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SECOND COMMITTEE

13th meeting

held on

Wednesday, 10 October 1979

at 3 p.m.

New York

SUMMARY RECORD OF THE 13th MEETING

Chairman: Mr. MURGESCU (Romania)

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GENERAL DEBATE (continued)

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The meeting was called to order at 3.10 p.m.

GENERAL DEBATE (continued)

1. Mr. BI (Under-Secretary-General, Department of Technical Co-operation for Development), said that most of the Department's activities were designed to help developing countries to improve their economic and social situation; development was a process which had to cover many dimensions and required actions by Member States individually, bilaterally and collectively. The international community, confronted by the need for a frame of reference for co-operation for development, had adopted a number of instruments to guide its actions, including in particular the Declaration and Programme of Action on the Establishment of a New International Economic Order, the Charter of Economic Rights and Duties of States and General Assembly resolution 3362 (S-VII) on development and international economic co-operation. International conferences on topics such as employment, food, population, technical co-operation among developing countries, science and technology, women, and trade and development, had contributed new elements to the global framework. The various elements of that framework would be brought into a consistent whole under the new international development strategy to provide the basis for sound and complementary national and international actions.

2. The major activities of the Department covered development planning, the institutional infrastructure for development, natural resources and energy, water, population, and science and technology. The Department had the main responsibility within the United Nations system for assisting the developing countries in the areas of institutional infrastructure and exploitation of their natural and energy resources, and would welcome guidance from the Committee in both these areas.

3. Development planning represented an essential activity in most countries and the work of the Department in that area was designed to assist the developing countries in improving the organization, content, and processes of their development plans through the provision of direct technical assistance, short-term advisory services and dissemination of technical guidelines, so as to enable them to take full advantage of the opportunities available at the national and international levels.

4. Among issues relating to the institutional infrastructure, special reference should be made to the strengthening of the role of the public sector. The Economic and Social Council, in its resolution 1979/48, had requested the General Assembly to study the report prepared by the Secretary-General (E/1979/66) with a view to identifying those aspects of the role of the public sector which required further study. The report had recommended a number of points for further study and he expressed the hope that the Committee would specify the areas to which the Secretariat should devote attention in its future work.

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(Mr. Bi)

5. Since the institutional infrastructure was perhaps the most important factor influencing economic and social development, the New International Development Strategy should pay particular attention to public administration in so far as it represented a major component of that infrastructure. In that connexion, the Economic and Social Council, in its resolution 1978/75, had requested that the Fifth Meeting of Experts on the United Nations Programme in Public Administration and Finance should be convened early in 1980 to develop recommendations, in conjunction with the preparatory work for the new strategy, on measures to strengthen the role of public administration for development. The Economic and Social Council had also adopted resolution E/1979/47, in which it had requested the Secretary-General to convene a workshop on public accounting and auditing in the public sector and had asked the organizations of the United Nations system to give due consideration to technical co-operation projects. The Secretariat would report to future sessions on projects undertaken in that connexion.

6. The Department was also pursuing a number of activities in the field of public administration and financial management; in particular, it was affording assistance to the developing countries to undertake administrative reforms, to train their managerial cadres and to restructure their public services. It was also developing guidelines and training materials on those subjects. As part of the institutional infrastructure for development, the Department was engaged in a number of projects in the field of population, with primary emphasis on the organization of censuses and the development and implementation of demographic policy.

7. In so far as the sector covering natural resources, energy, water and transport was concerned, it had to be emphasized that the largest number of the Department's technical co-operation projects related to natural resources. In that connexion, special attention was being devoted to the strengthening of the infrastructure for exploration and effective exploitation, including the organization and implementation of geological surveys, the setting up of technical laboratories and the creation and strengthening of training institutions. Considerable emphasis was being placed on the development of alternative sources of energy and the Department was exploring the possibility of developing energy packages for rural areas. In that connexion, the Department was collaborating with the other agencies of the United Nations system in promoting integrated rural development. The Department would work closely with other agencies towards the effective implementation of the programme of action approved by the United Nations Conference on Science and Technology for Development.

8. On the question of the modalities for implementing technical co-operation, it was important to ensure that the resources devoted to that activity were commensurate with the increasing needs of the developing countries. On the question of the system for delivering services, considerable attention had been given to organizing DTCD in accordance with General Assembly resolution 32/197 and all necessary measures had been taken to ensure significant improvement in its qualitative and quantitative performance. The Department had also been able to strengthen the role of the regional commissions and, in consultation with them, had worked out an over-all framework for future collaboration. The outstanding features of the new framework emphasized the close relationship between global and

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(Mr. Bi)

regional actions in support of national development and it was proposed to encourage joint planning of future activities between the Department and the commissions.

9. The Department was also engaged in designing operational measures to give effect to other new dimensions in technical co-operation, such as technical co-operation among developing countries, self-execution of projects by them, and their changing needs for technical assistance, and would report further in the near future.

