Proceedings of the United Nations Conference on Trade and Development

SIXTH SESSION
Belgrade, 6 June-2 July 1983

Volume II

Statements and Summary Records

UNITED NATIONS
New York, 1986

NOTE

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For the recommendations, resolutions, declarations and decisions adopted by the United Nations Conference on Trade and Development, see:

First session: Proceedings of the United Nations Conference on Trade and Development, vol. I, *Final Act and Report* (United Nations publication, Sales No. 64.II.B.11), pp. 17-65;

Second session: *Proceedings of the United Nations Conference on Trade and Development, Second Session*, vol. I and Corr.1 and 3 and Add.1 and 2, *Report and Annexes* (United Nations publication, Sales No. E.68.II.D.14), annex I, A, pp. 27-58;

Third session: *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, pp. 51-114;

Fourth session: *Proceedings of the United Nations Conference on Trade and Development, Fourth Session*, vol. I and Corr.1, *Report and Annexes* (United Nations publication, Sales No. E.76.II.D.10), part one, sect. A, 1, pp. 6-44;

Fifth session: *Proceedings of the United Nations Conference on Trade and Development, Fifth Session*, vol. I, *Report and Annexes* (United Nations publication, Sales No. E.79.II.D.14), part one, sect. A, pp. 6-50.

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For the check-list of documents before the Conference at its sixth session, see *Proceedings of the United Nations Conference on Trade and Development, Sixth Session*, vol. I, *Report and Annexes* (United Nations publication, Sales No. E.83.II.D.6), annex X.

For the list of participants in the sixth session of the Conference, see TD/INF.22 and Corr.1.

TD/326 (Vol. II)

UNITED NATIONS PUBLICATION
Sales No. E.83.II.D.7
ISBN 92-1-112209-0

03500P

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[d] Invited to address the Conference by decision of the Conference at its 172nd plenary meeting, on 6 June 1983.

[e] Invited to participate in the Conference pursuant to General Assembly resolution 3280 (XXIX).

[f] Invited to participate in the Conference pursuant to General Assembly resolution 3237 (XXIX).

[g] Invited to participate in the Conference pursuant to General Assembly resolution 31/152.

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ABBREVIATIONS

ACP	African, Caribbean and Pacific [States]
AfDF	African Development Fund
ANC	African National Congress of South Africa
CMEA	Council for Mutual Economic Assistance
DAC	Development Assistance Committee (of OECD)
ECA	Economic Commission for Africa
ECLA	Economic Commission for Latin America
ECOWAS	Economic Community of West African States
EEC	European Economic Community
EFTA	European Free Trade Association
ESCAP	Economic and Social Commission for Asia and the Pacific
GATT	General Agreement on Tariffs and Trade
GDP	gross domestic product
GNP	gross national product
GSP	generalized system of preferences
IBI	Intergovernmental Bureau for Informatics
IBRD	International Bank for Reconstruction and Development
ICFTU	International Confederation of Free Trade Unions
IDA	International Development Association
IFAD	International Fund for Agricultural Development
IFC	International Finance Corporation
IMF	International Monetary Fund
OAU	Organization of African Unity
ODA	official development assistance
OECD	Organisation for Economic Co-operation and Development
OPEC	Organization of the Petroleum Exporting Countries
PLO	Palestine Liberation Organization
SDRs	special drawing rights
SELA	Latin American Economic System
SWAPO	South West Africa People's Organisation
UDEAC	Central African Customs and Economic Union
UNDP	United Nations Development Programme
UNEP	United Nations Environment Programme
UNFPA	United Nations Fund for Population Activities
UNICEF	United Nations Children's Fund
WFTU	World Federation of Trade Unions

EXPLANATORY NOTES

References to dollars ($) are to United States dollars, unless otherwise specified.

References to tons are to metric tons, unless otherwise specified.

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In footnotes in the present volume:

The abbreviated title "*Proceedings ...*" refers to *Proceedings of the United Nations Conference on Trade and Development* for the session indicated.

References to "volume I" and "volume III" are to *Proceedings ..., Sixth Session*, vol. I, *Report and Annexes* (United Nations publication, Sales No. E.83.II.D.6) and *Proceedings ..., Sixth Session*, vol. III, *Basic Documents* (United Nations publication, Sales No. E.83.II.D.8).

Information concerning meetings, conferences, declarations, programmes etc. to which frequent references are made in the present volume

Arusha

Fourth Ministerial Meeting of the Group of 77, Arusha, United Republic of Tanzania, 6-16 February 1979

Arusha Programme for Collective Self-Reliance and Framework for Negotiations, reproduced in *Proceedings ..., Fifth Session*, vol. I, *Report and Annexes*, annex VI.

Baghdad

Fifth Asian Ministerial Meeting, Baghdad, 12-14 February 1983

Baghdad Declaration, Programme of Action, resolutions and decisions

Bretton Woods

United Nations Monetary and Financial Conference, Bretton Woods, New Hampshire, 1-22 July 1944

Articles of Agreement of the International Monetary Fund; Articles of Agreement of the International Bank for Reconstruction and Development

Buenos Aires

Fifth Ministerial Meeting of the Group of 77, Buenos Aires, 28 March-9 April 1983

Buenos Aires Platform (reproduced in volume I, annex VI)

Cancún

International Meeting on Co-operation and Development, Cancún, Mexico, 22 and 23 October 1981 (Meeting of heads of State and Government and other officials representing some industrial and developing countries)

Summary by the Co-Chairmen of the Meeting (A/36/631 and Corr.1, annex)

Caracas

High Level Conference on Economic Co-operation among Developing Countries, Caracas, Venezuela, 13-19 May 1981

Report of the Conference (A/36/333 and Corr.1, annex). Programme of Action.

