening the implementation of the targets of the International Development Strategy. Secondly, the imperialist forces were responsible for the failure of the Second Special Session of the General Assembly Devoted to Disarmament (in that respect, he welcomed the decision of the General Assembly to bring to the attention of the Second Committee under agenda item 71 the development aspects of the item "Relationship between disarmament and development", which he hoped the Second Committee would carefully examine). Thirdly, the United States had used economic relations as a political weapon against other countries, mainly developing countries, but also against its allies.

19. As for the launching of global negotiations, it was regrettable that owing to opposition from the imperialist Powers which had no wish to give up their economic privileges, the initiative of the non-aligned countries had not yet been put into effect and the efforts of the Group of 77 with respect to the North-South dialogue had proved unsuccessful.

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(Mr. Nguyen Quoc Dung, Viet Nam)

20. Conditions had to be created by which UNIDO could take into consideration the industrial development requirements of the developing countries. The redeployment of industrial capacity to the developing countries was important in increasing their share in world industrial production in accordance with the Lima Declaration and Plan of Action.

21. It was regrettable that the implementation of the Vienna Programme of Action on Science and Technology for Development was so slow. In that connection, it was necessary to ensure that the reverse transfer of technology, so crucial to development, was not tied to any unfavourable conditions nor left to the monopoly of transnational corporations.

22. In recent years the world food situation had deteriorated as a result of many external factors, such as high interest rates, the rising cost of agricultural inputs, and trade barriers to the agricultural exports of the developing countries. The food outlook, especially for the least developed countries, was very gloomy. In that connection, his delegation believed that certain urgent measures should be taken. First, there should be an increase in technical and financial assistance to help the developing countries boost their production. Secondly, the world food distribution system should be improved, the world food security system strengthened, and the developing countries assisted in building up their reserves. Regrettably, in recent years, certain Western countries had used food as a political weapon. That trend had to be checked because it was contrary to the objectives of the new international economic order and to the principles governing international economic relations.

23. His delegation hoped that the General Assembly at its current session would take concrete action to promote the economic development of the developing countries, which was essential to the establishment of the new international economic order.

24. Mr. PLECHKO (Union of Soviet Socialist Republics) stressed that the Charter of Economic Rights and Duties of States remained one of the basic United Nations instruments for the restructuring of international economic relations, and said that if the principles contained therein were not honoured, the newly independent States would be unable to establish a new international economic order. However, imperialist circles had ignored the Charter. In the first place, they were very far from calling a halt to their neo-colonialist exploitation of the developing countries. In addition, they tried to organize economic blockades of socialist countries and of Asian, African and Latin American countries whose régimes, for some reason, were not to their liking. The provisions of the Charter on the need to divert to development resources released as a result of disarmament had likewise not been implemented. The arms race was dimming the development prospects of the developing countries.

25. The developing countries were aware of the indissoluble link between peace and development, and had spoken out in favour of détente and the arms race in various

(Mr. Plechko, USSR)

forums. His country shared the peaceful aspirations of the developing countries; 65 years ago it too had had to combat a legacy of backwardness, poverty, hunger and ruin.

26. The year 1982 marked the sixty-fifth anniversary of the founding of his country, which had become a present-day major industrial power. Throughout the years of Soviet rule unprecedented rates of development had been achieved. The Soviet people through their labour had built a developed socialist society which could be considered to be the basic achievement of the world's first multinational socialist State.

27. In contrast to the crisis which the world capitalist system was undergoing, his country had scored further economic successes during the current year. The volume of its industrial production had increased by 2.7 per cent in the first half of 1982. There had been major salary and wage increases in various sectors, as well as increases in social benefits. Five hundred and ninety thousand apartments had been built in the cities plus a large number of housing units in rural areas.

28. He maintained that his country's experience was a tangible contribution to the search for ways to eliminate economic backwardness world wide. The new type of international economic relations continued to spread. One example was the fraternal co-operation of the socialist countries within the Council for Mutual Economic Assistance. The Soviet Union's trade and economic relations with the developing countries, which had never been used to maximize profits or to exert political pressure, were imbued with the same basic principles of co-operation.

