



SUMMARY RECORD OF THE 24th MEETING

Chairman: Mr. BIRIDO (Sudan)

later: Mr. BRODODININGRAT (Indonesia)

CONTENTS

AGENDA ITEM 84: DEVELOPMENT AND INTERNATIONAL ECONOMIC CO-OPERATION (continued)

- (b) REVIEW OF THE IMPLEMENTATION OF THE CHARTER OF ECONOMIC RIGHTS AND DUTIES OF STATES: REPORT OF THE AD HOC COMMITTEE TO REVIEW THE IMPLEMENTATION OF THE CHARTER OF ECONOMIC RIGHTS AND DUTIES OF STATES (continued)
- (q) HUMAN SETTLEMENTS (continued)
- (i) EFFECTIVE MOBILIZATION AND INTEGRATION OF WOMEN IN DEVELOPMENT (continued)
- (k) NEW INTERNATIONAL HUMAN ORDER: MORAL ASPECTS OF DEVELOPMENT (continued)
- (l) LONG-TERM TRENDS IN ECONOMIC DEVELOPMENT (continued)
- (c) TRADE AND DEVELOPMENT (continued)
- (e) ECONOMIC AND TECHNICAL CO-OPERATION AMONG DEVELOPING COUNTRIES (continued)
- (j) IMPLEMENTATION OF THE SUBSTANTIAL NEW PROGRAMME OF ACTION FOR THE 1980s FOR THE LEAST DEVELOPED COUNTRIES: REPORT OF THE SECRETARY-GENERAL (continued)
- (m) IMMEDIATE MEASURES IN FAVOUR OF THE DEVELOPING COUNTRIES: REPORT OF THE SECRETARY-GENERAL (continued)

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Distr. GENERAL
A/C.2/40/SR.24
14 November 1985
ENGLISH
ORIGINAL: SPANISH

199

CONTENTS (continued)

- (n) NEW AND RENEWABLE SOURCES OF ENERGY: REPORT OF THE SECRETARY-GENERAL (continued)
- (o) DEVELOPMENT OF THE ENERGY RESOURCES OF DEVELOPING COUNTRIES: REPORT OF THE SECRETARY-GENERAL (continued)

The meeting was called to order at 10.35 a.m.

- AGENDA ITEM 84: DEVELOPMENT AND INTERNATIONAL ECONOMIC CO-OPERATION (continued) (A/40/3, 173, 184, 185, 202, 203, 220, 235, 276, 303, 305, 321, 327, 330, 340, 342, 347, 366, 374, 384, 401, 407, 458, 459, 475, 477, 489, 495, 525, 534, 544, 545, 582, 640, 672, 708, 762; A/C.2/40/2 and 5, A/C.2/40/L.7)
- (b) REVIEW OF THE IMPLEMENTATION OF THE CHARTER OF ECONOMIC RIGHTS AND DUTIES OF STATES: REPORT OF THE AD HOC COMMITTEE TO REVIEW THE IMPLEMENTATION OF THE CHARTER OF ECONOMIC RIGHTS AND DUTIES OF STATES. (continued) (A/C.2/40/L.20)
- (g) HUMAN SETTLEMENTS (continued) (A/C.2/40/L.24)
- (i) EFFECTIVE MOBILIZATION AND INTEGRATION OF WOMEN IN DEVELOPMENT (continued) (A/C.2/40/L.23)
- (k) NEW INTERNATIONAL HUMAN ORDER: MORAL ASPECTS OF DEVELOPMENT (continued) (A/C.2/40/L.21)
- (l) LONG-TERM TRENDS IN ECONOMIC DEVELOPMENT (continued) (A/C.2/40/L.22)
- (c) TRADE AND DEVELOPMENT (continued) (A/40/15, vols. I and II, 596, 717, 798, 815; A/C.2/40/L.8 and L.9)
- (e) ECONOMIC AND TECHNICAL CO-OPERATION AMONG DEVELOPING COUNTRIES (continued) (A/40/39, 579 and Corr.1, 581, 656 and Add.1)
- (j) IMPLEMENTATION OF THE SUBSTANTIAL NEW PROGRAMME OF ACTION FOR THE 1980s FOR THE LEAST DEVELOPED COUNTRIES: REPORT OF THE SECRETARY-GENERAL (continued) (A/40/826 and 827)
- (m) IMMEDIATE MEASURES IN FAVOUR OF THE DEVELOPING COUNTRIES: REPORT OF THE SECRETARY-GENERAL (continued) (A/40/597 and Corr.1)
- (n) NEW AND RENEWABLE SOURCES OF ENERGY: REPORT OF THE SECRETARY-GENERAL (continued) (A/40/548)
- (o) DEVELOPMENT OF THE ENERGY RESOURCES OF DEVELOPING COUNTRIES: REPORT OF THE SECRETARY-GENERAL (continued) (A/40/511 and Corr.1, 637)

Draft resolution A/C.2/40/L.20

1. Mr. LAZAREVIC (Yugoslavia), introducing on behalf of the countries members of the Group of 77 the draft resolution on the Charter of Economic Rights and Duties of States (A/C.2/40/L.20), drew the Committee's attention to paragraph 3 and emphasized the importance of carrying out a systematic and comprehensive consideration of the implementation of that instrument, which was, unquestionably, a corner-stone of United Nations efforts to restructure the system of international economic relations.