Cartagena

Latin American Co-ordination Meeting at Ministerial Level prior to UNCTAD VI, Cartagena, Colombia, 21-26 February 1983

Final Reprot (including Ministerial Declaration, Programme of Action, Agreement on Economic Co-operation among Developing Countries, and Declaration on Bolivia

Havana

United Nations Conference on Trade and Employment, Havana, Cuba, 21 November 1947-24 March 1948

Final Act and Related Documents (E/CONF.2/78), including Havana Charter for an International Trade Organization

Libreville

Extraordinary Conference of African Ministers of Trade Preparatory to the Sixth Session of the United Nations Conference on Trade and Development, Libreville, Gabon, 24-26 February 1983

Libreville Memorandum on Trade and Development (Africa and UNCTAD VI) (E/ECA/OAU/TRADE/1 and Corr.1)

New Delhi

Seventh Conference of Heads of State or Government of Non-Aligned Countries, New Delhi, 7-12 March 1983 (seventh non-aligned summit conference [at New Delhi])

Final documents of the Conference (A/38/132-S/15675 and Corr.1 and 2, annex)

Versailles

Meeting of the heads of State and Government of seven major industrial nations, Versailles, France, 4-6 June 1982

Williamsburg

Meeting of the heads of State and Government of seven major industrial nations, Williamsburg, Virginia, 28-30 May 1983

Williamsburg Declaration on Economic Recovery, adopted on 30 May 1983

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EFTA

Ministerial meeting of the European Free Trade Association, Bergen, Norway, 2-3 June 1983

GATT

Thirty-eighth session at ministerial level of the Contracting Parties to the General Agreement on Tariffs and Trade, Geneva, 24-29 November 1982 (GATT ministerial session [of November 1982])

Ministerial Declaration, adopted on 29 November 1982 (GATT, *Basic Instruments and Selected Documents, Twenty-ninth Supplement* (Sales No.: GATT/1983-1), p. 9)

IMF

Meeting of the Board of Governors of the International Monetary Fund, Toronto, Canada, 6-9 September 1982

OECD

Meeting of the Council of OECD at ministerial level, Paris, 9-10 May 1983 (OECD ministerial meeting [of May 1983])

Communiqué reproduced in A/38/209, annex

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Declaration on the Establishment of a New International Economic Order (General Assembly resolution 3201 (S-VI) of 1 May 1974)

Programme of Action on the Establishment of a New International Economic Order (General Assembly resolution 3202 (S-VI) of 1 May 1974)

Charter of Economic Rights and Duties of States (General Assembly resolution 3281 (XXIX) of 12 December 1974)

Agreement Establishing the Common Fund for Commodities (Concluded at Geneva on 27 June 1980 (United Nations publication, Sales No. E.81.II.D.8 and corrigendum))

Substantial New Programme of Action for the 1980s for the Least Developed Countries (*Report of the United Nations Conference on the Least Developed Countries, Paris, 1-14 September 1981* (United Nations publication, Sales No. E.82.I.8), part one, sect. A).

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Independent Commission on International Development Issues under the Chairmanship of Willy Brandt (Brandt Commission)

First report: *North-South: A Programme for Survival* (London and Sydney, Pan Books, 1980).

Second report: *Common Crisis North-South: Co-operation for World Recovery* (London and Sydney, Pan Books, 1983)

AGENDA OF THE SIXTH SESSION OF THE CONFERENCE

as adopted by the Conference at its 172nd plenary meeting, on 6 June 1983

1. Opening of the Conference.
2. Election of the President.
3. Constitution of sessional bodies.
4. Election of Vice-Presidents and the Rapporteur.
5. Credentials of representatives to the Conference:
   (*a*) Appointment of the Credentials Committee;
   (*b*) Report of the Credentials Committee.
6. Adoption of the agenda.
7. General debate.
8. The world economic situation with special emphasis on development: approaches to the current world economic crisis and perspectives for the 1980s, including issues, policies and measures relevant to the attainment of a new international economic order.
9. Commodity issues. Review of the situation in the area of commodity trade. The implementation of the Integrated Programme for Commodities in the area of:
   (*a*) Stabilizing and strengthening commodity markets;
   (*b*) Marketing, processing and distribution, including transportation; and
   (*c*) Compensatory financing of shortfalls in export earnings;
   with a view to the adoption of policies to promote commodity trade and development.
10. Issues in the area of international trade in goods and services: protectionism and structural adjustment; examination of the impact of the principles, policies and practices in international trade relations taking into account recent developments, including those in other international forums; policies to expand trade and promote development, particularly that of the developing countries.
11. Financial and monetary issues: developments in monetary and financial questions in relation to trade and development, in particular of the developing countries; policies to promote the expansion of all flows of public and private resources and in particular to increase the net flow and improve the conditions of the transfer of resources to developing countries and to facilitate balance-of-payments adjustments.
12. Progress in the implementation of the Substantial New Programme of Action for the 1980s for the Least Developed Countries.
13. UNCTAD activities in the fields of:
   (*a*) Technology;
   (*b*) Shipping;
   (*c*) Land-locked and island developing countries;
   (*d*) Trade relations among countries having different economic and social systems and all trade flows resulting therefrom;
   (*e*) Economic co-operation among developing countries;
   (*f*) Assistance to national liberation movements recognized by regional intergovermental organizations;
   (*g*) Institutional matters.
14. Other business.
15. Adoption of the report of the Conference to the General Assembly.