29. The past year had been a particularly difficult one for the developing countries, which had seen a fall in their economic growth rates and export earnings at the same time as their balance-of-payments deficits had increased and their access to the markets of the developed countries had been blocked by a powerful upsurge of protectionism. The outlook for the development of the world economy gave legitimate cause for concern, as could be seen from the report of the Secretary-General on the overall socio-economic perspective of the world economy up to the year 2000 (A/37/211 and Add.1). In the opinion of his delegation that was a sound reason why the Secretariat should regularly submit updated forecasts of world economic trends to the General Assembly. Generally speaking, the report was a good one. However, his delegation rejected the attempt by the authors of the report to distort the verdict passed on the activities of transnational corporations in General Assembly decisions, attempts that were particularly apparent in the addendum to the report (A/37/211/Add.1) where it was stated that the transnational corporations had an important role to play in helping the developing countries achieve some of the objectives set in the new international economic order. Such an assertion was totally out of touch with reality and contradicted the International Development Strategy for the decade of the eighties in which it had been established that the United Nations should give priority to dealing with the adverse effects of the activities of transnational corporations in the developing countries. In future, when the Secretariat prepared such studies, the priorities set in the decisions of intergovernmental organs should be accurately reflected.

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(Mr. Plechko, USSR)

30. Industrialization was among the most urgent problems of the developing countries. Generally speaking, his country considered that UNIDO was playing a positive role in international industrial development co-operation. In particular, it supported the decision of the Industrial Development Board to provide technological assistance to the peoples of Palestine and Namibia. In the opinion of his delegation, in its future work UNIDO should focus on training nationals from liberated countries, studying the social aspects of industrial development, and facilitating the provision of scientific and technical information in close conjunction with the industrialization policies of the States concerned.

31. At the same time, his delegation continued to oppose attempts to use UNIDO in the sphere of so-called joint investment activities to find new openings for the expansion of foreign private capital in the developing countries. Such activities ran counter to the decisions and recommendations of the Lima and New Delhi conferences and to the UNIDO Constitution.

32. Turning to the System of Consultations, he reaffirmed his delegation's position that steps should be taken to ensure that the decisions of the Industrial Development Board were systematically implemented and to undertake an overall analysis of the practical value of the System, without increasing the number of consultations.

33. The Government of his country was providing major assistance for scientific and technological development in the developing countries by means of bilateral arrangements since, in its estimation, that was the most effective kind of assistance. Where United Nations activities in that field were concerned, the Centre for Science and Technology for Development was doing good work in general, especially in connection with the implementation of the Vienna Programme of Action. At the current stage it was necessary to enhance the co-ordination and effectiveness of its activities through an economical and rational utilization of existing resources rather than through the establishment of new machinery.

34. The volume of his country's contributions to help speed up the economic development of the developing countries was shown in the official data on the Soviet Union's economic assistance to those countries already given to the Second Committee. However, given the interest that many delegations, especially representatives of the developing countries, had shown in that regard, he wished to add, first, that the methodology used to calculate the official data quoted was that used by international economic organizations, including those belonging to the United Nations system. In other words, it was the same methodology that was used to calculate so-called official development assistance. Secondly, the net value of economic assistance provided to the developing countries by the Soviet Union over the period 1976 to 1980 amounted to 30 million roubles, according to the calculations made by the competent Soviet authorities on the basis of certain factors, namely the cost of assistance given outright, total Soviet credits to the developing countries, not counting the corresponding amounts for amortization of those credits (following the criteria adopted for the calculation of official development assistance the credits included in the total were only those where the

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donor element represented not less than 25 per cent of the total), the cost, calculated on the basis of international rates technical assistance in the form of services rendered by Soviet experts, the cost of assistance for the training of national personnel, also calculated according to the rates used by the United Nations system and, finally, the cost of the Soviet inputs in the form of discounts and markups on export and import prices and also in the form of concessional freight rates in the area of international trade. Thirdly, the methodology used to calculate the GNP of the Soviet Union was the same as that used to calculate the scale of assessments of United Nations Member States.

35. Mr. BARRIERO (Uruguay), referring to the Secretary-General's report on long-term trends in economic development (A/37/211 and Add.1) said that there was a broad consensus in the international community that the causes of the crisis were deep-rooted and that the manifestations of greatest concern to countries were merely symptoms of vast problems which had not been tackled in time. Continued recession affected all countries, but was particularly hard on the developing countries and especially the oil-importing countries. At the recent ministerial meeting of the Group of 77, the Uruguayan Minister for Foreign Affairs had said that in a time of crisis, everyone clearly had a duty to try to overcome it. However, the greatest responsibility undeniably lay with the industrial countries, whose domination of world trade meant that the measures they adopted had a very profound impact.

36. The Committee for Development Planning had pointed out at its seventeenth session that a loss of dynamism was already evident in the major industrial countries from the late 1960s, showing itself in a declining trend in productivity (E/1981/27, para. 22). The Committee attributed that decrease in productivity to obsolescence, failure to adapt to technological processes and rigid social structures which were impeding the mobility of the labour force.

