

SUMMARY RECORD OF THE 15th MEETING

Chairman: Mr. MURGESCU (Romania)

CONTENTS

GENERAL DEBATE (continued)

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

GENERAL DEBATE (continued)

1. Mr. NUSEIBEH (Jordan) said that world peace and tranquillity were closely related to the accelerated promotion of economic and social equality. It had to be admitted that there was no magic formula for the instant realization of a new and equitable world economic order, which must be based on the expansion of production and a more equitable distribution of the world's bounty among all peoples and regions. On the eve of the third Development Decade, the dignity and the emancipation of mankind should be given concrete embodiment in a social and economic bill of rights, analogous and parallel to the Universal Declaration of Human Rights.
2. He hoped that the Group of 77, to which Jordan belonged and which had undertaken the task of preparing the new international development strategy for the special session of the General Assembly in 1980, would emphasize that the effective participation of all mankind as producers and consumers of goods and services was not only a humanitarian issue derived from justice but the only avenue towards alleviating, if not eventually eradicating, the malaise at present afflicting both the developed world and the developing world. What was needed was not temporary palliatives but a long-range and enduring cure, which could be achieved only in a world of irreversible interdependence.
3. It was disheartening that the Sixth Conference of Heads of State or Government of Non-Aligned Countries had been obliged to note with concern the worsening of the economic problems confronting the developing countries as a result of the widening of the gap between the developed and the developing countries and the stalemate in negotiations to restructure international economic relations. There had also been a recognition that the crisis of the international economic system was a symptom of structural maladjustments and basic imbalances aggravated by the unwillingness of developed market-economy countries to control their external imbalances and the high levels of inflation automatically exportable to the developing countries.
4. Jordan, not being an oil-producing country, was in a position to make an objective appraisal of the charge that the rise in the price of energy was responsible for the terrible inflation affecting developed and developing countries alike. Even before that price rise, the prices of wheat and many manufactured goods had increased fourfold or more. There had been an exorbitant rise in the price of manufactured goods even where the energy component was minimal; and yet the blame was being put on the oil-producing countries, especially the Arab countries.
5. Some of those countries had no resources other than oil, had been brutally exploited for almost 50 years and were now simply asking for a fairer deal. Some of them even found themselves obliged to pay more for drinking water than the developed countries paid for petroleum. Growth rates had been slowed or halted ~~not~~ by the relative rise in the price of one commodity but rather by the general

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(Mr. Nuseibeh, Jordan)

rise in the price of almost all manufactured goods. The real victims had been those one-crop developing countries whose economies were not diversified.

6. A basic restructuring of the world economy must take into account all commodities, not merely one. It must take inflation into account and must be based on the Lima Declaration and Plan of Action on Industrial Development and Co-operation, so as to enable the developing countries to increase substantially their exports of manufactured goods.

7. The Conference on Technical Co-operation among Developing Countries had emphasized the urgent need to establish, in co-operation with the developed countries, regional centres for technological research and vocational schools for the transfer of technology to the developing countries. At the Conference, Prince Hassan of Jordan had stressed the problem of the brain drain affecting the developing countries. Those two questions must be reflected in the new international development strategy.

8. A new international economic order could be achieved only through fruitful and friendly dialogue anchored in mutual compatibility of interests and the dictates of justice. Jordan appealed to the developed countries to show more flexibility and understanding. Their assistance to the developing countries still represented only one third of 1 per cent of their GNP, as against the 7 to 10 per cent of the GNP of the petroleum-producing countries, which were being blamed for the economic ills of the world.

9. The developing countries were themselves responsible for many of the ills afflicting them, such as the brain drain, inflated bureaucracies, insufficient motivation and lack of national and regional cohesion. Moreover, a substantial portion of the surplus funds earned by them was being recycled to the developed countries instead of being invested in the developing world.

10. The time had come to think of concrete projects and programmes of action. For example, the working groups on the new economic strategy should request all developing countries to place at the disposal of the experts of the Group of 77 their targets, priorities and needs as expounded in their five-year or three-year plans, so that they could be sifted and given priority by the entire international community for possible implementation. Another possibility which could be borne in mind was that of action to avert the prospect of mass starvation by the end of the century through various isolated measures, such as the investment of 5 to 10 billion dollars over a decade to irrigate and develop adequately almost 200 million acres of largely unutilized arable land in the Sudan. Through collective self-reliance, the developing countries must rectify a basically wrong international structural system, and they must remain determined to create a political, social and economic climate that would allow the energies of all peoples to blossom.