10. Mr. VONGSALY (Lao People's Democratic Republic) said that the lack of progress in negotiations within the United Nations system and at other international meetings towards finding more just and equitable solutions to the problems involved in international economic relations presented a real challenge to the majority of Member States and, in particular, to the developing countries. It would be hard to deny that the recommendations and decisions contained in the International Development Strategy for the Second United Nations Development Decade, as well as those adopted during the sixth and seventh special sessions of the General Assembly, had had little - if any - effect.

11. The basic cause of that state of affairs lay in the lack of political will on the part of the majority of the capitalist developed countries, which had resorted to delaying tactics in order to block progress. It was for that reason that, during the previous year, the United Nations Conference on an International Code of Conduct on the Transfer of Technology, the negotiations regarding an international agreement to replace the International Wheat Agreement, the fifth session of UNCTAD and the third meeting of the Committee of the Whole had all failed.

12. The majority of developed countries were concerned only with problems such as the oil problem, which affected them particularly and the question of restructuring the international economic system had been left aside. The archaic rules governing international trade and the international monetary system had shifted the heavy burden imposed by the crisis in a number of developed countries onto the developing countries, whose economies were already impaired as a result of the exploitation and plunder of their natural resources during the colonial period. New international economic relationships, based on justice, equality and mutual advantage, must be introduced in order to remedy that situation.

13. Although some developed countries recognized that need, most of them were failing to act on that basis. Since 1976, the industrialized countries had been taking steps to establish restrictive marketing agreements and non-tariff barriers. If such measures were continued and the developing countries were unable to increase their export earnings, it would be difficult for the industrialized countries to maintain a volume of exports of manufactures four times greater than their imports from the developing countries, as the external debt of the developing countries already ran to hundreds of thousands of dollars. The measures referred to were, moreover, in flagrant discrepancy with the Tokyo Declaration. The public debt of the non-oil exporting developing countries had reached \$274,000 million and, according to OECD figures, the debt burden had increased by 17 per cent. In that respect, he was glad to note that some developed countries had converted the outstanding debts of developing countries to outright grants.

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(Mr. Vongsaly, Lao People's
Democratic Republic)

14. Official development assistance, which was supposed to be equivalent to 0.7 per cent of gross national product in the developed countries, had reached only 0.32 per cent, and certain countries which had given undertakings in that regard had made it clear that they were not expecting to implement them within the planned time frame. It would not be easy for the industrialized countries to reach the official target unless the three principal donor countries set an example by increasing their official development assistance; for instance, Sweden, Norway, the Netherlands and Denmark, had fulfilled and in one case even exceeded their commitments in that respect.

15. The Lao People's Democratic Republic deplored the failure, at the third session of the Committee of the Whole, to achieve concrete results with regard to the special and most urgent problems of the least-developed and landlocked developing countries, and hoped that greater success would be achieved at the next United Nations conference on the least-developed countries.

16. Although some progress had been made on monetary questions, especially in relation to efforts to make special drawing rights (SDR's) the principal reserve of the international monetary system, his delegation considered that the resolution adopted in 1978 by the Board of Executive Directors of the International Monetary Fund to allocate 4,000 million SDR's to the members of the Fund for each of the years 1979, 1980 and 1981 was not sufficient. At their next meeting, the Executive Directors of the Fund must consider as a priority issue the proposal for the establishment of a special subsidy account to alleviate the burden of commission rates for low-income countries.

17. With regard to the industrial question, only one fifth of the target of \$50 million in voluntary contributions to the Fund for Industrial Development had been achieved. In that respect, the constitution adopted in Vienna the previous April was an important step in promoting world industrial development, and also gave a clear definition of the future functions and activities of UNIDO.

18. His delegation regretted the slow progress of the negotiations to draft a new international strategy for the next Development Decade. In spite of the positive and constructive attitude of the Group of 77, the Preparatory Committee had been unable to devise even a general plan for the new strategy, and it would be difficult to produce a draft of the new strategy before the 1980 special session of the General Assembly. In conclusion, he appealed to the international community to give assistance for the reconstruction of Nicaragua.

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19. Mr. MATHESON (Guyana) stressed the need for international assistance to Nicaragua, Dominica and the Dominican Republic. The present state of international economic relations offered little cause for optimism. The limited gains achieved in the negotiations on the Common Fund had been offset by the reluctance of some States to help implement the measures agreed. Difficulties still remained in the areas of management and organization of the Fund. Moreover, the negotiations on individual commodity agreements within the Integrated Programme for Commodities had been slow and indecisive. The results of the multilateral trade negotiations and of the fifth session of UNCTAD had also been unsatisfactory, particularly with regard to the fact that both meetings had been held at a time of increasing protectionist measures.

20. Guyana considered that there was a need for increased international co-operation, based not on lip service but on a serious recognition of the needs and realities of the contemporary world. Intentions must be translated into action. A renewed commitment to the achievement of the goals of the New International Economic Order would be an example of support for genuine international co-operation. However, the work of the Committee of the Whole had been inconclusive, and there had been little progress on the important issue of preparing the international development strategy for the next decade.

