

rate with the over-all advantages it was likely to receive with regard to agricultural products as well as manufactured goods. But it recognized the need to apply non-reciprocal concessions in the trade negotiations with developing countries.

44. In conclusion, he stressed the need to proceed to negotiations with a view to reaching conclusions on essential points before the end of 1975.

*The meeting rose at 1.05 p.m.*

## 1518th meeting

Friday, 28 September 1973, at 3.45 p.m.

Chairman: Mr. Zewde GABRE-SELLASSIE (Ethiopia).

A/C.2/SR.1518

### GENERAL DEBATE (*continued*)

1. Mr. KARHILO (Finland) said that the true potential of the United Nations lay in the area of economic and social affairs. However, as the Secretary-General had pointed out in the introduction to his report on the work of the Organization, "in the economic and social fields the United Nations . . . has become increasingly involved at so rapid a pace that institutions created in 1945 often no longer correspond to current needs".<sup>1</sup> His delegation was convinced that the steps already taken to reassert and strengthen the role of the Economic and Social Council were steps in the right direction, but there was still much to be done. "Aggressive progressiveness" was needed to stir feelings in favour of change. In that connexion, there was a specific role for the Second and Third Committees of the General Assembly; those Committees formed a direct link between the policy-making forces of Member States and the United Nations machinery for shaping and implementing policy decisions—in which the Economic and Social Council had its part to play.

2. One of the most important items with which the Second Committee would be concerned at the twenty-eighth session was the review and appraisal of the progress made in implementing the objectives of the International Development Strategy for the Second United Nations Development Decade (General Assembly resolution 2626 (XXV)). For that reason, his delegation urged that that item should be given the thorough and constructive exchange of views it deserved. To that end a working group, informal or formal, but open-ended, should be set up as early as possible. A frank and realistic exchange of views was necessary to spotlight those areas where additional efforts were called for in order to maintain the momentum for renewed endeavours towards the goals of the Strategy. The Third Committee also had a great responsibility in the review and appraisal process, which made it all the more necessary to begin the work as soon as possible. The Committee should not forget that it was establishing the basis for the mid-Decade review.

3. While reserving the right to revert to the item in question at a later stage, his delegation wished to point out that negative trends in the statistics should not overshadow a number of non-quantifiable favourable developments in international co-operation. His delegation had consistently stressed the need to view de-

velopment as a true interaction between economic and social policy. Recent discussions on the problems of mass poverty in developing countries had been focused on policy measures, such as income distribution, employment policies and rural development. That new awareness was a favourable development which should be duly noted in the review and appraisal exercise.

4. The word "interdependence" had recently begun to crop up frequently in discussions in United Nations bodies. The meaning of interdependence was being dramatically demonstrated by such global phenomena as threats to the human environment, the risks of overpopulation, the scarcity of natural resources and the impending food shortage. Nevertheless, his delegation concurred with the Secretary-General's optimism, based as it was on the obvious political will of the international community to tackle those problems, which only a few years earlier had been the preoccupation of a relatively small number of scientists. His delegation hoped that the World Population Conference at Bucharest in 1974, would be the signal for action in the field of population as the United Nations Conference on the Human Environment at Stockholm in 1972 had been in the case of the environment.

5. The scarcity of natural resources might not be an imminent problem, but nevertheless, serious and immediate attention should be paid to it. The food shortage was probably the most serious question from the short-term point of view, and one which called for the immediate marshalling of all the means available to the international community. As a first step, the institutional machinery envisaged in the concept of world food security should be organized, taking into account the variations from one country to another in surpluses and shortages of agricultural stocks. During the fifty-fourth session of the Economic and Social Council his delegation had pledged its readiness to participate in a workable scheme for minimum world food security. He renewed that pledge, and expressed his support for the proposal for a world food conference with the widest possible participation.

6. The ministerial meeting at Tokyo, from 12 to 14 September 1973, had adopted a set of principles to guide the new round of trade negotiations under GATT. His delegation welcomed the plans for the active participation of as many countries as possible in the negotiations and for efforts to secure additional benefits for the developing countries. Furthermore, it had noted with satisfaction that the least developed among the developing countries would be given special treatment,

<sup>1</sup> See *Official Records of the General Assembly, Twenty-eighth Session, Supplement No. 1A*, sect. II.

a promising translation into action of resolution 62 (III) adopted by UNCTAD on 19 May 1972.<sup>2</sup>

7. At the recent joint annual meeting of IBRD and IMF at Nairobi (24-28 September 1973) the Finnish Minister of Finance, speaking on behalf of the Nordic countries, had stressed the fourth replenishment of IDA's resources. As a group, the Nordic countries were prepared, subject to parliamentary approval, to contribute considerably more than the share which their percentage of the gross national product (GNP) of Part I countries required. By so doing, they were recognizing the urgent need, especially in the least developed of the developing countries, for assistance on concessional terms. The Minister had stressed that all parliaments should pass the necessary legislation before 1 July 1974 in order to avoid an emergency situation. The matter was one of serious concern to the Nordic countries, and his delegation believed that that concern should be shared by every country participating actively in international development co-operation.