11. The Jordanian authorities had some reservations concerning the proposal for a University for Peace. The project was premature; the United Nations University, which was still in its incipient stages, could give special attention

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(Mr. Nuseibeh, Jordan)

to programmes for the promotion of peace. His delegation wished to join in sponsoring the draft resolution on assistance to Nicaragua (A/C.2/34/L.5).

12. Mr. BODDENS HOSANG (Netherlands) said that the past year had seen a continuation of efforts to redress the structural imbalance and the inequality between countries of the North and of the South. Some major progress had been made, though not as much as had been hoped. Many Governments were concerned over such issues as inflation, unemployment, currency fluctuations, energy problems, protectionism and debt servicing. The developing countries faced serious problems and were asking the developed countries to show a greater understanding of those difficulties. The developed countries, because of their problems at home, were losing sight of the problems elsewhere and were often tempted to take short-term measures to lighten their own burdens, instead of seeking long-term structural solutions for all.

13. Those statements of fact could only lead to the conclusion that more had to be done and more political will had to be demonstrated by all participants if solutions were to be negotiated collectively. That was why the North-South dialogue had to be intensified and why it was important to embark, as proposed by the Group of 77, upon a new round of global negotiations, with proper preparations, on issues to be carefully selected, including energy. If the dialogue was to be successful, however, everyone must demonstrate a give-and-take attitude and a willingness to negotiate the real issues.

14. Proper attention should be given to the proposal made by the President of Mexico for a world energy plan; in that connexion, the United Nations Conference on New and Renewable Sources of Energy would also be important. His Government appealed for greater co-ordination of the several energy-related activities during the preparatory phase. It was establishing a national advisory group to prepare the Netherlands input for the Conference.

15. The Netherlands had shown its readiness to participate actively in solving the pressing needs of the developing countries. That was evidenced by the new development co-operation budget for 1980, as submitted to the parliament recently, the basis for which was solidarity with the people in developing countries, particularly those living in poverty and misery. The Netherlands strove at the same time for the attainment of a position of equality for developing countries in international economic relations, and believed that both objectives must be pursued simultaneously, and not consecutively.

16. To implement those policies, an annex to the budget provided, inter alia, that the Netherlands should take the initiative in investigating whether current tariff structures adversely affected the possibilities for the processing of raw materials in developing countries themselves; furthermore, the Netherlands would promote the stabilization of export proceeds of and markets for individual commodities, while stimulating the exploitation of raw materials in developing countries and exports thereof. Another aspect of its policy was the stimulation of production in developing countries by a simultaneous adaptation of production

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(Mr. Boddens Hosang, Netherlands)

in the Netherlands. The flow of private capital to developing countries would be stimulated and be geared, to the maximum extent possible, to their needs. Action would also be taken in the fields of transnational corporations, food production, science and technology and energy. With regard to the latter, research would be done into renewable sources of energy, while additional funds would be provided for projects in afforestation and promotion of the efficient use of timber.

17. As far as official development assistance was concerned, the Netherlands would again make available in 1980 1.5 per cent of its net national income at factor costs, which amounted to a 9 per cent nominal increase over 1979. Both in 1977 and 1978 Netherlands assistance had exceeded 0.8 per cent of GNP, and a continuing increase in that ratio was foreseen for the years to come, leading to the possible attainment of 1 per cent of GNP in the early 1980s. Those figures showed the willingness of the Netherlands to practise what it preached, and he hoped that other countries would follow its example.

18. A matter of particular concern to the Netherlands was the situation of the least developed countries. It was therefore of great importance that one of the few concrete results of the fifth session of UNCTAD had been the launching of a Comprehensive New Programme of Action for those countries and his Government would reserve additional funds for its implementation.

19. The Netherlands noted that the Sixth Conference of Heads of State or Government of Non-Aligned Countries and the recent meeting of Ministers for Foreign Affairs of the Group of 77 had underlined the importance of the new International Development Strategy and had urged the Preparatory Committee to complete the text in time for consideration at the special session of the General Assembly in 1980.