21. As a member of the non-aligned movement, Guyana had been a co-ordinator of one sector of the Action Programme for Economic Co-operation among non-aligned and other interested developing countries. The Action Programme emphasized the need for the developing countries to increase their collective self-reliance. It was imperative that efforts for economic co-operation among developing countries receive the support of all members of the international community, as an example of a new spirit of international co-operation.

22. In the next decade, which would begin with important international conferences in the economic field, a lesson must be drawn from the experience of failure and disappointment of the 1970s; energies must be directed towards the goal of wider co-operation, as the Minister for Foreign Affairs of Guyana had said in his address to the General Assembly. In fact, the only solution for global problems was to be found in the co-operation of all sections of the international community, and national interests must be adjusted towards the achievement of wider objectives in all spheres.

23. Mr. LIONTAS (Greece) said that international relations, particularly with regard to economic co-operation, were going through a critical period. Inflationary tension was being renewed, and the energy situation and general uncertainty indicated a period of serious difficulty ahead for the world economy. All those factors combined to disrupt the economic and social plans of Governments. The situation was particularly serious for the developing countries, and especially those which lacked energy resources. Those countries were suffering the effects of increasingly expensive energy imports, particularly as a result of price increases for their imports of manufactured products and equipment from the industrialized countries, which was upsetting their balances of payments.

(Mr. Liontas, Greece)

24. The inequalities which characterized the present international economic system was still considerable and the North-South negotiations, as well as the discussions in the Committee of the Whole and in the Preparatory Committee for the New International Development Strategy, had not achieved satisfactory results. There had been a similar outcome to the fifth session of UNCTAD, which, had nevertheless achieved certain positive results with regard to the least-developed countries, protectionism and co-operation among developing countries. As in the case of the Common Fund for commodities, those agreements of principle must be translated into operational realities. Through its function of stabilizing commodity prices, the Common Fund would undoubtedly help to develop the economies of weak primary-producing countries and to regularize supplies to countries importing raw materials.

25. With regard to the external debt of the developing countries and the transfer to them of real resources, his delegation was glad to note the steps taken by developed countries to cancel the debts of the least-developed countries. That showed that debt problems were not insoluble, and that a case-by-case approach was often effective. It also showed that specific steps should be taken at the international level to facilitate the transfer of real resources. An example of such measures was contained in paragraph 19 of resolution 129 (V), adopted at the fifth session of UNCTAD, which referred to multilateral guarantees for borrowing on international financial markets, and borrowing in significant measure under the guarantee of members of the international community. The goal would be to facilitate access to the international capital market by the developing countries which needed financial resources.

26. At the multilateral trade negotiations which had taken place within the framework of GATT, in which Greece had participated through proposals made by the European Economic Community, agreements had been reached on tariffs and on non-tariff barriers, as well as on the adoption of preferential treatment for the developing countries. It was to be hoped that those agreements would lead to the adoption of a new trade order. On the other hand, a new and stable monetary order at the international level would help to contain inflation, which not only caused instability, but also had a negative long-term impact on the labour market.

27. Other important developments which should be kept in mind in assessing the results so far achieved were the Conference on Science and Technology for Development, the recent transformation of UNIDO into a specialized agency, and the convening of a Conference on New and Renewable Sources of Energy. Moreover, the Tokyo summit conference had expressed a genuine will to tackle the most pressing economic problems, especially in the field of energy, which called for a new strategy based on concerted action by producer and consumer countries.

28. Given the interaction between trade, development, monetary questions and financing, it was in every country's interest to safeguard freedom of trade, to contribute to international monetary stability and to maintain and increase the flow of both public and private transfers to developing countries. To that end, what was needed was to identify the elements of a new strategy in which the entire international community would participate and which would ensure a better international division of labour and a greater participation of developing

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(Mr. Liqntas, Greece)

countries in world trade and economic relations. It was indispensable to establish, in a constructive spirit and within the United Nations, a balanced system of more just and more rational relations between developed and developing countries, founded on the introduction of structural changes guaranteeing the long-term encouragement of world economic and social progress.

29. Mr. NAIK (Pakistan) observed that the Director-General for International Economic Co-operation and Development had rightly underlined the fundamental interdependence of the world economy and the fact that the growth of the third world was indispensable to global prosperity and stability. In that perspective of global solidarity, Pakistan had consistently pursued the objective of establishing the new international economic order; it had been the first developing country to express its willingness to participate in the Tokyo round of trade negotiations, had actively contributed to the Conference on International Economic Co-operation in Paris, had supported the negotiations on commodities, had welcomed the establishment of the Common Fund, with all its limitations, and had seen in the Trade and Development Board's decision on debt relief for the poorest countries a hope that international solidarity might yet prevail over narrow and short-term interests.

30. The Committee had heard many representatives of industrialized countries express a sense of international responsibility towards the third world. It was not enough, however, to agree at the intellectual level that an urgent redress of the faults of the world economic system was required. What was important was to ensure that the existing unjust and inefficient economic system accepted the changes which the international community had agreed upon, particularly in the decisions relating to the establishment of the new international economic order. Unfortunately, the reality of the North-South relationship was in sharp contrast to the conceptual agreements and understandings, and it was essential to bridge the gap between them.