Part One

STATEMENTS BY HEADS OF STATE OR GOVERNMENT, HEADS OF DELEGATION, EXECUTIVE HEADS OF INTERGOVERNMENTAL ORGANIZATIONS AND OTHER REPRESENTATIVES AND OBSERVERS DURING THE GENERAL DEBATE

PART ONE

Statements by heads of State or Government, heads of delegation, executive heads of intergovernmental organizations and other representatives and observers during the general debate

A. STATES MEMBERS OF UNCTAD

1. HEADS OF STATE OR GOVERNMENT

Statement made at the 173rd plenary meeting, 7 June 1983, by General Reynaldo R. B. Bignone, President of the Argentine Republic*

It is a great honour for me, and at the same time a decided responsibility, to be here in this historic city of Belgrade, in accordance with the request made by the Ministers of the Group of 77 at the end of the meeting held at Buenos Aires from 5 to 9 April 1983. On that occasion, it was suggested that I present here to the full international community a diagnosis of the situation and the anxieties and concrete proposals for solutions formulated by the developing world to deal in a harmonious and co-ordinated way with the acute economic crisis facing all of us.

The seriousness of the situation is characterized not only by the extent and the lasting nature of the most serious recession since the great crisis of the 1930s, but also by the fact that it is a combination of various factors which, acting interdependently, have gradually reduced the individual margins for manœuvre of Governments and representatives of the economic and social sectors; and were are today faced with the challenge of seeking global solutions through a formidable effort of imagination and political will and a co-operative desire for action.

No one can opt out, withdraw or stand on the sidelines in the effort at convergence embodied in this United Nations Conference on Trade and Development—the corner-stone of economic dialogue among nations in its most ample expression.

This world dialogue is rich in content, and on the present occasion it presupposes the thinking and the statements of various parties on topics common to them. It it thus the antithesis of confrontation and pressure among or by any of these parties; but let us all be quite clear—dialogue is not indifference or non-participation but co-operation.

The sixth session of the Conference, which was solemnly inaugurated yesterday by the President of the Socialist Federal Republic of Yugoslavia[1] in an inspired address which will be a source of guidance and reflection for all those taking part in this great assembly, is today the institutionally appropriate international framework for developing our dialogue. I am convinced that, following the course outlined in that opening message, the members of the international community present will assume to its full extent the responsiblity arising from it.

If we are to respond with courage and decision to this dramatic challenge, we will have to help to find a solution, and we shall emerge strengthened and united in this crisis. We will also have taken a decisive step in favour of multilateral co-operation and of the so far postponed North-South dialogue which in recent years has taken up hundreds of pages in the international press and in respected academic studies and political commentaries. We will thus be the bearers of a ray of hope to all our peoples, and in particular to those who are today in a state of poverty and prostration.

We must take full advantage of the opportunity generously given us here to put forward our views without indecision. There must be no misunderstandings or vague phrases. Let us avoid any attempt to establish an artificial hierarchy which would suggest that certain ideas or approaches are more important, rational or just than others. Let us work unflaggingly to achieve a harmonious, pragmatic, definitive synthesis which will enable us to cope triumphantly with the critical impasse in international economic relations.

If anything is not said here, it will be useless and pointless to say it in restricted circles or in feverish press conferences, in the form of reactions by fits and starts to certain economic data, or as an ill-thought-out response to sectoral disquiet or momentary political pressure exerted by small groups, geographical areas or specific circumstances.

* Distributed at the Conference under the symbol TD/290.

[1] See volume I, annex IV, section B.

The road which has brought us to this Belgrade meeting has implied a vast series of efforts in which all the groups have played their part in regard to technical preparations, co-ordination of national or regional positions, and strategies designed to deal with the discussions we are beginning today.

The developing world, represented by the 125 sovereign States making up the Group of 77, met at the level of the three regions it comprises, and in the light of significant Latin American contributions from Cartagena, African contributions from Libreville and Asian contributions from Baghdad, reached full agreement at Buenos Aires not only in regard to its concern about the crisis and the problems that determine it, but in the choice of ways and means of overcoming it. For the first time in the history of our Group, this was crystallized in a political declaration and in decisions and draft resolutions,[2] which constitute our stock-in-trade and a concrete basis on which to try to forge, in conjunction with the whole community of nations here in Belgrade, a more just international economic order which will reverse the negative trends and make for a balanced economic development involving all the countries of the world—the only radical solution for the many serious difficulties facing us at present.

This proposal represents not merely a call for justice but also a solution, since the prosperity of the developing world will at the same time benefit the industrialized countries.

It is now more than four decades since events took place which were later embodied in the Bretton Woods agreements, namely, the restoration of multilateral trade flows as an effective means of safeguarding peace and prosperity in the world. Since then many industrialized countries have reversed this policy, introducing protectionist measures or subsidies implying a return to practices regarded as already abandoned and recalling as a bitter memory the 1930s crisis.

It can be argued that the improvement aimed at in the economies of the industrialized countries will help to lessen the difficulties of the rest of the world. But we feel that this notion is mistaken; on the contrary, we feel that the prosperity of the industrialized countries can be maintained more solidly and durably by developing the markets represented by the developing countries. With this in mind, while we should, of course, focus on the real, concrete, ineluctable needs which must act as a spur to our efforts in the economic field, at the same time we should adopt a humanistic political and cultural approach which in the long run could constitute our most valuable contribution to this conference.

In this summary description, it is not easy to find words which have not already been heard to characterize the gravity and duration of the international economic and financial situation which is afflicting us all and which statesmen, economists, academic centres, the mass media, and ordinary people in their direct and sometimes realistic language call "the current economic crisis".