Draft resolution A/C.2/40/L.24

2. Mr. SMITH (Jamaica) introduced the draft resolution on human settlements (A/C.2/40/L.24) and said that the document was of special importance since it dealt with one of the subjects which the Committee was to consider in depth at the current session. He reviewed the basic elements of the three parts of the draft and expressed the hope that, since it was based on decisions and resolutions adopted by consensus at the eighth session of the Commission on Human Settlements, held at Kingston, the Committee would have no difficulty in adopting it.

Draft resolution A/C.2/40/L.23

3. Mrs. LANDSVERK (Norway), introducing the draft resolution entitled "Effective mobilization and integration of women in development" (A/C.2/40/L.23), announced that Algeria, Iceland and Sweden had joined the sponsors. The basic aim of the draft resolution was to ensure that the United Nations system and the international community accorded greater attention to the needs and potentials of women in relation to development. The world survey on the role of women in development (A/CONF.116/4) was a valuable contribution; nevertheless, in view of the fact that it pointed out the difficulty of drawing conclusions on the role played by women in many sectors of the economy for lack of adequate data, the work must continue, and it must not be forgotten that, as was stated in paragraph 17 of the survey, women workers were underestimated in official statistics, largely because their presence was confined to non-registered sectors.

Draft resolution A/C.2/40/L.21

4. Mr. FERNANDEZ (Philippines) introduced on behalf of the sponsors draft resolution A/C.2/40/L.21, whose subject, "New international human order: moral aspects of development", had been introduced into the Committee's agenda by his delegation at the thirty-seventh session of the General Assembly. The Philippines, whose opinion on the subject had been expressed repeatedly in the Committee and in the Economic and Social Council, was not the only country interested in the question; on the contrary, there had been many manifestations of support and interest. His delegation did not wish to present a finished package of proposals for acceptance or rejection by the States Members of the United Nations, and, for that reason, the draft resolution requested interested countries to submit to the Secretary-General their observations and comments. He announced that Malaysia and Paraguay had joined the sponsors of the draft resolution.

Draft resolution A/C.2/40/L.22

5. Mr. LAZAREVIC (Yugoslavia) introduced on behalf of the countries members of the Group of 77 the draft resolution on long-term trends in economic development (A/C.2/40/L.22). The report of the Secretary-General on the subject was a valuable contribution for the developing countries, since it could serve as a guide for their future socio-economic plans and give them an idea of what might be expected of them. It was therefore important to continue submitting reports periodically on general socio-economic perspectives, without prejudice to the other socio-economic studies prepared by the United Nations and other bodies such as UNDP, UNCTAD and

(Mr. Lazarevic, Yugoslavia)

IMF. The draft resolution should be understood as a continuation of the efforts made at the last session of the Economic and Social Council, and the sponsors had taken as a basis for its drafting the proposals submitted on that occasion by Poland. He summarized the main paragraphs of the draft resolution and drew the Committee's attention to the preambular paragraph relating to Africa, pointing out that that continent needed the support of the international community in order to be able to overcome the grave problems affecting it. He emphasized the fact that all the developing countries would benefit from a consideration of long-term trends and that those trends would influence their socio-economic development not only up to the end of the decade but long after.

6. Mr. OULD ABDALLAH (Special Co-ordinator of New and Renewable Sources of Energy), introducing the report of the Secretary-General entitled "New and renewable sources of energy" (A/40/548), announced that a meeting on the utilization of new and renewable sources of energy would be held in New York in the first half of 1986. He emphasized the importance of that issue in the context of the tragic economic situation of Africa, as well as that of tropical forest cultivation. He also drew attention to the close link between the development of new and renewable sources of energy and the situation prevailing in many rural areas of the developing countries. The provision of electricity to those areas, which was vital to rural development, could be achieved on a small scale only through the introduction of new and renewable sources of energy.

7. Mr. ELFORGANI (Libyan Arab Jamahiriya) said that, originally the international trading system had been intended to liberalize trade, limit currency fluctuations, stabilize exchange rates and reduce protectionism. Between the 1970s and the first half of the 1980s, that situation had changed completely and protectionist barriers had been imposed on developing countries' exports, in particular the application of the system of currency fluctuations which had resulted in fluctuating exchange rates, higher interest rates, spiralling inflation, lower prices for commodities exported by the developing countries and higher prices for foodstuffs, manufactured goods and technology exported by the developed countries, a situation which had aggravated further the problem of the foreign debt of the developing countries. It was calculated that the latter amounted to \$US 970 billion, of which \$170 billion corresponded to the debt of the African countries. Even the petroleum-producing countries, which had previously enjoyed a capital surplus, had now become debtor countries.

8. His delegation wished to emphasize that the international trading system consisted of a series of closely linked elements and that the policy of impoverishing the developing countries would inevitably result in a stagnation which would affect all the countries of the world. If a system based on the justice and equality of international economic relations was to be set up, the international community must create a climate favourable to economic security and put an end to repressive economic practices.

9. Through economic and technical co-operation among developing countries, the developing countries hoped to achieve the ambitious objective of national and

(Mr. Elforgani, Libyan Arab Jamahiriya)

collective self-reliance. That would require the firm political will of all countries, however. The advanced countries must co-operate in creating a healthy economic climate that was compatible with the aspirations of the developing countries. The United Nations system, and UNDP in particular, must provide those countries with the necessary means to ensure the success of their economic and technical co-operation.