31. For two years the North-South dialogue had been in an impasse; the Paris Conference had reached no concrete conclusions and the GATT negotiations had petered out with the developing countries excluded from the main negotiations. A Common Fund on commodities had been created in such a truncated form as to raise serious doubt about its ability even to influence commodity markets. The promise of debt relief for the poorest countries had been narrowly applied, excluding those cases in which it was most justified. The hopes for a change of attitude during the fifth session of UNCTAD had also been disappointed.

32. The North-South relationship was, in fact, regressing. The protectionist policies practised by the industrialized world had seriously eroded the terms of trade of the developing countries, resulting in a radical decline in their export earnings. Trade barriers against developing countries had not only not been dismantled but other new and discriminatory barriers had been introduced in violation of the basic principles of non-reciprocal preferential treatment for the developing countries. The developed countries had responded to the systemic crisis with short-term demand management policies, further eroding the export earnings of the developing countries, which had borne the brunt of the adjustment measures adopted by the industrialized countries.

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(Mr. Naik, Pakistan)

33. The developed countries pointed to the rise in oil prices as the reason for the paucity of official development assistance, the retrogression in trade, the refusal to grant debt relief to the poorest countries and the hesitancy in making meaningful reforms in the international monetary system. In doing so, they seemed to forget that the effort required of them was only a minuscule part of their potential economic output. They ignored the possibility of using excess international liquidity for the purposes of investment in and assistance to the developing countries. Instead of educating public opinion, certain countries exploited the belief that economic development in the third world would mean a diminution in the prosperity of the developed countries and the idea that aid should bring political benefit to the donor countries. It was also argued that the developed countries would be more forthcoming in their aid if the oil-exporting nations moderated their prices and gave more assistance to the third world. For their part, the socialist countries also shied away from greater commitment on the ground that they had not been responsible for colonial exploitation and should not be expected to bear the cost of its consequences.

34. It was the oil-exporting countries which, in comparative terms, had been the most forthcoming in their aid to the developing countries, which amounted to up to 5 per cent of their GNP. The availability of their surpluses in world markets had also helped the industrialized countries to ease economic adjustment. The OPEC nations had underlined their legitimate right to raise oil prices in order to insure against the steady deterioration of their earnings through inflation and monetary fluctuations, but his delegation was confident that they would not ignore the fact that their justified actions had had significant consequences for the developing countries.

35. It was time that the world took into account the situation of the most seriously affected countries. Their economies had remained stagnant for many years and they were, in addition, facing an unprecedented increase in their external deficits. They were forced to borrow heavily in order to meet the rising costs of the imports needed to meet the minimum needs of their people and keep their economies afloat. Unless something was done urgently to redress the situation in those countries, there would be serious human, economic and political consequences. Each day of inaction implied the loss of human lives and brought the day closer when a number of nations would not be able to meet the basic necessities of their peoples.

36. His delegation was proposing a series of measures to deal with that situation. First, there must be an increase in the flow of concessional resources to the most seriously affected countries, with a view to doubling official development assistance. Second, resolution 65 (S-IX) of the Trade and Development Board must be immediately implemented with respect to those countries. Third, IMF should increase SDR allocations, expand and liberalize the access of those countries to the Trust Fund and the Compensatory Financing Facility, and liberalize its regular lending to those countries. Fourth, a medium-term balance-of-payments facility should be set up to respond to the adjustment needs of the developing countries, with an interest subsidy account for the most seriously affected countries. Fifth, the World Bank should establish a long-term facility to finance the purchase of capital goods by developing countries, with a subsidy account for

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(Mr. Naik, Pakistan)

the most seriously affected countries. Sixth, the commitments, made at the seventh special session of the General Assembly, at the World Food Conference and in the World Food Council, to increase assistance substantially for agricultural development should be implemented without delay. Seventh, the developed countries must adhere to the principle of standstill and lift the discriminatory barriers against the exports of the most seriously affected countries. Eighth, all countries in a position to do so should be more forthcoming in their assistance to those countries.

37. His delegation hoped that the new international development strategy would incorporate operational goals and objectives, with specific time-limits for their attainment, and a comprehensive set of policies to be adopted by both developed and developing countries. More importantly, the strategy should provide a framework within which fundamental and far-reaching changes in structures and institutions could be brought about. The proposal of the non-aligned countries on launching global negotiations on all issues related to development, raw materials, finance and energy provided a unique opportunity to address the problems of the world economy in a composite and comprehensive manner. Preparations could be initiated during the current session of the General Assembly and continue in the Committee of the Whole during the early part of the following year, so that the global negotiations could be launched at the special session of the General Assembly in 1980.