This international crisis is telling us clearly that the systems regulating international relations have deteriorated, as have the economies of the majority of countries. To recognize that may lead us to seek favourable changes, but it may also simply serve to aggravate the structural malaise affecting us.

It is our will to act and our political intent that must be forthcoming in order to reverse dramatically a situation in which the welcome results of post-war progress have been rendered sclerotic by a rigidity that impedes the flows of trade and resources. The economic world today is contaminated by the virus of protectionism, inflation, exchange rate maladjustments, fiscal irresponsibility, atrophied development and growing national dependence on financial nostrums which impair to an unacceptable extent the capacity of the economic and social body to react.

The international economy is sick because its components, whose functions should be linked to serve the general welfare, have altered their functional balance, whether one looks at the great decline in the price of commodities, the striking increase in real interest rates, growing indebtedness, the difficulties of developing countries in disposing of their exportable goods, the sluggishness of importing developed markets, the immobility of technological transfer, the shortsightedness of individualistic attitudes, the protectionist fever, the temporary relief offered by bilateralism, or the arthrosis of inefficient sectors which hamper adjustment. The result is always the same: the international economy is sick and its condition indicates a crisis which affects us all and which requires radical therapy to cope with what is a very serious emergency.

It does not seem appropriate to sit in judgement and to assign responsibilities for this situation. This being a structural pathological event, what is really important is to recognize its gravity and to act accordingly so that the crisis will serve as a spur and so that by acting cooperatively and sensibly we shall succeed in overcoming it, knowing that if we fail in our design, we may arrive at situations where the outcome is unpredictable.

Four decades ago, the Bretton Woods Conference established economic regulation mechanisms which were thought to be adequate for maintaining the flow of international trade and the prosperity of all countries, and that objective was in fact attained over a long period during which the depressions were not serious and could be overcome relatively easily. Now, however, it seems that those mechanisms are being overtaken by regressive policies which, regrettably, are being imposed by the very countries which, owing to their level of development, were expected to contribute by their action and their example to building a world in which depressions would be brief and would represent nothing more than the inevitable natural adjustments of the economic process. It is within the framework of the United Nations, and specifically in this Conference on Trade and Development, that we must agree on a new attitude to prevent the break-up of a common enterprise which is today beclouded by events presaging bankruptcy. It is decisive because in the management of our common affairs the amount of indebtedness seems to be going beyond controllable limits. It is decisive because the development sector is urged to expand its capacities, increase its exports, incorporate value added in its com-

[2] See the Buenos Aires Platform, reproduced in volume I, annex VI.

modities, attain remunerative and fair prices, return to the path of genuine investment, and restart development programmes and projects which cannot be postponed.

It is undoubtedly a moment of decision because the developed world must harmonize its action with due regard to, or at least without forgetting, the developing world; because there must be no question of watertight compartments; because it is neither good business nor ethically possible to maintain that one sector of the common undertaking should so affect the other as to seek to increase its assets while its partners go into debt to an intolerable degree.

If the enterprise undertaken for the well-being of our peoples is common—and that at least is what we all say—there must be a single balance sheet. Interdependence must be the rule and the healthy equilibrium and rational distribution of burdens and benefits must be decided by those responsible for ensuring that our common task prevails over the destabilizing, critical times we are facing. Hence the exceptional importance of the outcome of our task, which is to reach multilateral agreement on common undertakings.

At this Belgrade gathering no one can accuse the developing world of lacking the political will to formulate concrete proposals. We are aware of the vital importance of negotiated commitments at this decisive time. We hope that our partners in this undertaking will act with solidarity and purpose.

The Buenos Aires document contains a thorough and detailed study on this item by the ministers from the developing world. What is important now is that our judgements should coincide. Out of the comon perception of the events which are undermining the health of the international economic, financial and trade system, points of convergence will emerge which will make for a common determination to reverse the present situation.

In our opinion, the analysis made by the Group of 77 is balanced, sound and realistic. It shows that the developing world has played and is playing its part and will have a more important role to play in the recovery of the international economic and financial system. This means increasing the transfer of resources to the developing countries through the international credit institutions, a larger allocation of official aid for development and greater flexibility on the part of international private banking.

The world economic crisis cannot be regarded as a cyclical phenomenon. As we understand it, it is the result of structural maladjustments underlying nearly all segments of the international economic system. For the developing countries, balance-of-payments deficits and the external debt burden have reached alarming proportions. In this situation, when genuine resources are urgently needed to finance our development and repay our obligations, it is absurd that the industrialized world should finance its anti-inflationary efforts and promote its recovery partly by reducing imports, thus penalizing the exports of the developing countries, competing through subsidies with the areas in which we have achieved efficiency and depressing the real prices of basic commodities to the lowest levels for the past 50 years.

We have repeatedly pointed out that the developing world is a highly dynamic segment of international trade. Thus, with the industrialized countries having to expand the geographical spectrum of their sales of manufactures, capital and high technology, the need for rapid growth on the part of the developing world is almost axiomatic.

In another direction, our analysis of the situation also indicates that co-operation between developing countries will be a contributing factor in the recovery of the international economy as a whole.

To sum up: the international economy is sick. It is in a state of crisis because we are facing a moment of decision. A careful study of the anomalies in the situation calls for responsible judgement and an adequate and timely response on the part of all of us. This presents a challenge for everyone. Let us be equal to our common responsibilities.

So far, my comments on the present international economic situation have, in the last analysis, tried to be a brief synthesis of what we all of us know by reason of having read or heard about it from the high officials responsible for the guidance and operation of the present system, by having discussed it, whether calmly or passionately, by reason of its having been anticipated by those who from time to time in multilateral forums or in an intellectual or university environment have warned of the unacceptable consequences of measures taken without regard for or in disregard of their effects on the rest of the international community, in short, by reason of what we have suffered in our own flesh.