20. The subjects covered by the new Strategy would have to include the role of women in development. Agenda item 55 (g) deserved full attention at the current session. In view of the World Conference of the United Nations Decade for Women to be held in July 1980, it was essential that the opinions of the General Assembly should be reflected in the preparations for the Conference. His delegation was somewhat disappointed at the meagre results of the follow-up of General Assembly resolution 33/200 and considered it necessary that a resolution on the subject should be adopted at the current session, because the vital role of women in socio-economic life, especially in rural areas, needed to be given more attention.

21. The international community's primary responsibility was to tackle the most vital questions immediately at hand, without waiting for the establishment of the new international economic order. Those questions related to the quality of life, the needs of the poorest and of those in need of help and guidance, the least developed countries, refugees all over the world and needy children. To solve those and other pending issues, creative initiatives were needed from the Secretariat.

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(Mr. Boddens Hosang, Netherlands)

22. In recent years, the Netherlands had participated actively in the Economic and Social Council and in the discussions concerning the implementation of resolution 32/197 on the restructuring of the economic and social sectors of the United Nations system. Certain parts of that resolution, particularly those relating to the Secretariat, had been put into practice, but not all of them. Close co-operation between all parties concerned was not required. The position of the Director-General for Development and International Economic Co-operation must be recognized by all, including the heads of the specialized agencies, and all organs, organizations and bodies within the United Nations system must co-operate so as to make the system more fully capable of dealing with problems of international economic co-operation and development in a comprehensive and effective manner.

23. Mr. NDONGO (Equatorial Guinea) said that his country supported the idea of a new round of global economic negotiations, and regretted the breakdown of the North-South dialogue and the failure to implement the resolutions and strategies that had been adopted both at the ministerial meeting of the Group of 77 in Arusha and at the fifth session of UNCTAD, and at other important meetings on the subject of international economic co-operation.

24. The economic disorder now affecting the whole world required the initiation of a new dialogue, which was as important to the developed countries as to the developing countries. The dialogue should be undertaken in a climate of mutual trust, and the industrialized countries would have to demonstrate positive political will. The developing countries had shown moderation but at the same time had made legitimate demands, and they hoped that the developed countries would also shoulder their responsibilities.

25. The existing economic situation in Equatorial Guinea was the result of the bloody dictatorship under which its people had suffered during the 11-year rule of former President Macías Nguema. That period had been marked by systematic, deliberate and flagrant violations of human rights and by moral, social, cultural, economic, administrative and religious oppression, resulting in economic, social and cultural chaos. The productive sector had been totally paralysed, investment of national and foreign capital had come to a halt and agriculture had been destroyed. The health situation had become equally catastrophic; hospitals had been closed for lack of doctors and medicines and there had been a resurgence of epidemics and diseases previously eradicated. The state of education had gone from excellent in 1969 to pitiful cultural impoverishment; institutions and schools had been closed and professors and teachers had been persecuted. Education had been limited to slogans that merely served the personality cult of the deposed ruler.

26. In view of that situation, his delegation wished to reiterate the appeal made to the international community by the First Vice-Chairman of the Supreme Military Council and Minister for Foreign Affairs of Equatorial Guinea before the General Assembly, when he had urged consideration of the disastrous situation in the country and had said that he would be grateful to Member States for the provision of all the assistance urgently needed by the people of Equatorial Guinea. In

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(Mr. Ndongo, Equatorial Guinea)

addition, the Chairman of the Supreme Military Council had sent a message to the Secretary-General outlining the situation in Equatorial Guinea and requesting emergency aid to meet humanitarian needs.

27. The Secretary-General had arranged for a mission to Malabo, but his delegation would welcome the adoption by the General Assembly of a resolution authorizing him to dispatch a special mission to evaluate, together with the authorities, the existing needs, so that a social and economic assistance programme for reconstruction and national development might be carried out under United Nations auspices, with the support of the international community.

28. With the aim of promoting respect for the citizen, his dignity and his spiritual, political and economic freedoms, the Government of Equatorial Guinea had issued three decree-laws pardoning all political prisoners, permitting the reopening of all churches and the free exercise of worship, and setting up a tribunal for the restitution of property and goods usurped from nationals and foreigners by the deposed régime. In addition, appeals had been made to all refugees from Equatorial Guinea to return to the country, and they had been offered guarantees of their personal safety. His Government had reaffirmed its adherence to and respect for the Charters of the United Nations and the Organization of African Unity and the Universal Declaration of Human Rights, and it was striving to realize the ideal of human beings living in freedom and dignity, without fear or want. That national effort would have to be complemented by international assistance in achieving those objectives.