38. The global negotiations should lead to structural reforms in which measures for the liberalization of trade were closely linked with the restructuring of world industrial production and the adoption by the developed countries of adjustment assistance policies which would include eliminating support for their non-competitive industries and shifting the factors of production into their more dynamic sectors. Structural change would not be complete without a fundamental reform of the international monetary system with a view to bringing about international control and management of the system, the conversion of SDRs into the principal reserve asset, an increase in the developing countries' share in world liquidity and in the financial decision-making processes, the prompt establishment of a link between SDRs and development assistance, the reform of IMF conditionality in order to foster a more balanced adjustment process, the expansion of existing IMF facilities and the improvement of the developing countries' access to them.

39. Mr. TEIXEIRA DA MOTTA (Portugal) said that the 1970s had been characterized by severe maladjustments which were reflected in the developed countries by high inflation, unemployment and slow growth, and in the developing countries by insufficient growth, continued dependence on the developed countries and internal problems of distribution which perpetuated the poverty of broad segments of the population. Nevertheless, growing awareness of the problems and the emerging signs of goodwill gave reason to hope that the current ill-balanced interdependence might become a stable, dynamic and balanced system.

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(Mr. Teixeira da Motta, Portugal)

40. One of the most important tasks to be done was to accelerate the process leading to the establishment of the new international economic order, which presupposed the restructuring of all international relations in accordance with the Charter of the United Nations and the Charter of Economic Rights and Duties of States.

41. A global evolution of that kind had to go hand in hand with the appropriate internal changes; ways would have to be found to increase the participation of the people in the development process and to distribute its benefits more equitably, taking care not to relegate agriculture to a secondary position and avoiding imbalanced development policies that destroyed the social fabric, produced deforestation and desertification, increased food dependency and encouraged the disproportionate growth of cities, rural migration and unemployment. In fact, conditions for rural populations were currently worse than they had been in the 1960s, and the situation could be corrected only by integrated rural development. That was why the recent World Conference on Agrarian Reform and Rural Development was important.

42. The developing countries needed not only to catch up with the developed countries but to work out their own autonomous development models, based on the conditions and human resources of each country and designed to meet the needs of the population. The recent Conference of Ministers of the Economic Commission for Africa had confirmed that conclusion. It was difficult to see how global changes could be demanded unless the necessary changes had been made at the national level, but it also had to be remembered that the existing international division of labour made it hard for dependent countries to adopt autonomous measures.

43. The developed countries should select their lines of production more carefully and encourage patterns of consumption that helped to conserve resources and eliminate waste. It was a well-known fact that in periods of recession such as the current one only the most competitive industries could survive. An open policy of free trade would have to be adopted, because protectionism would only prolong the crisis, fuel inflation, hurt consumers, especially those with below-average incomes, create no employment and affect export industries. Concurrently, changes would have to be made in the existing growth model, with its subservience to technological imperatives, so as to redirect it towards serving the real needs of the people. In that connexion, it might be very useful to set up national commissions on models for growth, as the Administrator of UNDP had proposed.

44. In both North and South the trend should clearly be towards greater participation, towards democratization of the economy and towards a combination of human resources, the natural environment and technology in the achievement of balanced development. Both North and South should also remember that the increasing militarization of the world hindered development and constituted an unacceptable waste of resources.

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(Mr. Teixeira da Motta, Portugal)

45. Despite the urgency of the situation, the results of the work of the Preparatory Committee for the New International Development Strategy made it unlikely that a text would be available before the special session of the General Assembly that was expected to launch the new strategy. Moreover, that Committee's work appeared to be directed towards a strategy that was conceptually not very different from its predecessor, apart from its linkage with the structural goals of the new international economic order and its greater emphasis on self-reliance and technical and economic co-operation among developing countries.

46. The North-South dialogue was at a standstill, despite the hopes it had raised. The proposal made at the Havana Conference for a new round of negotiations was of great interest and could lead to substantial progress, but only if North and South were prepared to make mutual concessions, to abandon existing positions and to adopt as a goal the reconciliation of national long-term interests with those of mankind.

47. A key subject in the proposed negotiations would be energy. In that connexion, the resolution on self-reliance and mutual assistance adopted at Havana could accelerate the process that had led to the existing triangular relationship among oil-producing countries, developed countries and oil-importing developing countries. The attitude of goodwill displayed by such countries as Mexico and Venezuela, in addition to the decisions taken at the Tokyo summit meeting of developed countries on fixing ceilings for oil imports and the adoption of conservation measures, gave grounds for some optimism. In any case, in those negotiations the question of energy would have to be dealt with comprehensively, taking into account its connexions with monetary and financial questions.

48. His country, which was at an intermediate level of development and was neither industrialized nor a producer of raw materials, was especially vulnerable to international economic problems and had a vital interest in the recovery of the world economy. Its admission to the European Economic Community, which was currently being negotiated, could help to make the Community more dynamic, more balanced and more open to the problems of the developing world.

49. The great tasks facing the United Nations, difficult though they were, had to be confronted with determination and with a view to the type of world that would be inherited by those who were still children, because history had repeatedly proven that what seemed impossible could become a reality.