The ministers responsible for the foreign affairs and the international economic relations of the countries members of the Group of 77 agreed in their message from Buenos Aires to make an appeal for dialogue and consensus, in full awareness of the fact that the asphyxiating economic situation inexorably requires commitment by all if it is to be overcome. They stressed the urgency of adopting here, in Belgrade, a concerted and sustained programme to revive the world economy and promote the accelerated development of the developing countries. To that end, they reaffirmed the need for political will, aimed at adopting and implementing an integrated set of actions that would include a programme of immediate measures in spheres of decisive importance for those countries, and the restructuring of the system and the international economic relations necessary for the establishment of the new international economic order.

Conscious of the importance of that message, the developing countries have spared no effort to consult other countries on the most appropriate ways of converting into facts their political will for concertation. Demonstrating that attachment to dialogue, the President of the Fifth Ministerial Meeting of the Group of 77 went to Geneva in April 1983 to present the results of the Buenos Aires meeting to the Trade and Development Board at its twelfth special session.

My presence in Belgrade at the request of that same conference, and the presence of other heads of State and Government whom we welcome here, speaks of the political will which we shall all have to contribute to this

historic assembly. It also speaks of the positive attitude, marked by hope and urgency, with which each and every one of the developing countries has come to Belgrade.

Our hopes are nurtured by the conviction that the intervening period has enabled all the regional groups here represented to overcome any differences within them, find common denominators, neutralize unhelpful and isolationist viewpoints, agree in their diagnosis of the situation and on the relevant responses it calls for, and take fully to heart the fact that a continuation of this crisis and its disastrous effects for the majority of the international community involves an inconceivable threat to world peace and security.

Our urgency is the urgency of our unacceptably delayed development, the urgency of those who consider it entirely legitimate to favour a concerted effort to reduce the gap between those who have everything and those who have only their profession of faith in progress. Our urgency is, in short, the unpostponable and thus far unsatisfied urgent needs of our peoples.

Hope and urgency, dialogue and concertation, are the pillars which support the Buenos Aires Platform and which, without any room for doubt, must be the pillars on which is founded the supreme convocation of Belgrade to construct, among all human beings, a better world. Otherwise, not only would the very foundations of progress be undermined, condemning the developing countries to poverty and prostration, but also harmony, concord, equity, justice and peace would be wittingly or irresponsibly destabilized.

In Buenos Aires, the Group of 77 worked to ensure that there would be no delay in the effective beginning of this meeting and that negotiations could begin as soon as the meeting opened. Accordingly, I have pleasure in conveying to you officially the results of the Buenos Aires meeting in the form of draft resolutions for consideration by the plenary meeting and by the committees and working groups of this Conference.

When the Minister for Foreign Affairs and Worship of my country, in his capacity as President of the Fifth Ministerial Meeting of the Group of 77, attended the twelfth special session of the Trade and Development Board at Geneva, he explained in detail the set of proposals which reflect the position of the developing world,[3] and there is thus no need for me to elaborate further on this matter. However, I would like to point out the specific proposals and statements of position which relate to the basic items of the agenda of this sixth session of the United Nations Conference on Trade and Development.

The declaration on the world economic situation, with special emphasis on development, points out the urgency of implementing a programme of immediate measures in the international sphere and a coherent set of policies applicable to both the current economic situation and the longer-term structural problems. All this would have the purpose of reactivating the world economy and speeding up the development of all nations. The programme of immediate measures should include the negotiated elements referred to in the draft resolutions submitted to you in the areas I shall mention below and should provide for the adoption of urgent measures with respect to them.

With regard to commodities issues, emphasis is placed once again on the need for urgent and effective implementation of the Common Fund for Commodities, the stabilization and strengthening of markets, the establishment of general frameworks for international co-operation in processing, marketing, transport and distribution and the establishment of a complementary facility to compensate the developing countries for commodity-related shortfalls in export earnings.

With regard to trade, the draft resolution which has been circulated and which deals with a number of priority areas proposes effective and practical solutions to the problem of protectionism and structural adjustment, on which a broad consensus of views already exists; the achievement of greater stability and security in the programmes under the generalized system of preferences with a view to improving its efficiency; a study of the principles in force with a view to establishing a universal system of trade rules; and the development of an UNCTAD work programme for services designed to increase the participation of the developing countries in this sector.

In the financial sphere, our draft resolutions refer specifically to ODA, to the need for optimizing the operation of the existing multilateral financial institutions, to the adoption of additional measures with a view to rearranging the external debt of developing countries and to initiatives to restructure international monetary and financial systems in order to contribute more effectively to sustained world economic progress, particularly in the developing countries.

On the same level of urgent measures, I wish to emphasize the importance attached by the Group of 77 to the effective and timely implementation of the Substantial New Programme of Action for the 1980s for the Least Developed Countries, to the particular anxiety engendered by the profound economic crisis confronting those countries, and to the concern felt at the slow pace observed in the implementation of the Programme, which was adopted unanimously at the Paris Conference.[4]

In the framework of the regular programme of UNCTAD activities, and in accordance with each of the sub-items under item 13 of the agenda of this Conference, it is my duty to submit some specific proposals by the Group of 77 on the transfer of technology, shipping, the particular situation of land-locked and island developing countries, trade relations among countries having different economic and social systems, and assistance to peoples struggling to free themselves from colonialism and to regain their national identity. The Group of 77 is also placing before the Conference its

[3] *Official Records of the Trade and Development Board, Twelfth Special Session, Supplement No. 1A* (TD/B/958 (vol. II)), paras. 13-23.