37. The progressive decline in industrial output, with resulting unemployment, had been one of the factors which had led to the new protectionism. Those factors were usually concentrated in production sectors in the industrialized countries with low or zero growth in productivity, a tendency to downward adjustment of salary scales and in labour-intensive industries. Those industries were so inefficient that they could survive only with the help of artificial barriers. Support of those industries was not only seriously detrimental to the export possibilities of the developing countries which had comparative advantages in those sectors, but had the effect of depressing the economy and had other adverse effects which extended far beyond the country whose export possibilities were restricted.

38. The result of preventing the free play of market forces to bring about industrial adjustment was to force an uneconomic allocation of productive resources and the inefficient use of labour: the effect was to oblige the consumer to pay higher prices for products which he could buy more cheaply if their mobility was not subject to protectionist restrictions. Some industrialized countries maintained that industrial development was bound to occur if the laws of the market place were allowed to operate freely, but if that was to happen the movement of

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(Mr. Barriero, Uruguay)

goods should not be obstructed. For countries like Uruguay, with a small domestic market, it was illusory to speak of an industrialization policy if the subsequent marketing of the products of those industries was hampered by all kinds of barriers.

39. In addition to traditional tariff barriers, the new protectionism used quota systems imposed on the developing countries through so-called "voluntary agreements" which were obtained by threatening to impose unilateral restrictions. Protectionist barriers and subsidies were particularly detrimental to trade in food products. Some industrialized countries, with a large economic capacity, transferred huge resources from their industrial to their agricultural sectors to support production which would not be economically viable unless it was stimulated by a whole series of subsidies and protected by tariff and non-tariff barriers. That distortion of the most basic economic laws for internal political reasons resulted in surpluses which were dumped on world markets at very low prices. That in turn threw markets into serious disarray and impeded the marketing of the production of the countries which had a natural advantage as food producers, with the result that there was a decline in the global supply of their goods.

40. The increase in energy costs since the beginning of the 1970s, by changing a basic factor in the economic equation, had affected the oil-importing countries and especially the developing countries, which had much less capacity to adjust than the developed countries and less flexibility for incorporating the increase in the prices of their exports. The increasing difficulty experienced by the developing countries in marketing their output and the higher oil prices were causing serious financial difficulties which could not be overcome by mere palliatives. The only response to financial problems was to increase the developing countries' ability to pay by opening up markets.

41. In the light of that situation, his delegation hoped that at the next ministerial meeting of GATT, the developed countries would make a clear and unequivocal political commitment to implement their pledge to eliminate the tariff and non-tariff measures applied to the exports of the developing countries, and in particular, to abolish unlawful restrictions in sectors of special interest to those countries. As a first step in implementing outstanding commitments, there should be an immediate freeze on trade barriers and a ban on the reintroduction of other measures. An agreement should also be reached to bar discriminatory measures against the developing countries. In that connection, it was essential that the sixth session of UNCTAD should adopt meaningful agreements in the framework of the Provisional Programme adopted by the Trade and Development Board at its twenty-fourth session.

42. With regard to the studies on the reverse transfer of technology, his delegation pointed out that the machinery to be established should in no way affect the fundamental rights of individuals to choose freely where they wished to be domiciled or to live.

43. The Government of Uruguay noted with great interest the entry into force of the Constitution of the United Nations Industrial Development Organization (UNIDO).

(Mr. Barriero, Uruguay)

The fact that 84 countries had ratified that document and that many others were taking the necessary steps to ratify it was a clear demonstration of the importance attached to that institution by the international community. It was important to give the strongest political encouragement to the system of consultations established in articles 25 and 26 of the UNIDO Constitution. Those consultations should be held at United Nations Headquarters in New York to enable the largest number of delegations to participate.

44. With regard to the redistribution of industries, special attention should be paid to the link between the liberalization of trade and the realization of the principle of comparative dynamic advantage. Obviously, if market forces were allowed to operate freely, industries would be relocated where they could be most effective. His delegation stressed the importance of the technical assistance given by UNIDO, which should be expanded to meet the needs of countries in the process of industrialization.

45. In view of the importance of energy inputs to the industrialization process, ways should be found to ensure that an adequate supply of energy resources was available to the developing countries at reasonable prices. In that connection, his delegation noted with great interest the measures outlined in paragraph 10 of General Assembly resolution 36/182.