50. Mr. PIZA ESCALANTE (Costa Rica) said that he would confine his statement to specific issues; the Committee could refer to the views expressed by the Minister for Foreign Affairs of Costa Rica at plenary meetings of the General Assembly for the general statements of principle.

51. He pointed out that, as a developing country, Costa Rica subscribed to the ideas advanced by the countries of the third world, which called for fairer treatment in matters of lending and trade, full enjoyment of the right of every people to the wealth of its territory, access to markets and technology, the establishment of equitable monetary and exchange systems, every nation's sovereign

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(Mr. Piza Escalante, Costa Rica)

right to select its own development model, and the establishment of effective systems of compensation for enormous natural and economic inequalities, especially in such important spheres as energy.

52. His delegation supported the proposal of the Group of 77 concerning global negotiations on international economic co-operation for development and unconditionally endorsed the working paper on a world energy plan, submitted by the delegation of Mexico.

53. The first specific issue to which he wished to draw attention was the need for international assistance to Nicaragua. That country was in an extremely serious situation as a result of 45 years of Somoza rule, the 1972 earthquake which had destroyed Managua and much of the country, the repression instituted by the Somoza régime during its final two years in power and the bloody civil war that had culminated in the victory of the general revolt of the Nicaraguan people.

54. The figures contained in the report prepared by the Economic Commission for Latin America and the information provided by the Government of National Reconstruction of Nicaragua and by other Governments and individuals painted a terrifying picture; they showed that Nicaragua could not overcome the current situation without urgent and generous international assistance which would enable the Government resolutely to tackle the task of national reconstruction. Such assistance should be granted without conditions that would limit the Nicaraguan people's sovereign right freely to determine their future, a right which they had earned with their blood.

55. In order to give some idea of the situation, it sufficed to say that in a country with a population of a little over 2 million, there had been 35,000 dead, between 80,000 and 110,000 wounded, 40,000 children left orphans, 150,000 homes destroyed and approximately 1 million people, 450,000 of them under 15 years of age, who urgently needed food aid to survive.

56. The Latin American Group, conscious of its responsibility, had established a Working Group, composed of Chile, Costa Rica, Cuba, Ecuador, El Salvador, Panama and Venezuela, which, together with the other States of the Latin American Group, had requested the inclusion of an item in the agenda of the current session of the General Assembly and had prepared a draft resolution designed to ensure the effective channelling of international assistance. That resolution had then been adopted unanimously by the Committee of the Whole of ECLA.

57. Introducing draft resolution A/C.2/34/L.5, he urged all delegations to support it and requested that the item on international assistance to Nicaragua should be accorded the priority required by the urgency of the situation.

58. With regard to assistance to the Dominican Republic and Dominica, which had been devastated by hurricane David, ECLA and the Office of the United Nations Disaster Relief Co-ordinator had studied the situation, and the latter had already begun to render such emergency assistance as it could. The delegation of Costa Rica would shortly submit to the Committee, on behalf of the Latin American Group, concrete proposals in that regard.

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(Mr. Piza Escalante, Costa Rica)

59. He recalled that the President of Costa Rica had submitted to the General Assembly at its thirty-third session a proposal for the establishment of a University for Peace in Costa Rica. The General Assembly, in resolution 33/109 had taken note with appreciation of the proposal and had requested the Secretary-General to consult with Member States, UNESCO, the Rector and Council of the United Nations University and any other agency he might deem appropriate. Those consultations had produced a series of reports that were, in general, favourable to the proposal of the Government of Costa Rica, although certain misgivings had been voiced in some of them.

60. In a draft resolution which it would introduce shortly, his delegation would seek to allay those misgivings. The draft resolution provided for the establishment of an international commission, which, in co-ordination with the Government of Costa Rica, would structure and organize the University for Peace and put it into operation. The draft resolution specified further that the University would have an international character, would not constitute a financial burden on the United Nations or the United Nations University and would be organized in such a way as to avoid duplication of efforts with other similar international institutions and that the association between the University for Peace and the United Nations system would be decided by mutual agreement.

61. During the meeting of the Council of the United Nations University held at Tokyo in June 1979, a Costa Rican delegation, headed by the Vice-President of the Republic, had agreed with the Council of the United Nations University that the project for the University for Peace merited the approbation and support of the international community, that the way in which it was conceived accorded with the definition of an associate institution within the United Nations University system, that the University for Peace would not be competing with the United Nations University but would complement it and that it would be feasible and appropriate for the United Nations University to co-operate in the structuring, organization and putting into operation of the projected institution, particularly with regard to determining the manner of association between the two institutions.

62. The broad acceptance given to the idea of the establishment of the University for Peace gave grounds for hope that it would meet with the support of all delegations. With United Nations approval, Costa Rica would be in a position to put the University for Peace into operation within a short time and thus place it at the service of the international community.

63. Mr. DOMOXOS (Hungary) said that there were no great differences in assessments of the prevailing economic situation. The general conclusion was that the capitalist economic system was undergoing its gravest crisis since the Second World War, a crisis which affected all sectors of economic life. There was also a consensus that that situation created grave difficulties for the least-developed countries, partly because they had less reserves and options and partly because attempts to alleviate the problems were made at their expense. Capitalist protectionist measures were increasing and discriminatory measures were often motivated by political intentions.