8. He agreed with the Under-Secretary-General for Economic and Social Affairs that the current *détente* should produce "additional economic and technical co-operation, systematically applied on a world scale and within the framework of United Nations aims" (1516th meeting, para. 15). He was being deliberately optimistic, despite the short-comings and difficulties which were evident on all sides, because there were, after all, encouraging developments and signs, which should be further developed on a basis of mutual confidence.

9. Mr. DELIVANIS (Greece) said that a study of the report of the Economic and Social Council (A/9003) showed three elements: the scope of the Council's work; its efforts to anticipate future needs; and the success of its efforts, even though some Governments did not always follow its advice.

10. The Council had considered a number of very important subjects, including collective economic security, which had to be ensured for all, but especially, of course, for the least developed countries, for which it was a particularly urgent need. The report pointed out the inadequacy of the developed countries' financial support for development efforts, indicating that generally the percentage of financial aid did not reach 1 per cent of GNP. It should be noted, however, that, in absolute terms, aid from the developed countries to the developing countries had increased. Nevertheless, it should not be forgotten that public opinion was frequently opposed to aid to the developing countries, especially when the prevailing impression was that, because of such aid, certain national needs in the donor countries were not being satisfied.

11. The Council seemed to be of the opinion that development aid would benefit from disarmament. It overlooked the fact that armaments and assistance were not the only two items in the budgets of the developed countries and that reduced expenditure on arms could be viewed primarily as a means of lightening the burden of the tax payers.

12. The policy of the developed countries in international trade did not favour the developing countries, but that situation might soon improve, thanks to the find-

ings and suggestions of the recent ministerial meeting at Tokyo.

13. His delegation held that inflation had both a good and a bad side. On the one hand, it enabled the debtor countries to repay their loans more easily; on the other hand, they had to pay more for manufactured goods bought from the developed countries. The Committee should not lose sight of the fact that the high interest rates of which the developing countries complained, served in part to check the erosion of the value of currencies.

14. There had been little progress in agriculture in the developing countries. The food shortage was due to several causes: the low prices paid to farmers; lack of investments in agriculture; and poor harvests, which were not attributable solely to weather conditions.

15. His delegation believed that developing countries should create a climate of confidence which would encourage private foreign investment by making provision for the fair sharing of profits with the host country. Should the host country decide on nationalization, fair indemnities should be arranged in order not to discourage either local or foreign investment.

16. The international monetary crisis could, in his view, have been averted if the western European countries had not revalued their currencies; by so doing they had weakened the dollar which was a key currency in the world system.

17. It was stated in the Economic and Social Council's report that developing countries were responsible for their own development. That was true up to a point and the contribution of those countries had indeed increased, but the increase should not be expected to continue since the needs of developing countries were also on the increase.

18. He noted with concern that industrialization was still being advocated with no thought for possible future markets. Aid for industrialization would be very useful if part of it could be used for the purchase of manufactures from countries in which *per capita* income was under, say, \$1,000, and if those manufactures were resold at low prices to countries in which *per capita* income was less than, say, \$250, the proceeds being given to their Governments.

19. The idea of setting up a revolving fund for natural resources exploration was an excellent one. The countries assisted by the fund would have to repay the aid according to results. His delegation believed that the question was so important that if, for political reasons, the fund could not be set up or kept alive, it felt that special funds should be appropriated for natural resources exploration. It was right that countries should wish to exercise sovereignty over their natural resources, but when those resources were discovered by means of foreign capital investment, the host country should make regular repayments in order to create a climate of confidence.

20. The World Population Conference to be held at Bucharest in 1974 would undoubtedly be very useful; it should not be forgotten, however, that the optimum population density varied from country to country, as did national economic targets.

21. The Economic and Social Council was to be congratulated on its assessment of the situation in maritime

<sup>2</sup> See *Proceedings of the United Nations Conference on Trade and Development, Third Session, vol. I, Report and Annexes* (United Nations publication, Sales No. E.73.II.D.4), annex I.A.

transport and on having foreseen the importance of containers.