[4] See *Report of the United Nations Conference on the Least Developed Countries, Paris, 1-14 September 1981* (United Nations publication, Sales No. E.82.I.8), part one, sect. A.

position on the question of economic co-operation among developing countries and on institutional matters; and the outcome of this must undoubtedly be initiatives calculated to secure the broadest consensus among all participants.

I should like to make some brief comments on the initial reactions of other regional groups or individual delegations when the results of the Ministerial Meetings at Buenos Aires were submitted to the Trade and Development Board at its twelfth special session. I do so being aware that the dynamics of international economic and political reality have modified some of the concepts put forward on that occasion; but my comments are designed to secure a better understanding, to dispel possible ambiguities and to give full meaning to the dialogue for which we have met.

On that occasion, it was reassuring to note, on the part of the various groups and delegations, a positive reaction to the effort at concertation in which the Group of 77 was engaged, and an agreement that the work carried out by the developing world was not only innovative but also that it constituted a substantive contribution to the search for common ground. We are not unaware of certain anxieties manifested by some industrialized countries, which insist on the virtues of the existing international economic, commercial and financial system and on its capacity to respond to the dynamic requirements of a changing world economy. It is hardly necessary to repeat that the developing world has no aspirations at this session to reshape the international institutions regulating trade, financing and development. It is important, however, to emphasize its poor representation in the decision-making machinery of such international forums, the inadequate and tardy response of IMF to the liquidity problems of the developing countries and the meagre results in favour of the least developed of the contracting parties to the General Agreement on Tariffs and Trade achieved at the GATT ministerial session in November 1982.

With respect to adjustments, it has been argued that in the documents making up the Buenos Aires Platform, most of the commitments seem to fall upon the developed countries and that the developing countries should produce their own adjustments by liberalizing their economies. At the same time, the distressing social cost for the industrialized countries of structural readjustment was underlined.

In the face of the arguments which I have just quoted, it would seem important to bring the concept of the social cost in the developed countries into line with the assertion that it is for the developing countries to speed up their adjustment processes. Not only is it true that those who have the most are in the best position to take over and to minimize the incidence of restructuring, it is also true that the countries which play a decisive part in the overall world economy have, for obvious reasons, a greater degree of responsibility for the necessary adjustments which a more equitable and more balanced international order requires of us all.

We have heard delegations from the developed world talk of transparency in referring to the possibility of an international conference establishing guidelines for greater participation by the producer countries in the processing, marketing and distribution of their commodities, and also in referring to the problem of protectionism. In all truth, transparency only makes it possible to obtain a clear picture of the problems; it does not in itself offer solutions. There would even appear to be a contradiction between those who on the one hand maintain that it is necessary to avoid the bureaucratic interference of international organizations in economic and commercial matters and on the other stress the need for giving notification, since it is obvious that, once the measures are known, the imbalance in negotiating power hinders what certain States, particularly developing countries, are able to do in the face of measures adopted by others. Moreover, such transparency does not help to reverse the growing protectionism which some developed countries are trying to legitimize in complicated formal ways.

With respect to comments concerning the need to be selective with regard to the agenda items and to others which stress the interdependent nature of the various factors making up the international economy as a whole, the Group of 77 is conscious of the fact that there are urgent matters which cannot be delayed, but that this does not mean that medium-term and long-term structural questions should be put aside and that certain subjects are within the competence of the permanent organs of the system. In view of the diversity and heterogeneous nature of the interests at stake in this Conference, there should be no agenda items among those mentioned which are excluded from our discussions, whatever the final decision adopted by common agreement.

Special consideration should be given to the views of those who, when speaking of reactivation and development, seem to place the emphasis on the former concept. Thus the recovery of the developing world would be the result of the economic reactivation of the major centres; but this is at variance with the teaching of history, since the expansion of the major industrial centres has always been achieved by opening up new frontiers, that is, by stimulating the development and thus the purchasing capacity of the great markets which are the developing countries.

It is for this reason that the Group of 77 states that, while it understands the importance of supporting and inducing economic reactivation, it is convinced that only a realization of the development potential of all countries, excluding none, can create the circumstances for its permanent achievement.

There are those who attribute the crisis to one single element of the many making up the complex world of international relations, namely, the arms race. While it is true that if only part of the resources taken up by the arms race were channelled towards development, many of the problems afflicting us could be solved, it should not be forgotten that the developing countries and even some of the developed countries play only a residual role in this matter and, consequently, are not even in a position to participate in the basic decisions of the States that have that terrible responsibility.

To conclude my observations and comments regarding the preliminary reactions noted by the Group of 77 in its official and unofficial contacts with the represent-

atives of the other groups attending this Conference, I wish to reiterate our conviction that the proposals and the draft resolutions submitted should provide an organic and systematic basis for negotiation. We are sure of the reasonableness of our contentions, the legitimacy of our proposals and the logic of their interconnection.

In the hope of genuine co-operation, and while we are willing to accept the criticism of those whose thinking may not be the same as ours, we would ask them, when vindicating their doubts concerning the contents or the timeliness of our proposals, to be prepared to offer around this table of dialogue and consensus, alternative solutions of equal validity and significance.

In response to the mandate conferred upon me by the Buenos Aires meeting of the Group of 77, I have endeavoured to transmit personally to the international community the concerns, the claims and the hopes of the developing world as well as its concrete proposals testifying to the responsible attitude of our peoples towards this great forum for dialogue and consultation.