10. With regard to immediate steps in favour of the developing countries, he wished to point out that, despite the efforts made by the United Nations and the international community to deal with the critical economic situation of Africa, serious problems persisted in the areas of food, debt, drought and desertification. That was because Africa was the world's most vulnerable continent since, in addition to external factors, three quarters of the least developed countries were to be found in Africa, two thirds of the African countries were land-locked, four fifths of the African countries were prey to drought and desertification, and half of the inhabitants of Africa suffered from hunger. The international community must increase its assistance to Africa, especially in the sphere of transport and communications so that food aid could reach the affected areas. The African countries, for their part, must focus their efforts on solving the most pressing problems and adjusting their local policies.

11. With regard to the utilization of the energy resources of the developing countries, his delegation had taken note of the conclusions formulated at the Athens Seminar and emphasized the importance of that meeting for exchanging views and preparing very useful studies and research. Guided by the principle of national and collective self-reliance, the OPEC countries had provided the developing countries with \$US 500 billion for project funding, over and above the assistance provided by the OPEC Fund for International Development, the Islamic Development Bank, the Arab Bank for Economic Development in Africa and other organizations of the petroleum-producing countries which, as could be seen from document A/40/511, had amounted to \$US 2.7 billion in 1982 and \$2 billion in 1983. As document TDB/C.3/187 indicated, in the period between 1973 and 1981 the Arab countries had provided \$US 73 billion to the developing countries. Despite the blockade imposed on the petroleum-exporting Arab countries by certain advanced countries and the 50 per cent decline in petroleum imports by the developed countries, as well as the drop in petroleum prices and the increase in production costs, the Arab countries continued to provide substantial assistance to the developing countries to help them implement their projects. The developing countries had sufficient material and human resources and no shortage of trade and financing possibilities; what they lacked was the necessary co-ordination and division of labour to permit their economic integration and the enjoyment of their natural resources in the short term without having to depend on monopolies.

12. Mr. Brotodiningrat (Indonesia) took the Chair.

13. Mr. HUSSAIN (Pakistan) noted with satisfaction that, despite the stalemate in the North-South dialogue, UNCTAD had continued its activities with regard to problems in the areas of money, finance, commodities and trade and, in so doing, had taken into account experience gained at the national level. If preparations

(Mr. Hussain, Pakistan)

for UNCTAD VII were to lead to a resumption of the North-South dialogue, the international community must provide its full support and identify issues of importance and allocate priorities. His delegation wished to propose a number of elements for such an agenda.

14. In the short term, the most urgent need was to increase the flow of resources to the developing countries. To that end, appropriate measures should be considered in various areas. With regard to official economic assistance, the developed countries must recommit themselves to increasing their official development assistance to 0.7 per cent of GNP. The flow of official development assistance in real terms must be increased by restructuring commitments and making them more flexible and quicker to disburse. Those flows must help recipient States implement adjustment programmes which ensured accelerated growth. Agreement must be reached on the supplementary funding of the seventh replenishment of the International Development Association, as well as on a general capital increase for the World Bank and liberalization of the conditions for bank loans to developing countries.

15. In the monetary sphere, the International Monetary Fund should consider advancing the date for the ninth review of its quotas, with the specific objective of increasing them substantially. The Fund should re-examine its policy of conditionality and give greater emphasis, in the adjustment plans of developing countries, to production and employment aspects. Finally, it should consider making further allocations of Special Drawing Rights without changing their basic characteristics.

16. The debt of the developing countries was not only a threat to the international financing system but also an impediment to the growth of those countries and to the durability of the current economic recovery. The commercial debt must be restructured with the equitable participation of all parties, ensuring the economic growth of debtor and other developing countries. The official debt of low-income countries must be restructured to alleviate their lack of foreign exchange and their development difficulties.

17. With respect to trade, it was necessary to fulfil the commitments to reduce protectionism and to implement the GATT rules and the work programme approved at the 1982 GATT Ministerial Meeting, especially in areas such as textiles and agriculture. It was also necessary to achieve commodity price stabilization.

18. With regard to domestic economic adjustments, the developing countries should continue to take all socially feasible steps to rationalize their financial and economic situation. The developed countries should reduce their large deficits, lower interest rates, reconcile some of the contradictions in their domestic policies and harmonize their individual and collective efforts to achieve non-inflationary growth.

19. Simultaneous attention must be paid to structural modifications essential for improved functioning of the international economic system and a balanced and

(Mr. Hussain, Pakistan)

equitable growth for all countries and for global peace and prosperity. There were four areas in which concerted international long-term measures must be taken.

20. Improvement of the international monetary system was of equal interest to all countries. The developing countries had called for the convening of an international conference on money and finance for development. A liberal trading system undoubtedly required action on the monetary front.

21. With respect to world trade, the GATT structure, whose advantages were universally recognized, could not survive the contradictions between the commitments undertaken and the actual trading practices of the contracting parties. The proposal for new multilateral trade negotiations could not be used as a pretext to delay the implementation of the existing GATT rules, and the developing countries could have confidence in such negotiations only if a genuine effort was made to fulfil the commitments already undertaken against protectionism.