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(Mr. Domoxos, Hungary)

64. Nevertheless, even under those circumstances, Hungary had managed to ensure the equilibrium of its economy, the growth of production and a rise in living standards. Its industrial output had risen by 5.2 per cent and real per capita income by 3 per cent in the last year. Its share in international trade was also continuing to grow. Hungary's ability to fulfil the production targets of its national economy was a result not only of the efforts of the Hungarian people, but also of close co-operation with the socialist countries, within the framework of the Council for Mutual Economic Assistance. That co-operation provided a firm basis for the planning of the country's economic and social development.

65. At the same time, it should also be recognized that the disorders of the capitalist sector of the world economy, and especially the attempts of the capitalist countries to shift the burden of the crisis to others, caused difficulties to the socialist countries as well. Hungary, which, because of its open economy and its size and economic resources, participated intensively in the international division of labour with the capitalist countries, had suffered an unprecedented deterioration in its terms of trade, as a result of the pricing policies of the developed capitalist countries and the repeated increases in the prices of the raw materials which it imported. That situation drained a considerable part of the values produced by Hungarian workers and created more and more difficulties in the execution of plans concerning improvement of the living standards of the people and new investment projects. Unfortunately, that tendency also had an unfavourable effect on Hungary's possibilities for co-operating with developing countries and providing assistance to them.

66. The restrictive policy of the market-economy countries hampered economic co-operation and international trade and did not even benefit the countries applying it but tended to aggravate their problems in the long run. The normalization of international trade and discontinuation of protectionist and discriminatory measures were essential for the improvement of the world economy.

67. The establishment of a new international economic order was expected to ensure a radical restructuring of the existing international economic relations on a democratic and just basis. As a result of the policy of the developed market-economy countries and the activities of transnational corporations, the economic conferences held so far had not managed to produce substantial changes. The provisions of the Declaration and Programme of Action on the Establishment of a New International Economic Order and the Charter of Economic Rights and Duties of States must be regarded as a code of conduct to be followed by all countries.

68. Hungary proceeded from those principles in developing its international economic relations and had provided assistance commensurate with its economic means to different developing countries. In the past four years, the share of those countries in Hungary's foreign trade had doubled. As a result of the preferential tariff system introduced in 1972, imports of manufactures had increased at an

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(Mr. Domoxos, Hungary)

annual rate of 20 per cent, and at present preferential tariffs were applied to 84 developing countries in respect of 90 per cent of the products imported by Hungary from all those countries. Total tariff franchise was extended to direct imports from the least developed countries, and capital goods were delivered on long-term credit at favourable interest rates. Assistance was given for industrial plants, infrastructure projects and exports of manufactures and semi-manufactures, and there was also co-operation in the fields of science and technology. During the past year, 3,800 persons from developing countries had received training in Hungary, while 800 Hungarian experts were doing field work in different sectors of the economy.

69. In the elaboration of the international development strategy for the 1980s, a critical analysis must be made of the modest achievements of the preceding decade, in order to identify the factors responsible for the lack of progress made in efforts to end the unequal pattern of international economic relations inherited from the colonial past. More attention should be devoted to organizing the implementation of the most pressing tasks and to ensuring the conditions and methods of coping with them.

70. The new strategy should promote the restructuring of international economic relations on a democratic and just basis, having due regard to the fundamental interests of all the countries or groups of countries concerned. The main factor of economic and social development must be self-reliance, namely, the maximum and planned mobilization of internal resources. Such a concept did not conflict with the claim that the developing countries could not accelerate their economic progress unless they received substantially more external assistance.

71. It was essential that each State should pass legislation to ensure maximum utilization of the advantages of international co-operation as well as protection for its national resources and economic interests against foreign monopolies, and bring about profound socio-economic reforms so as to ensure that the goods produced would be used for the benefit of the working classes. It must be emphasized that the successful accomplishment of the tasks ahead was closely related to the strengthening of international peace and security, to the achievement of disarmament and to the further improvement of the international atmosphere.

72. The delegation of Hungary considered it necessary to clarify further the proposal submitted by the developing countries to the effect that a series of global negotiations should be conducted within the framework of the United Nations. He would, for example, like to know more on how such negotiations would be linked with the Integrated Programme for Commodities. His delegation noted with approval the position of the Group of 77 that those negotiations should not involve any interruption of the negotiations in other United Nations forums although he did not see clearly how the idea that the global negotiations should reinforce the negotiations in other forums could be realized.

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(Mr. Domoxos, Hungary)

73. The setting up of new organs could not serve as a substitute for the political will required to establish a New International Economic Order and would not only increase costs but might also create an illusion that progress was barred by organizational obstacles. Moreover, participation in an excessive number of international conferences raised problems, particularly for those countries that were only in a position to be represented by small delegations.