I can assure you that the developing countries will be receptive to all efforts at convergence and that, to that end, they have prepared themselves with due seriousness and in a spirit of co-operation. It is now for Belgrade to find adequate replies. The time is now and the place is here.

I think it only right that I should utter a warning against the dangers of postponing decisions on the pretext of misgivings concerning competence and advisability. We Governments have established international institutions for the multilateral concertation of economic, commercial, financial and development policies. Let us take the maximum advantage of the opportunity that is offered us today.

It would not make sense to examine the proposals of the developing world from an optimistic viewpoint or in the light of recent indicators that seem to reveal healthy symptoms of recovery in some major industrialized countries. While this must be of benefit to our development, it is not automatically linked to such factors.

It could well occur, as so often in the past, that the prosperity of a group of countries is not reflected in the rest of the world economy. Indeed, such prosperity may even occur at the expense of other groups of countries less capable of defending the prices of their products against the industrialized countries.

This is not a purely imaginative pattern since it has an historical basis. It seemed to have been transcended when the world's major economists proclaimed the need for the general progress of all peoples as a foundation for universal prosperity.

I shall return to my country with the feeling that I have fulfilled my responsibility as a statesman. The politicians and experts remaining in Belgrade will surely direct the dialogue towards the crystallization of realistic, viable and just ideas. This Conference will be a challenge to the imagination and to political will. May its results be in keeping with the hopes and the urgent problems of our peoples. Let this be my message and my prayer.

Statement made at the 180th plenary meeting, 10 June 1983, by Lieutenant-General Hussain M. Ershad, President of the Council of Ministers of Bangladesh*

Allow me to convey to you, Mr. President, and to all the distinguished delegates here present, the warm greetings of the people and the Government of Bangladesh. Most if not all of us have come here with varying expectations, but I can confidently say that we share the hope that this Conference will help to find solutions to problems which have been universally identified and recognized.

I wish to take this opportunity of expressing our gratitude to the Government and the people of Yugoslavia for the warm welcome and generous hospitality extended to us since our arrival in this great country, and I commend our hosts for the excellent conference arrangements.

We should also like to place on record our appreciation of the valuable services rendered to the international community over the years by Mr. Gamani Corea in his capacity as Secretary-General of UNCTAD.

It is only fitting that this important Conference should be held in the historic city of Belgrade. It is in this city that the ideals and principles of the Movement of Non-Aligned Countries found the first systematic articulation under the great leadership of President Josip Broz Tito, who in his lifetime championed the cause of understanding and friendship among nations.

The sixth session of the Conference is being held at a difficult time in our history. The economic situation facing the international community is said by some to be reminiscent of the 1930s. World production has, in fact, fallen. Despite the impressive economic recovery in the United States of America, real interest rates are still high and exchange rates are unpredictable. It is also said that, for the first time in nearly four decades, world trade has declined and that, in spite of some recent signs of improvement, production levels in developed countries remain stagnant. Protectionist measures have compounded our problems and continue to affect very seriously the unemployment scenario.

In developing countries, commodity prices in real terms are today lower than at any time in the last 50 years. Their current balance-of-payments deficit stands at $100 billion and the total external debt burden amounts to a staggering $600 billion. Investments and imports of essential goods have had to be cut drastically, impairing medium- and long-term development prospects. In many cases, the per capita GDP has declined.

* Distributed at the Conference under the symbol TD/298.

The situation that all of us face today is too serious and its implications are too far-reaching to allow us any time to engage in polemics. To enter into lengthy, time-consuming debates to determine whether the crisis is of a cyclical or a structural nature, or whether its solution calls for a sectoral or a North-South approach, or whether UNCTAD is a consultative or a negotiating forum, is quite irrelevant. Similarly, while all of us are fully agreed that interdependence is indispensable for solving our current problems and while all of us, as reflected even at the Williamsburg summit meeting recently, are agreed that global economic recovery is not possible without recognizing the serious recession in the least developed countries, we still continue to dissipate our valuable energies and time in purely futile and academic debates on whether Bretton Woods institutions should be strengthened or restructured. None of us in this day and age can afford international conferences which, to our respective constituencies, are now seen to be both costly and wasteful; and I fear that unless an important forum such as UNCTAD can quickly restore the credibility of international conferences and the confidence of humanity as a whole in the viability of such conferences, we may not be able even to protect those very institutions whose structure and existence we have so long debated without visible results. Mr. President, you must forgive me if I sound harsh, but I can assure you that I mean to be both frank and honest in the process, hoping that all of us can return home from Belgrade to be able to tell our people that there is yet hope of a better life for them.

I believe that it would be relevant in this context to relate our own experience. Bangladesh, along with 35 other developing countries, falls in the category of least developed countries comprising 300 million inhabitants. Through no conscious fault of our own, our economic base is too narrow, and our social and economic infrastructures too fragile to enable us to make the necessary adjustments in a crisis situation. Consequently, we suffer the most from any global economic dislocation. To give an example, the cumulative decline in the terms of trade of Bangladesh has been about 33 per cent over the period 1980-1982 as a result of the fall in the export prices of our major exports, such as jute, jute goods, leather and frozen fish. While our substantial manpower, natural and mineral resources remain unexplored and unutilized due to lack of capital inputs, the few commodities which I have referred to currently represent about 10 per cent of our GDP. With a mounting burden of bills to pay for the import of energy, food and other essential requirements, we find ourselves unable to derive full benefit from the many far-reaching reforms we have recently undertaken in the administrative, social, economic and other fields.