46. With reference to the report of the Interim committee on New and Renewable Sources of Energy (A/37/47), he pointed out that today new and renewable sources of energy were only one of the ways of coping with medium- and long-term energy problems, given all the technical hurdles and the substitution costs which would have to be borne by countries, in particular developing countries, in using those energy sources. In any case, the entire energy problem required a global or integrated approach and should not be restricted to the consideration of new and renewable sources of energy. The peaceful and orderly transition in the energy field of today's world economy, which was primarily based on hydrocarbons, to an economy based on other sources of energy through the speedy implementation of the Nairobi Programme of Action should be faced with seriousness and political will. To accelerate the transition in the energy sector, it was important to have the necessary technical and financial resources. The funds allocated for that purpose should complement currently available resources and not be drawn from a reallocation of resources. From the institutional point of view, instead of establishing new permanent bureaucratic agencies existing resources should be co-ordinated more efficiently.

47. His delegation considered that the application of economic measures against the developing countries did not contribute to the establishment of a climate conducive to the search for solutions. The use of such measures had been strongly condemned by the regional organizations in Latin America and by participants at the recent ministerial meeting of the Group of 77. In that connection, it was of critical importance that the General Assembly, as the highest decision-making organ of the United Nations system, should provide the necessary political impetus to the

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(Mr. Barriero, Uruguay)

negotiations being held in the various specialized forums, in view of the gravity of the world economic crisis.

48. Mr. BIRUMA-SEBULIME (Uganda) said that the world economy today was suffering, among other things, from substantial imbalances between countries, stagflation, excessive protectionism and an overwhelming sense of fear and insecurity. Many economic forecasts indicated an even bleaker future. The Second Committee was therefore faced with one central question: how to generate the necessary political will to tackle existing problems.

49. In May 1974, the sixth special session of the General Assembly had adopted resolution 3201 (S-VI) calling for the establishment of a new international economic order. Nearly 10 years after that commitment, the world was still immersed in an old order with virtually no prospects for reform. In addition, attempts to launch global negotiations had so far been futile.

50. An international development strategy was necessary for the realization of a new international economic order. In launching the Third United Nations Development Decade, the countries of the world had rededicated themselves to the fundamental objectives enshrined in the Charter. Unfortunately, since then there had been a gradual loss of faith on the part of donor countries in the tasks to which they had pledged themselves at that time.

51. In recent years, the movement to achieve a target of 0.7 per cent of the gross national product for official development assistance had been losing momentum. His delegation would, however, like to pay a tribute to those countries that had achieved that target, particularly the Scandinavian countries.

52. His delegation was deeply disturbed by some negative trends and policies that ran counter to the objectives of the International Development Strategy. The growing tendency to put less emphasis on multilateralism and more on bilateralism was indeed disturbing. Increased emphasis was also being placed on private enterprise for the development of developing countries. While the private sector had a role to play in development, financing from official sources was crucially important.

53. The arms race was another disturbing trend: it continued to squander scarce resources which could be devoted to development.

54. Over the years, the world food situation had deteriorated so sharply that it had become extremely alarming in Africa, where a multitude of factors had combined to depress food production. Over the past decade, per capita food production had dropped by 10 per cent. This situation was even more horrifying in the least developed countries where almost 30 per cent of the population was either hungry or undernourished. Domestic efforts to increase food production as outlined in the Lagos Plan of Action had been frustrated by lack of necessary resources. His delegation joined the silent and hungry masses to appeal to the international community to put an end to hunger.

(Mr. Biruma-Sebulime, Uganda)

55. The role of industrialization in the economic development process in developing countries and Africa, in particular, had been recognized in General Assembly resolutions 35/56, 36/182 and the Lima Declaration. Developments in the situation since then were nothing to be proud of and reflected a serious lack of commitment by the international community to the goals established in those documents. Uganda hoped that the Fourth General Conference of UNIDO would map out a long-term strategy for the realization of those objectives. It also expressed its appreciation of the activities undertaken by ECA, UNIDO and other organs of the United Nations system in implementation of those resolutions.

56. With regard to science and technology, it was regrettable that three years after the Vienna Programme of Action, no agreement had been reached regarding the financial and institutional arrangements for the United Nations Financing System for Science and Technology for Development. It was to be hoped that at the current session, delegations would endeavour to clear the remaining obstacles so that the new financing system could begin to function in 1983.

57. The integration of women in development could not be dissociated from the current world situation. The participation of women in development was linked to the struggle for universal development and must be viewed in the context of the new international economic order.