22. In the area of technology, the restrictions in international co-operation had created a fear that the developing countries might be excluded from the great progress being made. Broad-based and balanced growth of the world economy required a dialogue to prepare a framework for co-operation in the dynamic industrial sectors of the future.

23. In agriculture, population growth created needs that were difficult to meet in many countries and the food crisis in Africa illustrated the fragility of the food production and distribution systems. The agricultural production of the developing countries required a concerted programme of co-operation, well beyond emergency measures. It was necessary to evaluate the activities of the specialized agencies in that area in order to improve their co-ordination and give them better support.

24. His delegation fully supported the statement made by the Chairman of the Group of 77 with respect to the issues included under the agenda item.

25. Mr. BARNETT (Jamaica) said that the deliberations within the Committee, together with those that had taken place recently in other bodies, should provide the international community with the opportunity to formulate responses to the current crisis that were substantive and had broad political support. In that context, Jamaica welcomed the fact that, at recent meetings of bodies of the World Bank and the International Monetary Fund there had been an emerging international consensus that growth and adjustment measures went hand in hand. Experience taught, however, that agreement on objectives must be supplemented by the political will necessary to achieve them.

26. The documents prepared by UNCTAD and the reports of the Secretary-General correctly focused on the theme of interdependence of the problems, which had been the subject of constructive discussions at the thirty-first session of the Trade and Development Board.

(Mr. Barnett, Jamaica)

27. During the 1960s and early 1970s, there had been a flow of resources from developed countries to developing countries, primarily in the form of direct investment, official loans and unrequited transfers. Oil price increases in the mid-1970s and late 1970s had brought shifts in the pattern of current account balances and private banks had begun to play a more central role. Between 1977 and 1981, nearly half of the resources required to finance current account deficits had been provided by private bank intermediation. The reduction of those deficits in the short term, together with the repayment of massive sums at exorbitant interest rates, had created an intolerable situation for developing countries, which had been worsened by recession and sluggish growth of the economy during that period.

28. The provision of financial resources to developing countries was perhaps the most pressing problem today. Loans granted to them had shown a marked decline during the current decade. The withdrawal of private lending and the reduction of current account deficits had provoked in developing countries serious economic dislocations and social hardships. It was necessary to encourage loans from private banks on reasonable terms but, above all, what was required was more stable sources of financing through long-term official credits, official transfers and direct investment, and the strengthening of the capacity of multilateral financing institutions. The issue of special drawing rights proposed by the Intergovernmental Group of 24 on international monetary matters would contribute to improving international liquidity.

29. The lack of macro-economic co-ordination among the developed countries had consequences which inevitably affected the developing countries. High interest rates and sluggish and uneven growth in the world economy were consequences of that lack of co-ordination, although some belated action in that respect had been taken recently. Despite significant progress in structural adjustment and diversification of the economic base, Jamaica had suffered the effects of an unfavourable external situation. Over the past five years, the adjustment of its economy had generated \$270 million in incremental foreign exchange earnings, but the weakened demand for its main minerals had reduced by \$500 million the income projected for that sector. Growth in the developing countries, which was currently correctly regarded as the way out of their indebtedness, required, in addition to sound domestic policies, a healthy international economy and a stable, long-term flow of funds.

30. The thesis whereby the export sector was the engine of growth was fully confirmed by the statistical data which clearly showed that the rate of growth of exports was directly linked to the growth of production. In addition, the composition of exports was increasingly important in determining earnings, since import elasticity tended to be higher for manufactured goods than for primary exports. Developing countries must achieve diversification of their exports, not limiting them to traditional primary products. That effort was impeded by the non-tariff barriers of Western industrialized countries, which were applied to manufactured goods produced by developing countries much more than to those from other developed countries. The prospects for developing countries were grim unless the developed countries did away with protectionist measures, eliminated rigidities

(Mr. Barnett, Jamaica)

in their own economies and avoided policies that delayed structural adjustment. Access by developing countries to markets for manufactured and non-traditional exports would not diminish but would intensify, with diversification and restructuring of their production.

31. With regard to protectionism, deeds had often not matched words. His country supported the initiative of a new multilateral round of trade negotiations, and urged full implementation of the work programme decided upon at the 1982 GATT Ministerial Meeting.

32. Jamaica urged the early ratification of the Agreement establishing the Common Fund for Commodities. The large number of countries which were mainly exporters of primary products and minerals had been among those most seriously affected by the current crisis, and the Common Fund would contribute to the stabilization of prices and to research, development and diversification.

33. In his report on development of the energy resources of developing countries (A/40/511, para. 59), the Secretary-General had indicated that serious energy problems might surface in the 1990s, notwithstanding the current abundant energy supply. His delegation believed that such difficulties might occur even earlier. His country, which faced serious energy problems, received assistance from various countries for the development of new and renewable sources of energy, and the International Finance Corporation would over the next five years contribute \$350 million in loans and investment. Although his country welcomed that aid, its needs far outstripped the level of the assistance which it received from the international community and the United Nations system.

34. Mr. JOSSE (Nepal) said that the least developed countries, whose situation had generally worsened since the 1981 United Nations Conference on the Least Developed Countries, required a continuous and substantial flow of aid and assistance from the international community, in keeping with internationally assumed obligations. The least developed countries, even more than the other developing countries, could not make long-term plans with short-term funding.