29. Mr. WAPENYI (Uganda) said the almost complete lack of progress, and in some cases the retrogression, in implementing the Declaration and the Programme of Action on the Establishment of a New International Economic Order was a cause for serious concern to his country and to all developing countries. The readiness of the developing countries for genuine and action-oriented dialogue had met only with a hardening of the position of the developed countries. In fact, the state of the world economy had now reached crisis proportions, chiefly affecting the developing countries, basically because the developed countries had failed to apply the decisions on the establishment of the new international economic order. The widening of the gap between the rich and the poor countries posed a serious threat to international peace and security.

30. The achievement of the objective of the new International Development Strategy for the third United Nations Development Decade as stipulated in General Assembly resolution 33/193, namely, the promotion of the development of the developing countries, could not depend on the economic situation of the developed countries. It was imperative for all countries to demonstrate the necessary political will to resolve current difficulties in the North-South dialogue. The creation of a just and equitable world economic order required structural changes in international economic relations and in the international monetary and financial institutions. The new Strategy must contribute to the promotion of national and collective

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(Mr. Wapenyi, Uganda)

self-reliance of the developing countries, especially through the promotion of and support for economic and technical co-operation among developing countries themselves.

31. The special session of the General Assembly in 1980 would provide an opportunity for the Assembly to review the unsatisfactory implementation of the decisions of the sixth and seventh special sessions and, it was hoped, to give a new impetus to the currently deadlocked North-South negotiations.

32. The activities of transnational corporations in the developing countries and especially their collaboration with the racist minority régimes in southern Africa, in the military and nuclear fields in particular, continued to be a major concern. He hoped that the Intergovernmental Working Group on the Code of Conduct would submit a draft code in 1980 to regulate the activities of the transnational corporations and that the international community would adopt it as a legally binding instrument.

33. His delegation was very disappointed at the outcome of the fifth session of UNCTAD, particularly with respect to the transfer of real resources to developing countries and the debt problem of developing countries. However, it welcomed the break-through in the negotiations on the Common Fund and the adoption of the new programme for the least developed among the developing countries.

34. The adoption of the Constitution of UNIDO as a specialized agency would help that organization in its efforts to promote industrialization, and it was to be hoped that the negotiations at the next General Conference of UNIDO in New Delhi in 1980 would be fruitful. In addition, the adoption by the General Assembly of the resolution recommended by the Economic and Social Council on the Transport and Communications Decade in Africa, and a strong commitment at the forthcoming pledging conference, would show the desire of the international community to see Africa, the least developed region of the world, overcome its low rate of economic growth.

35. With regard to the state of the economy that the Government of the Uganda National Liberation Front had inherited, he said that for eight years Uganda's economic infrastructure had been virtually destroyed. The agricultural sector, which was the backbone of the economy, had been severely damaged. The production of coffee, cotton, tea and tobacco had fallen to the lowest levels since independence in 1962, and the same was true of industrial production. Financial institutions had been forced to extend credit without regard to creditworthiness, and the Government had accelerated inflation. At the time when the new administration had taken over the reins of government, foreign exchange reserves had stood at \$20 million, or less than three weeks' imports, and debt service payments in default had totalled over \$130.5 million. In addition, as a result of the war of liberation, private property, public and private buildings, installations and factories had been destroyed; two cities had been literally wiped out and the rest were in various states of disrepair.

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(Mr. Wapenyi, Uganda)

36. The present Government of Uganda had spared no efforts to revive the national economy. It had instituted measures to protect life and property and to eradicate smuggling, and had promulgated a new economic policy aimed at encouraging greater production and investment by both Ugandans and non-Ugandans. In addition, the Government would continue to play a leading role in the country's economic development, directly and through the State corporations. Government participation would be 100 per cent in power generation, water supply, telecommunications, air transport, marketing of key produce like coffee and cotton and cement production; in other sectors it would be limited to 55 per cent. Private investment would be welcome, and foreign investments would be safeguarded under the provisions of the 1964 Act. The Government had accorded the highest priority to rural development and had increased prices to farmers and ensured a proper marketing system. In the industrial sector, the Government was committed to the reactivation of key industries and the encouragement of domestic and foreign private investment in existing and new industries.