58. His delegation reaffirmed that the solution to current global economic problems lay in the establishment of a new international economic order and that the first step to that end would be the successful launching of global negotiations.

59. Mr. ZALLU (Sierra Leone) said that there had recently been an exchange of views in the Committee between a number of delegations from the developed world intended to demonstrate which side was guilty in the crisis which the developing countries, in particular, had been facing over the past few years. His delegation regretted that kind of discussion in a committee whose function was to improve the lot of millions of people throughout the world.

60. There was still speculation regarding why those delegations had decided to approach the problems of the developing countries in that way. Did the United States, the Soviet Union and the United Kingdom believe that that kind of general debate in connection with the consideration of the Report of the Economic and Social Council in any way helped the developing countries? Certainly not. Even a casual review of the activities within the United Nations system over the past few years would reveal that the major advanced countries seemed to be refusing to respond to the appeal of the developing countries for a meaningful dialogue necessary to promote real development and international co-operation. The global negotiations had still not got off the ground because of strictly procedural difficulties.

61. If other questions like the establishment of the Financing System for Science and Technology for Development were considered, it would be seen that not only had progress been slow but that the original target set in Vienna had been watered down

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(Mr. Zallu, Sierra Leone)

to the point where there was some question how effective the system could be whenever it was set up.

62. Within the framework of UNCTAD, the developing countries had been engaged in rather pointless talks with their partners in the developed countries on the issue of whether or not UNCTAD should assist developing countries in promoting South-South co-operation. Given the basic weakness of most developing countries and the role of UNCTAD within the framework of the new international economic order, what could be more natural than sustained co-operation between developing countries and that organization? Could it be that the positions reflected year after year in the communiqués of the non-aligned countries and the Group of 77 did not strike the right chords in the advanced world? If that was the case, it should be realized that the developing countries could never be satisfied to play a marginal role in world economic relations.

63. The call for North-South co-operation should be a call for a more realistic approach to the problem of interdependence. It was a fact that sooner or later a crisis in the South was bound to be a problem for the North if it was not tackled in a timely and effective manner. The reverse was even more obvious.

64. His delegation firmly believed that the opportunity still existed, within and outside the framework of the United Nations, to translate genuine international co-operation into a reality. To do so, urgent steps must be taken. First, the current international economic crisis must be approached constructively and decisively. Furthermore, the question of fair prices for the raw materials and other products of developing countries must be seriously examined without delay.

65. Secondly, the major industrialized countries of the East and West should reaffirm their commitment to the United Nations Charter not only to bring about lasting peace, but also to promote the social and economic well-being of mankind. His delegation would require more positive positions from the United States and the USSR on the economic proposals that would be before the Second Committee at the current session.

66. The problems of the developing countries would not be solved by the adoption of resolutions devoid of any substance because the primary concern of some States was to avoid the adoption of concrete measures. In the long term, new attitudes were required from the advanced countries, particularly the United States and the USSR, on such fundamental issues as the launching of the global negotiations. The existing difficulties were not important enough to justify indefinite obstruction of the process. The Soviet Union must demonstrate to the international community that it too had a contribution to make in that regard by playing a more active role in the ongoing preliminary dialogue.

67. The developing countries would measure the goodwill of the developed countries at the forthcoming conference of GATT and the sixth session of UNCTAD. Urgent solutions must also be found to other important sectoral issues such as food, science and technology for development and new and renewable sources of energy.

(Mr. Zallu, Sierra Leone)

In that connection, his delegation endorsed the statements of the delegations of Zimbabwe and Tanzania on the Lagos Plan of Action.

68. The issue of North-South co-operation could not be restricted solely to the United States and the Soviet Union. In that respect, his delegation appreciated the positive stand on economic issues taken by the Foreign Ministers of a number of industrialized countries at the current session. It was to be hoped that those political positions would be supported by concrete action.

69. Sierra Leone appealed to the Eastern countries, particularly the Soviet Union, and the countries in the West, notably the United States, not to make the plight of developing countries a subject of political debate. The developing countries would measure the co-operation and assistance received from the East or the West by the extent to which they contributed to the solution of their vital problems.

70. Mr. ZOLLER (Australia) noted that several statements heard in the course of the debate had been tinged with frustration and despair. The international economic situation must be a cause of alarm, despite the efforts of multilateral economic co-operation, including the work of the Second Committee.

71. Clearly, nations were faced with the difficult task of re-establishing beyond doubt the pertinence and credibility of multilateralism. Item 71 was central to that task, because genuine and tangible international economic co-operation was at the heart of effective multilateral diplomacy in the economic field.