35. The Mid-term Global Review Conference on Implementation on the Substantial New Programme of Action for the 1980s for the Least Developed Countries showed that, although renewed endorsement of the Substantial New Programme of Action had created a favourable climate, results continued to be less than satisfactory with regard to the volume of official development assistance, trade policies and the external debt of the least developed countries.

36. He welcomed the announcement made by the Netherlands concerning cancellation of debts owed to it by least developed countries, and recalled resolution 165 (S-IX) of the Trade and Development Board, which referred to the conversion of official development assistance debts into grants. Some donor countries, such as Belgium, Denmark, France, the Netherlands, Norway and Sweden, had reached the agreed level of 0.15 per cent of GNP as aid to the least developed countries, while others had come closer to that percentage; less heartening was the performance of three large donor countries - Japan, the United Kingdom and the United States, with 0.07 per cent, 0.09 per cent and 0.04 per cent respectively.

(Mr. Josse, Nepal)

37. His delegation welcomed the decision by the European Economic Community to establish a system similar to STABEX for nine developing countries which were not parties to the Lomé Convention, including his own. He suggested that other countries should consider the possibility of adopting similar measures.
38. He urgently requested the developed countries to eliminate all export barriers against developing countries, and urged third world countries to grant preferential treatment to the exports of least developed countries. He endorsed the recommendation of the Mid-term Global Review Conference on the Implementation of the Substantial New Programme of Action for the 1980s for the Least Developed Countries that a conference should be held in 1990 to evaluate progress in the implementation of that Programme.
39. Referring to the report in document A/40/637, he observed that the world energy situation was serious as well as revealing. Three signs were particularly disquieting. First, the developed countries had adjusted more or less to the new world energy situation, by among other things, using alternative sources of energy; the developing countries, however, would probably continue to depend on oil and natural gas. Secondly, although various countries had increased technical and financial assistance to oil and natural gas exploration in developing countries, Nepal had so far not received such assistance. Finally, the glut of oil on world markets had discouraged exploration. In the case of Nepal, that glut had not been translated into a lowering of import bills; on the contrary, fluctuations in exchange rates had led to an increase in prices.
40. Although his country did not have large hydrocarbon deposits, its hydroelectric energy potential was enormous. So far, only a tiny fraction of that potential had been developed. Greater exploration would not merely meet Nepal's internal demand for electric power but would yield valuable export surpluses. His delegation wished to express its appreciation to friendly countries and international agencies which had co-operated with the Government in its efforts to exploit the country's hydrological resources.
41. His delegation supported the suggestion in paragraph 53 of document A/40/511 for regional co-operation in energy exploitation. It considered it necessary, however, to go further. In particular, it would be desirable to expand co-operation in exploiting regional water resources for other purposes as well, such as irrigation, flood control and navigation.
42. His delegation took positive note of the mention in document A/40/511 of small-scale hydroelectric generating plants. He emphasized the importance which his delegation attached to research activities designed to reduce costs by making optimal use of indigenous skills and materials in the design and construction of such hydroelectric plants, and suggested that the topic should be considered during the next session of the Committee on the Development and Utilization of New and Renewable Sources of Energy.

(Mr. Josse, Nepal)

43. His country had also made some headway in developing other new and renewable sources of energy, such as biomass, solar energy and wind energy, although those had been hampered by the high cost of equipment for their development. His Government nevertheless was convinced that the efforts made in that area would help not only to lessen the problems of energy supply, but also to check the alarming environmental degradation caused by the excessive use of wood as an energy source, and would do all in its power to promote those efforts.

44. Mr. EL-NASR (Egypt) said that the assessment of the world economy made by Mr. McIntyre, Officer-in-Charge of the United Nations Conference on Trade and Development (UNCTAD) and Mr. Ohlin, Assistant Secretary-General for Development Research and Policy Analysis, had confirmed the developing countries' scepticism about the effects of the economic recovery. As a result, his delegation was convinced that it would be impossible to embark on a realistic search for solutions to the problems facing the world economy unless that assessment was duly taken into account in the deliberations. In that respect he welcomed the growing realization that the international community should promote co-operation in the areas of money, finance, debt and trade. The inequities and deficiencies in the international monetary, financial and trading systems further confirmed the need for placing more emphasis on the close interrelationships of those issues in the search for lasting solutions to existing economic problems. His delegation believed that it would not be possible to ensure a sustained recovery of the world economy without launching concerted actions simultaneously on all fronts, and that attempts to achieve progress on one issue while neglecting the others were an exercise in futility. It had become increasingly evident that there was a strong interrelationship between the stability of the monetary and financial system and that of the international trading system.

45. His delegation felt that the decisions adopted in September 1985 by a limited number of countries to regulate the exchange rates were a positive step. However, Egypt believed that problems of that sort should be dealt with in larger forums open to the participation of all, an essential requirement for ensuring that the interests of all countries were taken into account. His delegation also believed that the structural imbalances inherent in the world economy would be overcome only through a dialogue based on recognition of the interaction among the trade, monetary and financial components of the economic system. His delegation therefore supported the proposal made by the Seventh Conference of Heads of State or Government of Non-Aligned Countries, endorsed by the Group of 77, for the convening of an international conference on money and finance for development, and it proposed, in that connection, that the Committee should begin to consider the question with a view to reaching a satisfactory agreement on it during the current General Assembly session.