22. In conclusion, he said that co-operatives had proved most useful for development and it would be regrettable if they were underestimated.

23. Mr. HEDEMANN (Norway) associated himself with those delegations which had congratulated Mr. de Seynes on his thought-provoking statement at the 1516th meeting; he agreed that the major concern of the Committee should be to review and appraise the implementation of the International Development Strategy for the Second United Nations Development Decade (agenda item 46), with a view to determining whether new approaches or shifts of emphasis in the measures laid down in the Strategy were needed. The assessment had to be carried out with objectivity: rather than laying the blame for failures on other countries, there should be constructive criticism directed towards strengthening and increasing the effort of all countries to implement the Strategy.

24. It had to be acknowledged that the International Development Strategy was still only in the planning stage, as was evidenced by the widening gap between rich and poor countries and between high-income and low-income groups within developing countries, and by growing disparities between different groups of developing countries.

25. The situation could be ascribed to various factors. One of the major ones was that the developed countries had failed to maintain the desired pace in implementing the provisions of the Strategy, particularly with regard to the transfer of financial resources. Developing countries, in turn, had not always implemented the appropriate measures to remove obstacles to social progress and economic development. A major reason for the shortfall was population growth, which had continued at a frighteningly high rate.

26. He stressed the interdependence of all development problems and, in particular, of the problems connected with the international monetary system and international trade; it was essential to consider individual questions in the context of the whole problem area if the structural changes required for adequate and durable solutions were to be made.

27. Commenting on some problems to which his delegation attached particular importance, he said that he found it encouraging that the Economic and Social Council had adopted resolution 1827 (LV), in which it had decided to forward to the General Assembly a working paper on the first review and appraisal exercise. That document would be a good basis for negotiations and should lead to a consensus on action-oriented provisions. It took some account of the social aspects of development, the importance of which could hardly be over-emphasized and on which the Committee for Development Planning on its ninth session had concentrated.<sup>3</sup> The problem was not only how to promote economic growth, but how to improve the standard of living of the have-nots and provide them with a dignified human existence.

28. Because of the particularly serious natural disasters which had struck the poorest countries in recent years, it was incumbent on the United Nations to do

more to aid development; for example, medium-term and long-term plans and measures should be drawn up for the economic and social development of the Sudano-Sahelian zone. Aid to countries in that region was a good example of what could be done, and the Norwegian authorities would give sympathetic consideration to any such plans and measures. In his statement the Under-Secretary-General for Economic and Social Affairs had clearly shown the need for urgent consideration of the concept of minimum world food security, taking into account the agricultural situation, and for the conclusion of additional commodity agreements. In the priority area of natural resources a forward-looking international resource policy should be drawn up on the basis of the decisions made by the Committee on Natural Resources at its third session.<sup>4</sup>

29. His Government considered that most aid to the developing countries should be official, untied and given on increasingly "softer" terms, preferably in the form of grants. Resource transfers in the form of private investment and export credits created many difficulties for Governments which had no way of controlling their magnitude or their terms. Moreover, such transfers added to the debt burden of the developing countries. His Government had decided to make a distinction between official development aid appropriations and private transfers, and the Norwegian Parliament had endorsed a set of basic guidelines and a new quantitative target for that purpose. Official aid appropriations were to reach 1 per cent of GNP by 1978. A part of that goal would be the achievement of 0.7 per cent of GNP by 1975, in conformity with the target laid down in the International Development Strategy.

30. His delegation therefore supported resolution 6 (VI)<sup>5</sup> adopted on 13 July 1973 by the UNCTAD Committee on Invisibles and Financing related to Trade, on the subject of the untying of development assistance. It also supported the recommendation for a fourth replenishment of IDA resources at an annual level of \$1,500 million, and his Government had agreed to a 10 per cent increase in its contribution, subject to parliamentary approval.

31. He said that the population problem was one of the worst because of its extent and seriousness, and because it had a decisive bearing on such related problems as mass poverty and unemployment, hunger, malnutrition, pollution, lack of education, and inadequate health services. That issue was also linked with more equitable income distribution and the use and distribution of the world's natural resources. Each individual in the industrialized countries consumed several times as much energy and other resources as a person in the developing countries. Given the relative scarcity of world resources, there was also a need for population growth in the industrialized countries to be reduced. All efforts to create decent conditions of life throughout the world would probably be doomed to failure unless some means was found of controlling the population explosion. Consequently, the Norwegian Government was of the opinion that the recognized right to plan the size of one's family should be an integral part of over-all social and economic development efforts, particularly in the fields of health, mother and child care, nutrition and education. It was encouraging to see the increasing

<sup>4</sup> *Ibid.*, Fifty-fourth Session, Supplement No. 4.