37. Uganda was making the fullest use of all the resources available to it to rebuild its ruined economy, but it urgently needed financial, technical and material assistance from the international community. With that in mind, a number of delegations were working on a draft resolution on assistance for the rehabilitation, reconstruction and development of Uganda, which he hoped would receive the Committee's support.

38. Mr. ZIMMERMAN (Federal Republic of Germany) said that, altogether, the 1970s had been a period of growth for the world economy, although that growth had been unevenly distributed. Large numbers of developing countries were facing a bleak future, but there were also wealthy developed countries for which prospects were not bright. In contrast, there was a fairly large number of both developed and developing countries which stood a good chance of achieving a higher than average growth rate. The latest annual report of the World Bank confirmed that the growth rate of developing countries, oil-producing countries excluded, had been almost 5 per cent in 1978, while that of industrialized countries had been 3.6 per cent.

39. He had mentioned those facts because he was concerned to see that international discussions on economic matters were taking less and less account of reality. Instead, it was asserted that in one part of the world economy nothing had changed for the better or would change in the near future, and that that was the fault of one particular group of countries. The Committee should resist such an approach.

40. There had been progress in recent years, and 1979 had been no exception. There had been a remarkable expansion of the activities and an increase in the funds of international financial institutions. Agreement had just been reached on the sixth replenishment of the International Development Association. There was basic agreement on the doubling of the capital of the World Bank, and various IMF facilities had been improved.

41. Basic agreement had been reached on the main features of the Common Fund. A new International Rubber Agreement had been adopted, and prospects for arrangements

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(Mr. Zimmerman, Federal Republic of Germany)

on other commodities were promising. The fifth session of UNCTAD had approved the initiation of a series of negotiations in the field of commodities as well as other negotiations and consultations designed to facilitate the process of structural adjustment in the 1980s. The annual review of world production and world trade should lead to conclusions which might be essential to the formulation of national economic policies. During the last 12 months, UNCTAD had also made progress with the drafting of a code of conduct on the transfer of technology and with shipping problems.

42. Another important agreement reached in UNCTAD in 1978 had led in 1979 to a further adjustment of the terms of official bilateral development aid. Many developed countries had converted previous loans to least developed countries into grants, on a case-by-case basis, and had decided that their future assistance to those countries would be in the form of grants. The Federal Republic of Germany had so far converted more than \$1.7 billion of such loans into grants, which represented nearly three quarters of the total amount of loans which all least developed countries had been expected to repay to his country.

43. The multilateral trade negotiations had been brought to a successful conclusion, and the agreement reached would be of considerable benefit to the developing countries. The World Conference on Agrarian Reform and Rural Development had given priority to national modernization programmes in the area of agricultural policy, and the Conference on Science and Technology for Development had reached an acceptable compromise which should enable all Governments and relevant United Nations bodies to build a framework for successful co-operation. Lastly, UNIDO had begun the preparations for its Third General Conference, which would mark another step forward in the restructuring process.

44. The North-South dialogue had undoubtedly led to a wide range of positive results, although many old problems persisted and new ones were emerging. All sides must contribute to the achievement of development in the third world, and the question was what the developed market-economy countries could do to improve the present economic situation. There now seemed to be two economic trends. Some countries had brought the internal factors of inflation more or less under control by stimulating growth, diversifying demand and pursuing a moderate wage policy in line with expanding profits. Despite sometimes considerable revaluations, those countries had maintained their favourable export situations.

45. However, other countries were having difficulty coping with their internal inflationary pressure and some had been severely affected by the continuous increase in oil prices. The growth of their economies was rather modest, and their foreign trade position was still fairly weak. That was due to structural rather than cyclical causes. The differences between the two groups also resulted from differences in economic management, in particular the degree of intervention and protectionism, and consequent differences in consumer behaviour.

46. Neither demand management nor extensive exchange-rate manipulations could provide structural or long-term solutions. Nor would it be helpful to curb the economic performance of the more resilient countries, either by inflating their

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(Mr. Zimmerman, Federal Republic of Germany)

economies or by artificially reducing their exports. Mutual support among the economies of the developed countries was a prerequisite for a sound world economy, which in turn was the basis for the development of the third world countries. In any case, protectionist measures did not provide the right answer and, apart from their devastating impact on the developing countries, they would sooner or later result in more unemployment and lower standards of living in the developed market-economy countries.

