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FORTY-SIXTH SESSION

*Official Records*

SECOND COMMITTEE  
4th meeting  
held on  
Wednesday, 2 October 1991  
at 10 a.m.  
New York

## SUMMARY RECORD OF THE 4th MEETING

Chairman:

Mr. BURKE

(Ireland)

### CONTENTS

GENERAL DEBATE (continued)

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The meeting was called to order at 10.15 a.m.

GENERAL DEBATE (continued)

1. Mr. SINCLAIR (Latin American Economic System) said that, recently, at the XVIIth Regular Meeting of the Latin American Council, the governing body of SELA, held at Caracas, the process of consultation and coordination within the framework of SELA in relation to the Uruguay Round of multilateral trade negotiations was considered under the theme of international trade. That process had enabled the 26 Latin American and Caribbean States members of SELA to present a united front and joint proposals.
2. He referred to the Latin American Coordination Meeting held in Caracas in August and September in order to prepare the regional position for the eighth session of the United Nations Conference on Trade and Development (UNCTAD).
3. SELA had proved to be a valuable forum for consultation and coordination among the countries in the region in their relations with third countries and groups of countries. In that connection, he wished to draw attention to the activities in connection with the America's Initiative, the preparation of projects within the framework of the cooperation agreement with the European Community, the monitoring of the situation in Eastern Europe and the launching of a coordination process for relations with Japan.
4. In conjunction with the United Nations Economic Commission for Latin America and the Caribbean (ECLAC), the United Nations Industrial Development Organization (UNIDO) and the Inter-American Development Bank (IDB), the Permanent Secretariat of SELA had been preparing a proposal for industrialization policies and measures which would be submitted to Governments at the regional conference on industrialization, to be held in Caracas in October.
5. Several years earlier, the Latin American Council had initiated a process of analysis and decision-making on intellectual property which had culminated in 1989 with the establishment of the Latin American and Caribbean Forum on Policies and Intellectual Property. At the two meetings held by the Forum, member States of SELA had been able to coordinate their policies with respect to the negotiations currently taking place within the framework of the World Intellectual Property Organization (WIPO) and the General Agreement on Tariffs and Trade (GATT), harmonize legislation on the protection of intellectual property rights and copyrights in the region and outline a programme of regional cooperation.
6. Major strides in Technical Cooperation among Developing Countries (TCDC) had been made in Latin America and the Caribbean within the framework of SELA, including the establishment of an information system on TCDC (INFOSELA) at the Permanent Secretariat.

(Mr. Sinclair)

7. The Latin American Council had considered the subject of the environment and the promotion of sustainable development and had expressed concern over the restrictions placed by the developed countries on exports from developing countries in the name of environmental considerations.

8. The Permanent Secretariat of SELA was promoting the exchange of experience and information in order to determine mechanisms which would foster the convergence of the various regional integration processes, which was essential to the enhancement of the region's growth, development and international competitiveness. Since its inception in 1975, SELA had cooperated with specialized agencies, organizations and programmes in the United Nations system, particularly with ECLAC. That cooperation would be strengthened and broadened under the cooperation agreement recently concluded by the Secretary-General of the United Nations and the Permanent Secretariat of SELA.

9. Mr. ZIARAN (Islamic Republic of Iran) said that, despite the relaxation of political tension between East and West, there had been no progress on the economic front. For years, recession, the increasing debt burden, net transfer of resources, poverty, malnutrition, plummeting commodity prices, balance-of-payments deficits and protectionism had prevented developing countries from reactivating their growth and diversifying their production.

10. Ironically, while the developing nations were being encouraged to adopt market-oriented economies and diversify their exports, protectionism was denying them access to international markets. There must be a multilateral trading system which was free from discrimination and protectionism, and which would facilitate greater participation by the developing countries in line with their comparative advantages. Regional economic integration imposed restrictions on free trade. In order to mitigate the negative impacts of those policies on developing countries, their exports must benefit from preferential treatment.

11. Export earnings from raw materials were vital to growth and development. In many cases, they were the only source of income fueling a country's economic development. Negotiations must be opened between producers and consumers of raw materials in order to create a fairly priced market free from manipulation by the developed countries, which gave rise to instability and price fluctuations. National efforts to resolve economic problems, however vigorous they might be, could not be sustained without the help of a favourable economic environment. The international economic climate was not yet capable of responding to the needs of the international community. The existing system must therefore be reformed so that developing countries could devote their actual and potential resources to the task of their own development.