46. He noted that UNCTAD had promoted a number of irreversible concepts which should ideally govern all aspects of the multilateral dialogue. If UNCTAD had not achieved all its objectives, it was because of the current state of the world economy and international economic co-operation. In 1985 the activities of UNCTAD had been particularly unsuccessful, a fact that was all the more disturbing in that

(Mr. El-Nasr, Egypt)

it coincided with the fortieth anniversary of the United Nations, an occasion on which many prominent leaders had stressed the importance of the principles of interdependence and multilateralism.

47. As for the high-level meetings of the contracting parties of the General Agreement on Tariffs and Trade (GATT) relating to the proposed new round of multilateral trade negotiations, the Government of Egypt was actively participating in the current negotiations in Geneva. In view of past experience, however, Egypt shared the justifiable scepticism of many developing countries about the potential contribution of the new round of negotiations to finding a solution to the problems imposed by protectionist trends, and to reducing the marked asymmetry in trade relations between developed and developing countries. His delegation felt that the new round would be successful only through the countries' genuine efforts to liberalize trade. Furthermore, the developed countries should fulfil the commitments undertaken at the 1982 GATT ministerial meeting. Lastly, it should be remembered that results of the negotiations were not likely to materialize before the end of the current decade. Therefore, it was essential that the international community should press ahead with the needed trade liberalization efforts without waiting for the results of the new round.

48. Commenting on the attempts to make the question of trade in services part of the jurisdictional competence of GATT, he said that his delegation was strongly convinced that the subject was totally exogenous to GATT. In that connection, he noted that the preamble of the General Agreement clearly specified its competence by using the term "exchange of goods". Furthermore, trade in services was not referred to in the two basic articles of Part I of the Agreement, which defined the scope of its application. Lastly, article XXX clearly stipulated that amendments to the provisions of Part I "shall become effective upon acceptance by all the contracting parties". In other words, any broadening of the scope of application of the Agreement must be based on unanimous agreement among the contracting parties. In addition, there was a practical obstacle, namely, the impossibility of formulating specific uniform international rules that would apply to all components of the service sector, such as banking, insurance, tourism, shipping, air transport, management, etc. Moreover, the service sector was closely identified with matters of national sovereignty and economic stability, which explained why the developing countries were unwilling to allow foreign banks and insurance companies to interfere in their national policies, and underscored the legitimacy of their demand that the service sector should be protected from foreign competition. Lastly, it should be noted that several specialized agencies, such as the World Intellectual Property Organization, the International Civil Aviation Organization and the International Maritime Organization, were currently studying various aspects of the service sector.

49. Furthermore, his delegation viewed with concern the new trend to back away from agreements on the adherence to the general principles of GATT with regard to differential treatment, most-favoured-nation treatment and non-reciprocity for developing countries, and called on all countries to live up to the commitments they had undertaken under GATT with a view to restoring the multilateral character of the trading system.

(Mr. El-Nasr, Egypt)

50. With regard to the question of commodities, he noted that the benefits of the recovery had not been extended to them; on the contrary, the prices of commodities had suffered from a prolonged overall decline, thus aggravating the problems faced by the developing countries and in some cases even bringing their development efforts to a halt. As a result, his delegation felt that it was necessary to redouble efforts to bring the Common Fund for Commodities into operation.

51. Turning to the subject of economic co-operation among developing countries, he said that the Government of Egypt was determined to persist in its efforts to achieve individual and collective self-reliance through the promotion of such co-operation as an integral part of multilateral co-operation and of the developing countries' collective action towards restructuring international economic relations and establishing a new international economic order based on the principles of justice, equality and mutual benefit. In that regard, he stressed the importance which his delegation attached to the strengthening of the activities of the United Nations system in support of economic co-operation among developing countries. General Assembly resolution 39/216 was an important step in that direction. However, the United Nations system must integrate the question of economic co-operation among developing countries into the mainstream of its activities. His delegation therefore urged that the relevant resolutions adopted unanimously by the meeting of the High-level Committee on the Review of Technical Co-operation among Developing Countries should be implemented.

52. As to the items on new and renewable sources of energy and the development of the energy resources of developing countries, his delegation noted with regret that with the decline in the price of oil, the enthusiasm which had characterized efforts in the energy field during the 1970s had gradually waned. That was one more example of the unfortunate tendency to deal with important problems only when they became an immediate threat to the livelihood of the parties concerned. His delegation welcomed the achievements of the high-level Meeting of the Intergovernmental Group on the Least Developed Countries devoted to the mid-term global review of the implementation of the Substantial New Programme of Action for the 1980s for the Least Developed Countries. He noted however, that the relevant conclusions and recommendations must be fully implemented.

53. Mr. BAMBA (Ivory Coast) expressed his support for the statement made by the Director-General for Development and International Economic Co-operation, especially with regard to its approach to the external debt of developing countries.

54. He wished to refer to maritime questions, and specifically to the results of the work of the United Nations Conference on Conditions for Registration of Ships at its resumed (third) session in July 1985 at Geneva. The ultimate aim of the Conference was the conclusion of an international agreement to standardize conditions for the registration of ships by identifying a genuine link between the State of registration and the ships flying its flag. During its first session, the Conference had succeeded in identifying seven basic elements establishing such a link: the register of ships; international rules and standards; maritime administration; identification and accountability of the owners of ships; and participation by nationals in the management, manning and ownership of ships.