72. There were several obstacles in the way of real practical international economic co-operation, and his delegation considered two of them to be especially profound. The first was the tendency of most countries to evade responsibility and lay the blame for current problems on others. However, the solution to those problems could be found only if each country, irrespective of its degree of responsibility, did whatever it was in a position to do to help others.

73. The second obstacle to multilateralism was the retreat into partial solutions; bilateral relations and regional co-operation had a real role to play in the overall strategies of international economic co-operation, but where such strategies were formed in the belief that lasting improvements could be gained regardless of the condition of the rest of the world, the essential interdependence of all economies, whether developed or developing, was ignored.

74. The launching of the global negotiations would be a major step forward in solving current economic problems. While the eleventh special session of the General Assembly had not achieved the launching of the negotiations, it had achieved one significant result in the form of a consensus on the text of the International Development Strategy for the Third United Nations Development Decade. However, it must be recognized that the Strategy had not yet achieved the desired results. As the Director-General for Development and International Economic Co-operation had said, the quantitative targets adopted for the Strategy

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(Mr. Zoller, Australia)

were probably unattainable at the present time. All countries should examine their own potential to contribute further to making the Strategy a success.

75. The recent observance of World Food Day had brought some good news concerning the world food situation, but the overwhelming message had been that world food security remained fragile while, in some areas, the situation was critical. It was necessary to reverse the trend towards increased hunger in many regions, improve co-ordination of food policies and establish conditions more conducive to self-sufficiency. Australia placed great importance on its food aid, and in 1982 it would provide 450,000 tonnes of grain for needy countries.

76. The growth of protectionism, especially in the agricultural sector, must be halted. As the Group of 77 had noted in its declaration at the end of its last ministerial meeting, trade barriers and export subsidies prevented the full utilization of food production capacity.

77. With regard to the sub-item on science and technology for development and the related Financing System, his delegation did not believe that the pessimism of many countries about the future was justified. Australia supported the Financing System for Science and Technology for Development, and in March 1982 it had contributed some \$1.1 million to the System. It was also doing its utmost to bridge differences and establish areas of convergence, with a view to establishing some form of long-term financing arrangement for the System.

78. An area where some multilateral progress was being made was that of industrialization. UNIDO had shown the scope that existed for it to expand multilateral economic co-operation in the field of industrialization. Australia had ratified the UNIDO Constitution in November 1981, and in 1982 it had contributed \$350,000 to the United Nations Industrial Development Fund, thus evidencing its commitment to multilateralism.

79. Mr. KALONJI-TSHIKALA (Zaire) said that the international economic situation was in a state of persistent structural imbalance, with a decline in the rate of growth accompanied by high levels of inflation and unemployment, prolonged monetary instability, an increase in protectionist pressures, structural imbalances and uncertain prospects for long-term growth. The Ministers for Foreign Affairs of the Group of 77 had recently expressed their concern at the lack of political will on the part of the industrialized countries to initiate global negotiations (which was contrary to the very spirit of multilateral economic co-operation and to the goals set for the establishment of the new international economic order) and at the serious decrease in the resources of various international financing and development institutions.

80. The Vienna Programme of Action had not yet begun to be implemented. The negotiations in UNCTAD on the Integrated Programme for Commodities had made no progress. In the industrial sector, the targets set for the Third United Nations Development Decade, including those of the Lima Plan of Action, were still far from attainment. The international code of conduct on transfer of technology and the

(Mr. Kalonji-Tshikala, Zaire)

code of conduct for transnational corporations had not yet been adopted. Lastly, much time had been spent in search of a solution for the structural adjustment of the existing system of North-South relations, without any appreciable results.

81. The Secretary-General's report on long-term trends in economic development (A/37/211), which gave an excellent overall picture of the world economy, pointed out that the adverse effects of the crisis had been building up for the developing countries. Those countries, which were facing insoluble balance-of-payments problems, a deterioration in the terms of trade, increased interest rates and imported inflation, had contracted large debts. For the first time since the late 1950s, they were experiencing a decline in per capita income, and it was not surprising that their external debt totalled more than \$500 billion. The two main causes of the indebtedness of developing countries were the structure of the international market and inequality of trade.

82. The report he had mentioned concluded that the continuance of recent economic trends would be a catastrophe for the least developed countries. In Africa, where 21 countries were listed among the least developed, the situation was alarming. As the President of the Republic of Zaire, Mr. Mobutu Sese Seko, had said recently, "in all areas where the African countries are vulnerable, the international economic crisis has hit them unmercifully. Prices of raw materials, balance of payments, growth of production and the purchasing power of the people, have all been tragically affected by the economic crisis".