74. Certainly, however, the issues enumerated in the proposal of the Group of 77 and, in particular, the question of energy, were important. Hungary was poorly supplied with energy sources, while its energy consumption was increasing from year to year in consequence of industrial development and higher living standards; it therefore looked forward with great expectations to the meetings designed to find a solution to that problem, such as the United Nations conference on new and renewable sources of energy, and the high-level conference on the energy problems of Europe proposed by the Soviet Union.

75. Mr. AL-MUSFIR (United Arab Emirates), speaking in exercise of the right of reply, said that the representative of racist zionism had distorted his delegation's statement and had interpreted it in an arbitrary manner. He was accordingly obliged to point out a number of facts. The Zionist entity stood in the way of the progress of civilization in the Middle East. That entity had occupied territories belonging to three States Members of the United Nations and the most fertile lands of Palestine in Trans-Jordan, the Gaza Strip and the Golan Heights. It had exhausted the resources of the Egyptian peninsula of Sinai, had razed the industrial installations of Syria and had impeded the process of industrialization promoted by the League of Arab States on the shores of the Dead Sea. Those facts certainly represented a serious obstacle to peace in the region.

76. On the question of assistance granted by the OPEC countries to the developing countries, he reminded the Committee that his country had appropriated 10 per cent of its GNP to promote the development of the countries of the third world, while the developed countries had allocated less than 1 per cent of their GNP. His country afforded assistance to 34 developing countries, up to a total amount in excess of \$2,000 million. In contrast, the efforts of Israel were concentrated on strengthening its military power and on wasting thousands of millions of dollars on military preparations. At the same time in their public statements, the Zionists pretended to favour the peace of the region. That peace could only be guaranteed through the return of its territory to the people of Palestine.

77. The situation in Lebanon was equally serious. Israel launched land and air attacks against the region on a daily basis, organized raids on refugee camps and sowed wide-spread destruction. As a result of such acts, the agriculture and industry of the zone had become paralysed and the number of Lebanese and Palestinian refugees had been increased. Those facts were sufficient to show that, notwithstanding its statements, the Zionist entity was a factor of instability in the region and a grave obstacle to progress.

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78. Mr. HAMID (Observer, Palestine Liberation Organization) said that the representative of Israel, in referring to the statement by the representative of the United Arab Emirates, had simply taken advantage of the opportunity to employ a hackneyed term that the Zionist propagandists had over-used, namely, the term "elimination". In fact, however, that word did not appear in the text of the statement made by the representative of the United Arab Emirates. What he had said was that the situation in southern Africa was not better than the situation in the Middle East, bearing in mind that the domination by the white racist minority in South Africa also represented a barrier to economic progress and growth in the region and that the international community should take practical and decisive measures to end that type of colonialism in Palestine as well as in South Africa.

79. Words like elimination, annihilation, extermination and genocide were favourites in Zionist Israeli propaganda. Destruction was a word attributed by the Zionists to the PLO Charter which however did not call for the destruction of any State or people. It was clear that the political programme of the PLO did not envisage either the destruction or the elimination of any State or people; it simply called for resistance to Zionist occupation and racism and for the recovery of the national rights of the Palestinian people.

80. There was a difference between elimination and transformation. While the Zionists had tried to eliminate the Palestinian people and culture, the PLO had been involved in seeking a transformation of the current situation, characterized as it was by racism and hatred, into a situation characterized by freedom, equality, and justice for all inhabitants of the region.

81. There were many cases in which the armed forces of Israel had eliminated innocent people. Dr. Israel Shahak, a university professor in Israel, had pointed out inter alia that, since 1948, Israel had completely destroyed 385 Arab villages in Palestine. According to Dr. Shahak, the plan of destruction was frightening; first, the Arab village was invaded and then systematically destroyed, house by house, with a view to the complete elimination of any trace of the Arab presence; in the raided territories, Israeli settlements were established.

82. Israel continued to resort to those practices at many levels and two examples were worth citing. The first concerned the secondary school of Tarahiha, attended by pupils from 11 villages with a joint population of 20,000 inhabitants, of whom many were of school age. The school lacked a sufficient number of classrooms as well as medical attention, heating, light and food. Confronted by that lamentable situation, the authorities had done nothing. The Israeli intelligence services had a strong influence on the appointment of teachers in Arab schools in Israel, while the same did not apply to Jewish schools. The second example concerned Mikorot, the Israeli water company which, in September, had suddenly closed the water supply in the Arab village of Tirdh on the pretext that the village had exceeded the limit on the amount of water available. However, the authorities had previously reduced the quota to unbelievably low levels which had never been sufficient for irrigation purposes. Cultivation was thus threatened in a village which depended primarily on agriculture.

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(Mr. Hamid, Observer, PLO)

83. If account was taken of hundreds of cases of confiscation of agricultural Arab land from Arabs living in Israel who were theoretically Israeli citizens, there could be no doubt that the purpose of Israel was to undermine and destroy the Arab economy and culture of the 500,000 Palestinians living in Israel.

The meeting rose at 6 p.m.