12. Developing countries had been forced to halt their development programmes in order to repay their external debt. A comprehensive and durable strategy

(Mr. Ziara, Islamic Republic of Iran)

to reduce both the volume of debt and debt servicing must be formulated urgently. The flow of financial resources to the developing countries had dwindled sharply in the past decade. Now, most of those resources were directed towards the advanced nations. While the resumption of foreign investment in developing countries must be encouraged, official development assistance must also reach the agreed target of 0.7 per cent of gross national product.

13. The proposed international conference on development financing for the developing countries could serve as a launching pad for the resumption of growth and development in those countries. Opportunities for economic and technical cooperation among developing countries must be exploited more effectively. The United Nations system and donor countries could play a significant role in that connection.

14. The negotiations during the third session of the Preparatory Committee for the United Nations Conference on Environment and Development had been discouraging. Little attention had been devoted to issues of interest to the developing countries, for example, the transfer of technology and financing mechanisms. In order for the outcome of the Conference to be positive, mutual interests must be duly taken into account during the negotiations.

15. Political developments had given rise to the hope that resources once devoted to military rivalry would be used to solve the economic problems of developing nations. That had not been the case, partly because the world was still viewed through the old prism. Highly political international issues took precedence over the economic problems of developing countries, which were deemed to be peripheral. Many people died of hunger, malnutrition and lack of health care, without anyone noticing. Moreover, the developed nations had shown themselves to be reluctant to address the problems of concern to the developing world.

16. In order to change the situation, political will was an essential requirement, not resolutions or declarations which were dishonoured or left unimplemented. The eighth session of UNCTAD would offer a unique opportunity to address international economic problems in a way that would rectify the shortcomings mentioned and create a favourable and just environment in which the developed and developing countries could attain their economic and social goals.

17. Mr. LAVROV (Union of Soviet Socialist Republics) said that the spectacular advance of democracy in an ever-increasing number of countries and regions of the world had led to a major reappraisal of what only a short time earlier had been viewed as an immutable political axiom. Furthermore, the failure of a planned economy which disregarded fundamental economic laws had been conclusively proved beyond all reasonable doubt. Sweeping changes designed to establish a market economy must rank first and foremost among the concerns of the United Nations, which should reorient its own programmes in support of that process.

(Mr. Lavrov, USSR)

18. For the first time in the history of mankind, the opportunity existed to create genuine interdependence within a global economic system that would provide a decent standard of living for all nations. A case in point was the reintegration of the Soviet Union into world economic structures. It was not an exaggeration to say that the USSR was beginning a new era in its development. A treaty for the union of sovereign States was being prepared and new organs of government for the transition period had been established. The desire of almost all the Republics to maintain their economic ties and to participate in the establishment of an economic union was the major source of hope for the future and an important stabilizing factor. The key points of the union treaty, which would be signed in October 1991, were a harmonized economic policy, a common legal regime for economic activity, a system of free enterprise and private property, use of the rouble as common currency in a unified monetary system and coordination of foreign trade and foreign exchange policy, with a view to integrating the Soviet economy in the world economy, the treaty would thus provide the guarantees the outside world required to maintain relations with the USSR.

19. The Republics would participate equally in the economic union with a view to creating a common market. The union would not be an amorphous entity, but would have a common budget and central authorities: an interrepublican economic committee, a banking union (composed of central banks) and an arbitration tribunal. The union would assume responsibility for all of the Soviet Union's existing external economic commitments.

20. In order to achieve those objectives, however, steps must be taken without delay to ease the country's economic hardships, in an effort to lay the economic basis for democratic change. The interrepublican economic committee, which would oversee all matters regarding cooperation between the USSR, the Republics and third countries, would meet as appropriate with the Soviet Union's trading partners to promote international cooperation in the reform process. Greater cooperation with multilateral economic organizations and the economic bodies and specialized agencies of the United Nations was expected.

21. The first steps had been taken on the long road towards a new world economy, and a consensus was emerging on the objectives, principles and basic methods of ensuring social and economic progress: a market economy, a democratic society, eliminating the burden that military expenditure placed on the economy, giving the economy a more ecological orientation, and reliable mechanisms to establish social safety nets for those who needed them.

22. It was a source of satisfaction that the United Nations had assisted in the development of a new philosophy of economic cooperation with the adoption by consensus of the Declaration of the eighteenth special session of the General Assembly. The United Nations should have a major political role in attaining such goals as "economic détente", the elimination of disparities in the global economy and poverty eradication. United Nations involvement should

(Mr. Lavrov, USSR)

be focused on areas where the Organization had a comparative advantage over other multilateral mechanisms. The United Nations should not compete with the International Monetary Fund and the World Bank, which controlled most multilateral resources and had wealth of expertise and experience in economic reform. For its part, GATT had established a constantly improving set of rules to regulate international trade flows and mechanisms for monitoring compliance with those rules.