<sup>5</sup> See *Official Records of the Trade and Development Board, Thirteenth Session, Supplement No. 4.*

<sup>3</sup> *Official Records of the Economic and Social Council, Fifty-fifth Session, Supplement No. 5.*

awareness of the urgency and scope of the population problem, as evidenced by the proclamation of 1974 as World Population Year by the General Assembly (resolution 2683 (XXV)). He expressed the hope that the World Population Conference, 1974, would be action-oriented and would lead to the adoption of a concrete and comprehensive global plan of action. Norway intended to allocate about 10 per cent of its total development aid to bilateral and multilateral assistance in that field.

32. In general, the Norwegian Government shared the view expressed by the Committee for Development Planning in the report on its ninth session, on the need to reorient the development efforts undertaken by the international community and to adopt a new approach; like the Committee, it felt that serious attention should be given to the setting of development goals "in other than average terms". It also supported the establishment of social indicators and of national sub-targets. It agreed that the problem of the widening gap between developing countries tended to emphasize the need for the international community to make further vigorous efforts in favour of the poorest countries, the "hard core" of the least developed of the developing countries, and to focus those efforts on the subgroups of developing countries. The classification criteria used should be made more sophisticated, with a view to increasing assistance in the populous, low-income countries, where unemployment was widespread and where a large number of people lived in conditions of extreme poverty.

33. Norway's development co-operation policy was based on the following considerations. First, as Norway recognized that economic growth alone did not solve the problems of mass poverty and unemployment, it emphasized the social and qualitative aspects of the development process. Secondly, Norway was giving priority, in accordance with the relevant provisions of the Strategy, to the assistance of the least developed among the developing countries, both in its bilateral co-operation and multilaterally in its assistance through such agencies as UNDP. Thirdly, because of a number of factors clouded with uncertainty connected with private transfers, the latter would be kept apart from the over-all target set for Norwegian co-operation with developing countries. Fourthly, for planning purposes, 10 per cent of the appropriations would be earmarked for assistance in the population field. Fifthly, about 50 per cent of Norwegian development appropriations would continue to be channelled through multilateral organizations. Sixthly, Norwegian development assistance would be given in the form of grants and, in principle, on an untied basis. Finally, the Norwegian Government would give indicative multi-year pledges to international development organizations, subject to subsequent approval by Parliament each year.

34. In concluding, he pointed out that, whatever decisions were reached in respect of the review and appraisal of the problems and policies of the International Development Strategy, no really significant result would be achieved unless the Governments of both the developed and the developing countries felt themselves morally and politically committed to the provisions of the Strategy.

35. Mr. CAVAGLIERI (Italy) said that the task of the Second Committee was threefold. It consisted in drawing an over-all picture of the main forces interacting in the economic field, identifying trends for bringing nations closer together and broadly determining the courses to be followed in the economic field. That task could be accomplished only in a spirit of realism and objectivity.

36. The latest reports of the Economic and Social Council described the efforts being made towards closer co-operation in a growing number of economic sectors. He welcomed the results of those efforts, which reinforced the ties of economic interdependence among States in many areas and were aimed at the fulfilment of one of the main ideals enshrined in the Charter of the United Nations. His delegation was also pleased to note the success achieved by the United Nations in the assistance operations carried out in Bangladesh, in the Sudano-Sahelian region, in Tunisia and in Pakistan, and the invaluable research and information work carried out by committees of experts. In that connexion, he wished to associate himself with the view expressed by the Under-Secretary-General for Economic and Social Affairs that consideration should be given to increasing the contribution of the United Nations to international co-operation in the technological field.

37. Many speakers had referred to the benefits hoped for in the economic field as a result of the relaxation of political tensions. It should, however, be recognized that the economic sector was subject to forces which at times worked in advance of political factors, as shown by many contacts between States and foreign companies. The world was going through a period of deep economic instability characterized by grave commercial and monetary difficulties, by deterioration of terms of trade and by labour unrest; the situation with regard to the supply of cereals and of energy was a subject of major concern to Governments, and damage to the environment was causing alarm. Those difficulties had caused many countries to adopt extraordinary economic measures and gradually strengthen economic ties with other countries. There were some meaningful symptoms of improvement such as the continued increase in the volume of trade and in the improvement of trade in certain commodities of particular interest for the developing countries. Nevertheless, inflation continued to be the main enemy of the developed and developing countries alike. There was a general feeling that the world economy still lacked an appropriate general basis and new structures on which collaboration among States could rest and develop as circumstances required.