47. In those circumstances, his delegation was happy that the recommendations of the OECD Council of Ministers and the Tokyo summit meeting had endorsed the concept that the economic policies of the developed market-economy countries must be aimed primarily at structural changes. The Tokyo communiqué had also stressed the importance of increasing productivity and improving the ability of national economies to adjust to changing conditions.

48. As to how developed market-economy countries could contribute to improving the world economic situation, his delegation underlined the need to adopt long-term perspectives in all areas of economic policy and to avoid by every means policies that might encourage inflation. He accordingly welcomed the recent measures taken by the United States. Economic policies must be oriented towards lasting improvements in the supply situation. Developed countries must increasingly base their exports on products with a high know-how component. Also, those countries must realize that the industrialization of developing countries would not only increase competition on international markets but also provide new outlets for their own products. Markets must be kept open: strengthening of internal competition was not possible if at the same time protectionism was increased. Such a programme would require a review of basic economic positions and a self-critical evaluation by all countries -- a difficult task, but one which would in turn both facilitate the adoption of new measures in the area of development and increase their impact.

49. At various meetings in recent months, the developed market-economy countries, and the European Economic Community in particular, had taken decisions mainly concerning energy conservation, replacement of oil by other fuels, and the development of alternative energy sources. Those efforts to restrain oil consumption would help to improve the supply situation of the oil-importing developing countries, for which the rise in energy costs was having disastrous effects.

50. The energy problem could be solved only through co-operation between oil-consuming and oil-producing countries. In that context, he welcomed the idea put forward by the Group of 77 to include the subject of energy in the new round of global negotiations. Furthermore, it was increasingly important to inform the public about the energy situation and to persuade consumers to accept policies of consumption restraint. Voluntary co-operation was preferable to restrictions and prohibitions.

51. However, energy-saving measures alone would not suffice at the same time, efforts must be made to develop new sources of energy. His delegation therefore

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(Mr. Zimmerman, Federal Republic of Germany)

welcomed the fact that in 1981 the United Nations would convene the Conference on New and Renewable Sources of Energy. The experience gained in his country should enable it to make a substantial contribution to the work of the Conference. His delegation had taken note of the offers of Kenya and Austria to act as hosts to the Conference. In view of the special interest of his Government in the Conference, he had been authorized to state that the Federal Republic of Germany would also be prepared, if the opportunity arose, to act as host country for the Conference, which could be held in Hamburg.

52. In conclusion, he gave an assurance that the Federal Republic of Germany was determined to make its continued contribution to the North-South dialogue in a positive spirit and to co-operate in the elaboration of solutions enabling all peoples on earth to live in dignity and free from hunger and want.

53. Mr. ROMUALDEZ (Philippines) said that the view of the world economy at the end of the current decade gave a portent of difficult and even perilous times ahead. The slow growth in the industrial countries and higher energy prices had had severe repercussions on the economies of developing countries. The Philippine Government, desiring to maintain the momentum of economic growth, had opted for controlled and selective monetary expansion instead of the orthodox prescription of contraction to halt inflation and improve the balance of payments. Despite gains in export receipts during the first nine months of 1979, the country's current account at the end of the first nine months of 1979 had shown a deficit of over \$1 billion, or double the figure in the preceding year. During 1979 the country's external debt had increased by approximately \$1 billion, an increase of 11 per cent compared to 1978. Consumer prices had also risen at an average rate of 17 per cent.

54. It now appeared that the targets set by the International Development Strategy for the Second United Nations Decade would not be met, largely because there had been no international determination behind them. It was most disturbing that performance had fallen farthest short of targets in the poorest countries, which accounted for the largest share of the population of the developing world. The Tokyo multilateral trade negotiations, running for over six years, had failed to liberalize trade in the products of greatest export interest to the developing countries. UNCTAD, on the other hand, was not without its achievements, including the establishment of the generalized system of preferences.

55. Although achievements had been few, development issues had now acquired a paramount place on the agenda of numerous international conferences. It was widely recognized that the world economy had not been functioning in an orderly fashion and that international trade and monetary mechanisms had not worked to the advantage of the great majority of developing countries, whose call for the establishment of the new international economic order reflected their desire to redress the inequities and imbalances inherent in the existing structure of international economic relations.