83. According to UNDP estimates, both official development assistance and assistance provided by multilateral institutions had decreased in 1982 in real terms, so that the Programme's resources would cover no more than 60 per cent of the projects planned for the third programming cycle, 1982-1986. That was particularly detrimental to the African countries, which were counting on the execution of UNDP-financed projects.

84. The time had come to take positive steps in order finally to set the global negotiations in motion under United Nations auspices, the only suitable framework for the adoption of a global, coherent and integrated solution in accordance with General Assembly resolution 34/138 and the Charter of Economic Rights and Duties of States. In that connection, he had three comments to make: (a) The establishment of a world food security system would require the strengthening, over the long term, of the agricultural production capacity of each country; (b) it was regrettable that the international code of conduct on transfer of technology and the code of conduct for transnational corporations had not been adopted; (c) it was to be hoped that the next meetings of the International Monetary Fund, the World Bank, GATT and UNCTAD would identify possibilities for action to combat protectionism and would adopt effective monetary or fiscal measures.

85. The Government of Zaire recognized that economic and technical co-operation among developing countries was a vital factor in enabling those countries to achieve individual and collective self-reliance in the activities they had undertaken to accelerate their economic and social development. Such co-operation

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complemented North-South co-operation and was an integral part of the measures aimed at establishing a more just and equitable new international economic order. It therefore deserved the support of all States Members of the United Nations, in order to achieve the implementation of the Caracas Programme of Action and the Lagos Plan of Action, in pursuance of the Monrovia Strategy.

86. The solution of food problems was a matter for States to deal with individually. Each African State should try to attain self-sufficiency, but that could be fully achieved only within a broader regional or continental framework and it entailed the adoption of an integrated approach to food strategies which included the strengthening of logistic support, assistance from international institutions and bilateral aid.

87. In Zaire, agriculture was the top priority. The Government had realized that the effort to promote agriculture must be carried out within a broad socio-economic framework which included parameters relating to industry, distribution and the social conditions of agricultural work. The over-restrictive approach must be abandoned and due attention paid to the socio-economic aspects.

88. The obvious inadequacy of material infrastructures could seriously hamper transport and trade. Because Zaire was almost land-locked and its geographical configuration created physical obstacles to its access to foreign markets, the Government attached special importance to the transport problem in connection with the promotion of agriculture and had sought the assistance of international bodies in that respect. General Assembly resolutions 34/193, 35/59 and 36/139 and Economic and Social Council resolutions 1981/68 and 1982/61, had requested the Secretary-General to accelerate the implementation of the relevant resolutions adopted by the General Assembly and to make available to the Executive Secretary of ECA the resources needed to carry out the required studies. It should be recalled that, as indicated in the ECA preliminary report prepared in March 1978, Zaire's main problems with regard to transport centred around the need for a national highway having the necessary capacity and traversing the whole country. His delegation urged all members to support the draft resolution on the subject that would be submitted to the Committee, as they had done in previous years, and was especially grateful to the countries which had sponsored the resolution recently adopted by the Economic and Social Council.

89. Mr. SHAH NAWAZ (Pakistan) said that the work of the Committee was of crucial importance at a time when a persisting crisis was threatening the breakdown of the international economic system. The representatives of the international community in the Committee had a special responsibility, since their decisions could determine whether unemployment should decrease, whether inflation should be controlled, whether the gulf between the poor and the rich should continue to widen and whether the injustices of the existing international economic system should be allowed to vitiate the spirit of co-operation which ought to prevail among nations. His delegation continued to have faith in the United Nations system because it believed, that through joint action, measures could be taken to initiate a process of recovery and bring about the needed reforms in the international economic system.

(Mr. Shah Nawaz, Pakistan)

90. His delegation firmly believed in the need for a dialogue between countries of different groups with a view to resolving the grave world economic crisis and establishing the new international economic order. That belief was fully reflected in the declaration adopted by the sixth annual meeting of the Ministers for Foreign Affairs of the Group of 77, held in New York earlier in the month. The declaration clearly defined the Group's position on the current economic situation and its serious implications for the development of the developing countries. While the declaration expressed concern at the policies and attitudes of some of the developed countries which were contributing to the persistence, and indeed the aggravation, of the economic crisis, it in no way closed the door on a dialogue with them in the interests of all countries.