23. The principal task of the United Nations was to facilitate harmonization of the economic interests of the entire international community. Without question, global and regional stability and security were possible only with a sound economic base. That concept should be reflected in the specific programmes of the United Nations system and in closer links between the Organization's social and economic activities, on the one hand, and its humanitarian and peace-keeping activities, on the other.

24. Another priority for the United Nations was to secure agreement on approaches to the formulation of optimum development models which encouraged respect for human rights. The efficiency of assistance programmes sponsored by the United Nations, especially in the humanitarian sphere, should be greatly enhanced without delay.

25. The forty-sixth session of the General Assembly must help make the United Nations economic activities more effective and productive. The legacy of the cold war, which had hindered the Organization's activities in the economic and other fields, must be left behind. In 1991, the Second Committee should reach consensus on questions on which a solution was close at hand and should make every effort to strike a balance among the priorities of various States and groups of States. The current session should promote cooperation with the USSR in such areas as entrepreneurship, environmental protection, problems created by the Chernobyl accident, the coordination of emergency assistance and enhancing the effectiveness of operational activities. His delegation expected that pertinent recommendations would be made to solve the problems of external debt, international trade, development and poverty. Efforts to restructure the economic and social sectors of the United Nations system should also be continued.

26. Mr. MONTAÑO (Mexico) said that the major changes on the international political scene offered a unique opportunity for strengthening international cooperation. Although the post-war political map had been discarded, economic and social disparities between developed and developing countries continued to grow deeper. The dangerous trend towards a concentration of economic growth must be reversed. The old ideological bipolarity might well be replaced by a division between the North, rich in capital and technology, and the South, poor and without prospects.

27. Some steps had been taken to solve the serious problem of external debt, which hindered growth in the majority of developing countries. Many

(Mr. Montaña, Mexico)

developing nations had adopted radical policies to open up their trade which had not met with an adequate response from the major participants in international trade, and serious distortions and obstacles remained to the achievement of an open and non-discriminatory system of international trade. The Uruguay Round of GATT should conclude within a reasonable period of time, and its outcome should reflect a balance among the 15 negotiating groups.

28. In a time of major change, the United Nations had embarked on an exercise of adaptation and strengthening. Mexico supported that exercise, which should strengthen the multilateral system and reaffirm the major principles of international law enshrined in the Charter. Mexico was ready to participate in that reform process in order to create a strengthened and flexible United Nations. The search for solutions to the long-standing problems of development should continue, without prejudice to questions such as the environment.

29. Mexico attached great importance to the forthcoming United Nations Conference on Environment and Development. Greater flexibility and political will must be displayed in order to achieve substantive agreements that would protect the interests of current and future generations. To overcome the profound economic, social and technological inequalities that marked the international scene, an atmosphere of cooperation and firm political will was required. The trend towards an internationalized economy must be enhanced, and every effort must be made not to lose the opportunity to make interdependence a mutually beneficial equation. The Declaration on International Economic Cooperation and the International Development Strategy for the Fourth United Nations Development Decade, which had begun on 1 January 1991, should guide the efforts of the community of nations and the organizations of the United Nations system with a view to rendering international cooperation increasingly just and participatory.

30. Mr. DORANI (Djibouti) said that the international community, which sought to ensure its collective security, should also endeavour to ensure general prosperity. Developing countries, especially the least developed, urgently needed economic assistance from the richest countries.

31. The United Nations Food and Agriculture Organization (FAO) had stated that, to meet the most basic needs of 30 million Africans threatened by hunger, 5.5 million tons of food would be needed. Yet, barely 3.5 million tons of food had been promised by organizations and donors. At the London Economic Summit held by the seven major industrialized countries in July, a declaration in support of the countries of the Horn of Africa affected by natural disasters had been made; the United Nations Secretariat had then bolstered the declaration by holding a donor conference in New York.

32. Specific proposals were required so that Africa might extricate itself from its economic morass. The United Nations Programme of Action for Economic Recovery and Development in Africa 1986-1990 (UNPAAERD) called for concerted

(Mr. Dorani, Djibouti)

efforts by the countries of the region and the international community. It also posed a real challenge to the entire United Nations system, which in 1990 had provided Africa with more than 50 per cent (\$1.5 billion) of its total aid, as compared with 40 per cent (\$1.1 billion) in 1986. Despite all progress made, much remained to be done. The few positive effects UNPAAERD had had on African economies had been counterbalanced by the negative effects of limiting factors, both internal and external. Africa suffered from the effects of structural problems, difficult budget situations, meagre export growth, deteriorating terms of trade, unfavourable climatic conditions, local conflicts and major migrations of refugees, problems with which this country was familiar.

The meeting rose at 11.35 a.m.