56. With regard to the negotiations which had taken place during the current year, while progress in the North-South dialogue had on the whole been disappointing, the understandings reached concerning the Common Fund were a positive development. The

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(Mr. Romualdez, Philippines)

Conference on Science and Technology for Development had also reached significant agreements. The Committee of the Whole had not achieved any meaningful results on issues concerning transfer of resources and agricultural development and had been unable to reach agreement on the subject of industrial development. His delegation hoped that the forthcoming General Conference of UNIDO would succeed in breaking the impasse.

57. At the fifth session of UNCTAD, a certain amount of progress had been made on some trade and development issues but not in the dialogue on structural change, which had ended in a deadlock. Nor had the Preparatory Committee for the new International Development Strategy, after three sessions, gone very far in its work. The Philippines attached great importance to the new Strategy, which should be action-oriented and should serve as the main instrument for the establishment of the new international economic order.

58. With regard to the proposal of the Group of 77 for a round of global negotiations, his delegation took the view that those negotiations should be a forum for the continuation of the North-South dialogue, but that they should not delay negotiations in other bodies. They should address themselves to central issues of direct concern to all countries and should be conducted within the framework of the United Nations, and they should also make an important contribution to the implementation of the new International Development Strategy. Where the 1980 special session of the General Assembly was concerned, the Committee of the Whole should perhaps be mandated to perform the functions of a preparatory committee.

59. His delegation believed that economic co-operation among developing countries must be a fundamental element in the new international economic order; it therefore welcomed the decision of UNCTAD to convene a special session of the Committee on Economic Co-operation among Developing Countries early in 1980. The activities of the Association of South-East Asian Nations bore out the validity of the new concept of ECDC.

60. During the last 12 years, ASEAN had steadily enlarged its system of preferential trading arrangements and had reached agreements on the establishment of jointly-owned industrial projects in the member countries. It was now approaching agreement on a system of industrial complementation within the region. ASEAN had also implemented regional projects in other fields such as energy, food, agriculture and forestry, transport and communications, banking and finance, and socio-cultural activities. A few days previously, the ASEAN Foreign Ministers had signed an agreement on an emergency rice reserve to meet the emergency requirements of member countries. ASEAN was at present studying how it could extend ECDC activities outside the region.

61. His delegation considered that the energy problem, which had beclouded the prospects for stability and sustained growth in the world economy, called for solution through international action. In particular, the critical situation of the oil-importing developing countries must be relieved on an urgent priority basis, possibly through the establishment of a special régime for international assistance which would ensure that those countries had access to energy supplies at reasonable and stable prices and enable them to develop their indigenous sources of energy.

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62. Mr. SINGH (Fiji) noted that the world economy was again entering a period of extreme difficulty, as a result of the re-emergence of inflationary pressures in many developed market economies and the consequent restrictive policies, reduced economic growth in many developing countries and the increase in oil prices. The similar situation in 1974 had led to the adoption at the sixth special session of the General Assembly of the Declaration and Programme of Action, calling for a new international economic order more responsive to present-day realities. However, negotiations so far carried out on achieving the objectives of the new international economic order had not been encouraging. There must be a renewed effort by all parties, in order to avoid continuing the climate of divisiveness and confrontation and achieve results.

63. His delegation had been gratified to note that at the Conference on Science and Technology for Development there had been signs of political will and an atmosphere of compromise, and it expected the same spirit to prevail in the deliberations currently taking place in other United Nations forums. It was important to consider the various facets of the North-South dialogue within the context of the new international economic order and to articulate an action programme defining more specifically the priority areas and the commitments needed in order to accelerate the development of the developing countries. That could be done through the new Development Strategy for the 1980s.

64. His delegation supported the proposal of the Group of 77 to launch a round of global negotiations within the United Nations, with the participation of all States and within a specified time-period. It was very encouraging that many developed countries had also demonstrated their support for the proposal.

65. Another issue of great importance to the world economy, in both the short and the long term, was energy. The Conference on New and Renewable Sources of Energy would provide an opportunity not only to consider the issue in depth but also to work out measures for the development of new and renewable sources of energy with a view to meeting future world requirements.