38. The most positive evidence of improvement was the pin-pointing, in the international field, of the main problems with which the international community was confronted. Examples were the GATT trade negotiations which had been held during the ministerial meeting at Tokyo, and the talks at Helsinki and Geneva within the framework of the European Conference on Security and Co-operation. In the monetary field, the joint annual meeting of IBRD and IMF at Nairobi and the negotiations which were to follow would be of great importance in bringing the points of view of different countries closer together. Efforts were also being made in connexion with the environment and agriculture, as was shown by the work carried out by UNEP and the

analysis of the world cereals situation carried out by FAO. Finally, the World Population Conference to be held in 1974 at Bucharest would consider one of the questions most closely connected with man's development and welfare.

39. Another typical feature of the current situation was the growing consciousness of the need for collaboration in the economic field between the emerging and the industrialized countries, as clearly expressed in the Tokyo Declaration of 14 September 1973 on general commercial negotiations. The development of the emerging countries was of concern to all countries of the world, and trade in certain primary commodities had led to the establishment of closer and broader links between the developing and industrialized countries, as was demonstrated by the current negotiations on the International Sugar Agreement and by the talks which would shortly take place on the international coffee trade. Although very significant and sometimes sensational progress had been made by several developing countries towards the improvement of their economic situation and the exploitation of their economic resources, the economic situation of all countries did not follow a steady curve, and development could not be considered in a short-term context. It was those considerations which inspired the concept of collective economic security and the drawing up of a charter of the economic rights and duties of States, two initiatives

taken within the United Nations on the basis of that spirit of close collaboration which offered the best guarantees of progress and development for all States.

40. There could be no doubt that the greatest effort of the United Nations in the economic sector should be directed at the development of the emerging countries. He was confident that, for their part, those countries would take the necessary measures to co-ordinate their domestic initiatives with outside assistance.

41. Italy, which had already stated its support for the liberalization of trade, was currently making a very considerable effort to modernize its economic structures and would contribute to the international trade and monetary negotiations in all appropriate ways. His country reaffirmed its wish for broader collaboration of an economic, cultural, technological and scientific nature with the developing countries in many fields and in several forms, through UNIDO and UNDP among others. To achieve that purpose, a number of channels could be used, at both the State and private enterprise levels.

42. In concluding, he expressed his country's hope for closer links and for further mutual understanding among all countries, which appeared to be the best guarantee for peace, security and welfare.

*The meeting rose at 5.05 p.m.*

## 1519th meeting

Monday, 1 October 1973, at 11 a.m.

*Chairman:* Mr. Zewde GABRE-SELLASSIE (Ethiopia).

A/C.2/SR.1519

### GENERAL DEBATE (*continued*)

1. Mrs. THORSSON (Sweden) said that her country attached great importance to the role that the United Nations could and should play to initiate, carry out and follow up necessary action at the international level and to improve considerably the international community's performance in the field of development.

2. On the credit side of the balance-sheet, preceding speakers had rightly stressed the present rapprochement between the great Powers which—it was hoped—would open up new trade possibilities for third world countries. The coincidental occurrence of a boom in the primary commodity markets, however short-lived it might be, had already significantly changed the balance of trade and the balance of payments of some—but not all—developing countries. In some countries national planning had been improved, reforms had taken place and production had been increased. There were also examples of how mass poverty and unemployment had been successfully combated, changing the lives of millions, of how reforms in the fields of health care and education had been carried through and of how people had been actively involved in the struggle for a better future. Such progress had been made even in countries with a very low gross national product (GNP) *per capita*, as measured by conventional indicators.

3. With regard to international discussions on development issues, she disagreed with the often-expressed view that they were tedious and ineffective. On the contrary, there had been considerable progress. The self-evident truths of yesterday had been questioned, old concepts had been refined, and new ones introduced. As a result, there was a distinct possibility of reaching a deeper understanding of the development process and, consequently, of establishing firmer ground for action and the more efficient use of scarce resources. The United Nations was to be commended for the way in which it had in recent years pursued its efforts to fulfil its increasingly important normative functions. Such functions should be considered one of the main tasks of the United Nations, as the "brain trust" of the international community, the pace-setter for intellectual advances in international debate, and the honest broker in bringing about a meeting of minds between countries and groups or blocs of countries.

4. For example, until only recently it had been taken for granted that economic growth was, by and large, synonymous with development, that national and international averages for production figures, income, wealth and so on conveyed meaningful information about conditions in a country or the world, and that targets could be formulated in mainly quantitative and even globally aggregated terms. Such a philosophy was