(Mr. Bamba, Ivory Coast)

55. In February 1985, the Group of 77 had made a concession and proposed that the seven elements should be obligatory, subject to the reservation that the references to manning and ownership might be optional. For its part, Group D accepted that international rules and standards should apply to manning, ownership and management, elements in the link hitherto reserved exclusively to the national legislation of most Group D countries. Group D and China joined the consensus.

56. Finally, at the summer session of the Conference agreement was reached on a definitive text and it was accepted by all groups. The success of the undertaking was now assured and the standardization of conditions for the registration of ships would promote the more orderly expansion of maritime activity and progressively strengthen the standards and responsibilities which governed the ownership and management of ships, as well as the safety standards for navigation and environmental protection.

57. The future agreement would have to be tailored to the letter and spirit of General Assembly resolution 37/209 and take due account of the particular interests of developing countries which wished to improve their maritime position in accordance with the aims of the International Development Strategy, as well as the interests of industrialized countries, maritime countries with centralized economies, labour-supplying developing countries, land-locked countries that wanted to have a shipping fleet flying the national flag, open registry countries and employers' and workers' unions in the shipping field. The agreement should strengthen technical standards, lay positive and mutually beneficial foundations for international co-operation, allow recently independent countries to develop, and provide the fleets of the industrialized countries with a congenial company. Once adopted, the international agreement would represent a great step forward in the history of international maritime legislation and his delegation therefore asked the Committee in advance to authorize, at the appropriate time, resumption of the session of the Conference with a view to eliminating remaining differences.

58. Mr. JANKU (Albania) stressed that the international situation and the development of international trade relations were closely connected with political events and the current economic and financial crisis from which all countries suffered in equal measure. The crisis was reflected in the drastic decline in of production, rising inflation, prices and unemployment, the continued devaluation of currencies, the contraction of investment and the growing difficulties in finding sources of funding for socio-economic development. Huge foreign debts and deficits in the balance of payments had brought the economy of many countries to the verge of bankruptcy and were endangering the very basis of the international monetary system, which was almost totally dominated by the United States dollar. In addition, the volume of world exports was steadily declining as a result of unprecedented terms of trade, and there was a growing trend towards protectionism and the creation of closed markets and economic groupings. All those factors destabilizing the economy were the outcome of the policies of aggression and intervention pursued by the two super-Powers, the United States and the Soviet Union, and of their neo-colonialist rivalry for control of world markets and expansion of their spheres of influence.

(Mr. Janku, Albania)

59. His delegation emphasized that any effort to create a more favourable atmosphere for the development of the world economy and trade relations would be useless unless peoples resolutely and steadfastly opposed the policy of hegemony, plunder and exploitation pursued by the super-Powers and other imperialist States and took effective measures to bring their national resources under their own control. In contrast to the concept of free trade and the ways and means being considered in the United Nations to overcome economic difficulties, more and more tariff or non-tariff barriers were being erected, price speculation went on and more restrictions were being imposed on imports like raw materials from developing countries.

60. The serious economic situation was a result of the increasing disparity in the socio-economic development of the industrialized capitalist countries on the one hand and the developing countries on the other. Although the latter constituted 70 per cent of the world population, they produced only a very small percentage of world industrial production. Consequently, they had become agrarian appendages or sources of cheap raw materials for capitalist countries and transnational corporations. The industrialized countries were using their trade relations with developing countries as a means of exerting political pressure on the latter, and were making the credits and assistance they gave them contingent on all kinds of political and economic conditions. In that way, they were increasing the dependence of those countries, which found themselves forced further into debt to pay the high rates of interest on their debt. The proof was that the foreign debt of developing countries had increased from \$152 billion to the unprecedented sum of one trillion dollars in the past ten years.

61. His delegation resolutely supported the just demands of the peoples of Asia, Africa and Latin America who were striving to establish full sovereignty over their natural resources by opposing intervention and exploitation by transnational corporations, as well as to make good use of their raw materials and energy resources and to demand the establishment of mutually beneficial trade relations.

62. His own country had a stable economy, without taxes or unemployment, and enjoyed harmonious development without stagnation or sudden spurts in production. Albania did not have to cope with the problems of inflation or price increases and was the only country in the world with no foreign debt, thanks to the independence of its national economy which comprised strong industrial and agricultural sectors. Production was constantly expanding, providing a solid foundation for ever-increasing foreign trade, especially in processed goods, minerals and industrial, agricultural and energy products, based on the basis of the principles of self-reliance, equality, mutual benefit, non-interference and non-discrimination. Albania would never allow trade relations to be used as a means of exerting pressure on its internal affairs or interfering by seeking to impose political or ideological conditions. Thanks to its independent policy, Albania would continue to contribute to the improvement and strengthening of international trade relations.

63. Mr. KOENTARSO (Indonesia) said that the importance of international co-operation, the interdependence of nations and the interlinkages of issues had increased as a result of the general integration of the world economy; those issues had become basic for the international community, as had been made clear in recent discussions in the Economic and Social Council and the Trade and Development Board.