91. The declaration of the Group of 77 expressed concern over the erosion of international development co-operation and drew attention to the urgent need to strengthen it. His delegation was convinced that the current disarray in multilateral development co-operation was further aggravating the economic crisis faced by the developing countries and was spoiling the prospects for a North-South dialogue.

92. In the important statements made by the Director-General for Development and International Economic Co-operation and the Under-Secretary-General for International Economic and Social Affairs, as in the statements of other delegations, these were prophecies of doom unless the international community decided to act together, in the true spirit of multilateralism, to prevent the global economy from going into a downward spiral. If the international community could manage to implement the resolutions and decisions it had adopted by consensus, it would be possible not only to salvage the global economy from its current crisis but also to move towards the establishment of a new international economic order. His delegation had noted with deep regret that the decisions and recommendations of the International Development Strategy and of the sixth and seventh special sessions of the General Assembly on the new international economic order had had little or no influence on the policies and attitudes of that group of countries without whose co-operation a balanced, just and equitable world economic order was not possible. The international community had watched with alarm the lack of political will demonstrated by those countries and had seen them sliding back on their solemn commitments. It was that attitude which had resulted in the failure of successive international conferences and the deadlock in the North-South dialogue.

93. The attitude of some of the developed countries necessitated the reiteration and reaffirmation of old resolutions, decisions and documents. In 1980, the General Assembly had adopted the International Development Strategy for the Third United Nations Development Decade. To date, that remained the only detailed document whose provisions, if observed, could effectively steer the world economy away from its present dangerous course. During the thirty-sixth session of the General Assembly, his delegation had pointed out how the principal themes of the Strategy had been ignored and how the gap between solemn international commitments and actions was widening. That analysis remained true. A new era of effective

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co-operation for development had still not begun. The developing countries were still being denied participation, as equal partners, in the decision-making processes which affected the global economy. The disparities between the developed and the developing countries, which the Strategy had hoped would diminish, had increased and no progress had been made in the eradication of poverty. The visible lack of progress in implementing the International Development Strategy was accompanied by strong indications of continued negative trends for the future.

94. He had deliberately refrained from a sectoral analysis of the grave crisis which existed, partly because the elements of that crisis were well known and partly because the statements made in the Assembly and the Committee had already dealt with it.

95. It was evident that the crisis in the world economy could not be resolved through conventional policies or through actions taken in isolation by countries or groups of countries, and it was obvious that the depth of interdependence in the international economic system had not been appreciated by that group of countries which occupied a predominant position in it. The first and perhaps most vital step in the direction of implementing the International Development Strategy must be the initiation of the North-South dialogue, which was stalemated because of lack of political will and a narrow and restrictive interpretation of the global economy.

96. His delegation attached great importance to the forthcoming meeting of GATT.

97. The sixth session of UNCTAD, to be held in Belgrade in 1983, would be a most important forum for an integrated review of the impact of the international economic situation on trade and development of developing countries. His delegation fully supported the view of the Secretary-General of UNCTAD that the Conference must be treated not as a routine meeting but as an occasion for seriously considering the solution of the problems of trade and development.

98. His delegation hoped that progress would be possible during the current session of the General Assembly on such important issues as the United Nations Financing System for Science and Technology for Development and the implementation of the Nairobi Programme of Action for the Development and Utilization of New and Renewable Sources of Energy.

99. With regard to financial problems, he noted that the current-account deficits of the oil-importing developing countries had increased by about \$US 150 billion in 1981 over the level of 1978. The developing countries continued to bear the mounting burden of the process of adjustment. Urgent reforms were needed in the international monetary system. In that connection, his delegation was concerned at the slowing down of the flow of development assistance and concessional lending.

100. General Assembly resolution 34/217 had called for urgent action to alleviate the serious problems faced by a large number of developing countries on account of the persisting maladjustment in the international economic system. That resolution had, inter alia, requested the Secretary-General to prepare a preliminary report

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reviewing the situation of those countries, and such a report had been submitted at the thirty-fifth session of the General Assembly. The Assembly had taken no action in the expectation that the matter would be discussed within the overall framework of the global negotiations.

101. The situation of the developing countries had worsened. His delegation believed that it was urgent to consider some of the concrete measures recommended in the Secretary-General's report and hoped that the Committee would take action in that regard.

102. It was encouraging to note that economic co-operation among developing countries was taking concrete form. Considerable progress had been achieved following the adoption of the Caracas Programme of Action. He emphasized that without genuine co-operation among nations there could be no economic stability, and without a will to co-operate there could be no co-operation.

The meeting rose at 6.20 p.m.