66. Fiji fully endorsed the Declaration of the Ministers for Foreign Affairs of the Group of 77 calling for specific action to overcome economic problems arising from the disadvantages facing the land-locked, island developing and most seriously affected countries. Because of its small size and isolation, Fiji depended largely on outside economies and was therefore extremely vulnerable to changes in the world economy. It produced only a few export commodities and was forced to import raw materials in order to manufacture import substitutes. It had limited appropriate technology and, because it depended on foreign shipping to transport its goods, had felt the impact of the high freight rates for its exports and imports. That high degree of vulnerability made it essential that Fiji's exports should have guaranteed access to stable and remunerative markets. In addition, Fiji suffered regularly from hurricanes, cyclones and tidal waves.

67. The limited resources of island economies could not sustain the costs of trade promotion, which was important for development. If developed countries would relax the rules of origin under the generalized system of preferences, many small

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(Mr. Singh, Fiji)

developing countries would benefit, particularly in their attempts to develop export industries. In Fiji's case, the relaxation of the rules of origin on the marketing of canned fish and other fish products would have a favourable effect on the industrial sector and exports. The growing trend towards protectionism had an adverse impact on small island economies, particularly in regard to the service sectors, such as shipping and civil aviation. His delegation noted with appreciation the Australian Government's decision to fund a Pacific Islands Trade Commission in Sydney for three years.

68. Public debt servicing had also had a profound negative effect on the economy. The Trade and Development Board had adopted a resolution on the matter and, in response, several developed countries had taken steps to cancel some of the debts of developing countries. His delegation noted with satisfaction New Zealand's decision to cancel the payment owed by Fiji in connexion with a road construction loan.

69. The solutions to the world's economic problems required the political will of all and a spirit of give and take. It was necessary to be prepared to sacrifice national economic interests in the short term to the common good in the long term. Not until such international co-operation was achieved would it be possible to promote higher standards of living, full employment and conditions of economic and social progress and development and, consequently, to achieve peace and prosperity.

70. Mr. PIZA ESCALANTE (Costa Rica), speaking in exercise of the right of reply, said that in his statements at the previous meeting, the representative of Japan had misrepresented the proposal of the Costa Rican Government concerning a University for Peace, the replies received by the Secretary-General on the subject and the report of the Secretary-General (A/34/496). The representative of Japan had implied that the idea of a University for Peace had been opposed by several of the organizations and countries consulted. On the contrary, however, with the sole exception of Japan and one other country, the proposal of the Costa Rican Government had received encouraging support and the few doubts that had been expressed had referred not to the idea of establishing a University for Peace, but to aspects of the project's execution.

71. He read out paragraphs 4, 5, 6 and 8 (1) of the opinion of the Executive Board of UNESCO and paragraphs 6, 7 and 8 of the opinion of the Council of the United Nations University (A/34/496, annexes I and II) and said that there was no doubt that the Council of the United Nations University had the same concern regarding the University for Peace as it did regarding the University itself, namely that of autonomy.

72. The idea of the University for Peace was not necessarily similar to the original proposal made by Secretary-General U Thant, which had subsequently led to the establishment of the United Nations University. The main reason for the rejection of the original proposal had been that a world university should not become an institution that would absorb United Nations resources in the field of higher education. That objection did not apply to the University for Peace, which

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(Mr. Piza Escalante, Costa Rica)

would not be financed by the United Nations or the United Nations University; it would be part of the network of the University and therefore should be accepted by that institution.

73. In view of the fact that the United Nations University had been defined as a network of affiliated institutions, the Costa Rican Government suggested that it should begin truly to be one rather than a set of programmes carried out in collaboration with universities and institutions. The University for Peace would be the first international body to be part of the network of institutions which the United Nations University should be, according to its Charter.

74. Many Governments might possibly refuse to make financial contributions for a university that had no students or professors, and the financial problems of the United Nations University could be solved only by the establishment of the institutional network that had been originally provided for. He had taken part in his delegation's discussions with the Council of the United Nations University, and knew that the Council's position had not been accurately represented by the representative of Japan when he had quoted a single paragraph of the opinion. For that very reason, the Costa Rican proposal called for the participation of a representative of the United Nations University in the international body that would organize and set up the University for Peace. The proposal also included the provision that the University for Peace and the United Nations University should jointly determine the nature of their association.

75. Mr. TANIGUCHI (Japan) said that his delegation would refer later to the remarks made by the representative of Costa Rica. He wished, however, to record that many problems had been encountered during the establishment of the United Nations University and that it was important to keep in mind the difficulties involved in implementing an idea such as the proposal of the Costa Rican delegation.

The meeting rose at 5.55 p.m.