64. A well-functioning international trading system was indispensable for vigorous economic growth and development. Regrettably, the multilateral spirit which had guided the international community in the liberalization of the trading system over the past four decades had been eroding. While protectionism was opposed officially by all countries, it had increased in its various forms. The commitments made at the 1982 Ministerial Meeting of GATT and in resolution 159 (VI) of the United Nations Conference on Trade and Development had not been implemented. At the same time non-tariff barriers had proliferated in the developed countries and had limited their imports of manufactured goods from developing countries to a much greater extent than those from developed countries.

65. A new round of multilateral trade negotiations would have important implications for the future of the world economy but would be meaningful only if it took into account the interests of all parties and included such areas as agriculture, tropical products, products based on natural resources, textiles and other products of interest to the developing countries. It was also crucial that the commitments made in the Tokyo Round and at the 1982 Ministerial Meeting of GATT should be implemented without delay.

66. As to commodities which remained the life-blood of a large number of developing countries, international co-operation had produced disappointing results. The Integrated Programme for Commodities had fallen short of expectations, the Common Fund for Commodities had not yet become operational and no substantial progress had been registered in existing or proposed UNCTAD programmes. Those programmes should nevertheless be pursued vigorously. The attitude of the developed countries in that area failed to reflect their expressed support for the objectives of the developing countries.

67. There was interaction between international trade, on the one hand, and money and finance, on the other, and each played a key role in economic development. Given the current poor performance of exports and the continuing deterioration in the terms of trade of the developing countries, international financial co-operation assumed even greater importance. Yet what had been happening in the financial field had exacerbated the economic difficulties of the developing countries instead of making good the losses resulting from unfavourable trading conditions. Owing to the debt crisis, private financial sources had become more reticent; to an increasing extent, investments were being limited to developed countries and official financial flows were stagnating. In addition, there had been a reverse transfer of financial resources from the developing to the developed countries. His delegation therefore concurred fully with the Committee for Development Planning that the need for adequate resource flows for development was the most crucial issue for international co-operation in the years ahead.

(Mr. Koentarso, Indonesia)

68. The debt crisis had vividly demonstrated the critical financial needs of the developing countries. Serious crises had been averted but the debt problem had not been solved. In many debtor countries unemployment and cuts in living standards had gravely endangered the social and political fabric of society. Emphasis must therefore no longer be placed on austerity measures but rather on the stimulation of faster growth.

69. In view of the complex nature of the monetary and financial issues, a creative and comprehensive response was called for. His delegation considered that an international conference on money and finance for development, as proposed by the Non-Aligned Movement, represented the most appropriate approach, and it urged the international community to initiate a preparatory process without delay.

70. Economic and technical co-operation among developing countries should not only be regarded as an effective instrument for the economic development of those countries; it should also be recognized by the international community as an element which was essential for a more balanced and mutually beneficial growth of the global economy. The primary responsibility for development rested with the developing countries themselves, but they nevertheless deserved the support of all international agencies and the community as a whole.

71. His delegation appreciated the role played by the United Nations system in that connection. It nevertheless shared the doubts expressed during the twenty-fourth session of the Committee for Programme and Co-ordination (CPC) and the most recent joint meeting of that Committee with the Administrative Committee on Co-ordination regarding the adequacy of the resources currently devoted by the system to co-operation among developing countries. It therefore fully supported the CPC recommendations to the effect that the United Nations system should pay greater attention in its work programmes to the promotion of such co-operation. His delegation also wished to echo the call made by the Group of 77 in the Intergovernmental Follow-up and Co-ordination Committee that the agencies of the United Nations system should integrate economic and technical co-operation in their substantive activities.

72. There was also a dire need for the exploration and development of the indigenous energy resources of the developing countries. All available information indicated that the 1990s would be a period of acute energy shortage. According to the Secretary-General's report, a high percentage of the remaining prospective areas for hydrocarbons and recoverable oil resources were located in the developing countries. Moreover, there existed enormous potential for the development of new and renewable sources of energy in those countries. Everything therefore pointed to the need to develop the energy resources of the developing countries by every possible means. In that context, his delegation continued to be disappointed with the results to date of the Nairobi Programme of Action for the Development and Utilization of New and Renewable Sources of Energy. Only a few meetings had been convened and the mobilization of financial resources had fallen far short of expectations. It was true that in the face of the bleak economic situation and the oil glut it was difficult to implement the Programme. But oil supplies were

(Mr. Koentarso, Indonesia)

vulnerable and would eventually be depleted. The development of alternative energy sources was therefore crucial for world growth and for the developing countries in particular.

73. Despite the policy measures contained in the International Development Strategy and the adoption of the Substantial New Programme of Action for the Least Developed Countries, the socio-economic situation of the 36 least developed countries was as bleak as it had been in 1960. In that connection his delegation approved the conclusions and recommendations of the Intergovernmental Group on the Least Developed Countries in its recent mid-term global review and urged the General Assembly to endorse them. In particular, his delegation shared the Group's view that: "Unless urgent measures are taken to implement fully and adequately the Substantial New Programme of Action, this declining trend in the socio-economic situation of the LDC's will be even more acute in future, with serious and stark repercussions." The international community should strive to avoid the risk of a widening gap not only between the least developed countries and the developed countries but also between the least developed countries and the developing countries. In that context the international community must redouble its efforts to integrate the least developed countries into the mainstream of development.

The meeting rose at 1.15 p.m.