Our contention that the efforts of the least developed countries, therefore, need to be supported by a substantial increase in concessional financial flows from international institutions and bilateral donors is based on absolute realities. The Common Fund for Commodities and the international commodity agreements already negotiated must be made operational without further delay. A Stabex-type arrangement[5] in favour of the least developed countries must be put into operation. We also require appropriate international mechanisms to compensate for shortfalls in our commodity-related export earnings. In order to be able progressively to pay for our imports, we must have expanded markets on privileged terms. The severity of the problem we face would call for a set of special measures on a non-reciprocal basis to promote duty-free access of our exports to the markets of the developed countries, in particular by the waiver of all tariff and non-tariff barriers.

The need to bring about a structural transformation of the economies of the least developed countries and to create the basis for self-sustained growth was clearly recognized at the fifth session of the Conference. Subsequently, in 1981, the Paris Conference launched the Substantial New Programme of Action for the 1980s for the Least Developed Countries and the international community committed itself to extend all help and assistance in its implementation.

It is a matter of regret that, even after a lapse of two years, the commitment has not been matched by action, be it in the area of food security, resource flow, energy, commodity or trade. A firm new resolve is needed from all nations—North and South, the market-economy countries and the centrally planned economies—at this critical juncture to implement the Substantial New Programme of Action. This must be a priority area as the very survival of 300 million human beings is at stake.

We, in Bangladesh, none the less remain convinced that the global problems call for global solutions. The need for an integrated and simultaneous approach to international economic issues, in our view, was the underlying consideration behind global negotiations. Since assuming the responsibility of Chairman of the Group of 77, we have sought to approach our task with a sense of pragmatism and moderation. The Group has kept the door open for dialogue and sought ways and means of revitalizing interdependence and mutual co-operation among nations. In my own meetings with world leaders and in the exchanges I have had with many of them, I have sought to emphasize the need for pragmatic ways and means of living together, growing together and helping each other. We believe that this approach has been sustained through our vision of a common purpose and a common destiny.

At New Delhi and at Buenos Aires, the developing countries sought to evolve precise and concrete proposals reflecting their conviction that international co-operation can be sustained only through a process of mutual benefit. We are convinced that such an approach will enable us to enter into serious and meaningful negotiations not only with our partners in the industrialized countries present here in Belgrade but also with countries which we call less developed.

[5] Stabex is the name given to the system of stabilization of export earnings established by the first Lomé Convention, concluded between EEC and 46 ACP States on 28 February 1975, and reinforced by the Second ACP-EEC Convention, concluded between EEC and 58 ACP States at Lomé on 31 October 1979 (see *Official Journal of the European Communities*, vol. 23, No. L 347 (22 December 1980)).

The Seventh Conference of Heads of State or Government of Non-Aligned Countries, held at New Delhi from 7 to 12 March 1983,[6] took a number of very difficult but important decisions bearing on short-term and long-term global economic issues. The implementation of the programme of immediate measures was considered essential for the reactivation of the economies of the developing world. It was felt that such a process would set in motion a sustained global recovery. We are committed to the proposal for convening an international conference on money and finance for development, as was proposed at New Delhi, and we are very pleased indeed that this proposal found a favourable response at Williamsburg. And why not? After all, it is an idea which in one form or another has been mooted by many developed countries as well.

The sixth session of the Conference, in our view, should also clear the way for the early launching of global negotiations. The extremely flexible approach to global negotiations as adopted in New Delhi should put to rest once and for all any apprehension in this regard. The first phase of these negotiations could take up only those questions on which we believe we would have no difficulty in entering into discussions. All other intractable issues could be left to a working group as and when an agreement has been reached.

Recent events have only reaffirmed the need for an integrated approach to the global economic problems. Let us not hesitate to create through practical measures the conditions necessary to move forward.

There are no substitutes for action by the developing countries themselves. We feel that South-South co-operation should play an increasingly important role. At Arusha in 1979 and at Caracas in 1981, areas for possible co-operation were already identified. At the fifth session of the Conference, in Manila, the international community committed itself to supporting, promoting and upholding economic co-operation among the developing countries. The developing countries are committed to the strengthening of co-operation among themselves. All of us must recognize that such co-operation can be of immense benefit to the global economy as a whole and contribute to the forging of a stable and harmonious international community. We would request our friends and partners to give this important process their full support and encouragement.

In spite of many constraints and drawbacks, UNCTAD has in the past shown the way to constructive approaches to such critical issues as commodities and trade, debt and development assistance and the problems of the least developed countries. We must carry the process forward. At the New Delhi Conference and at the recently concluded Fifth Ministerial Meeting of the Group of 77 at Buenos Aires the developing countries called for dialogue, understanding and co-operation. Let our friends from the developed world respond positively to the call. Let us not allow this opportunity to slip by, for at stake are the fundamental questions of peace, progress and prosperity of the whole world.

[6] The final documents of the Conference are reproduced in A/38/132-S/15675 and Corr.1 and 2, annex.

Statement made at the 177th plenary meeting, 9 June 1983, by Mohamed Hosny Mubarak, President of the Arab Republic of Egypt*

Mr. President, it is with immense pleasure that I begin my speech by extending a special greeting to your dear country, Yugoslavia, for choosing Your Excellency as President of the Conference. We are all confident that you will contribute a great deal to the success of the Conference, rendering it capable of achieving the aspirations attached to it.

My presence in Belgrade today to address the sixth session of the Conference makes me recall cherished memories related to our common quest to establish a just world political and economic order. It was in Belgrade that the first non-aligned summit meeting was held in 1961. The number of non-aligned countries then was fewer than 30, while now it is over 100. This fact speaks for the true historical sense possessed by the pioneers who founded the movement.

It was through the spirit emanating from the first non-aligned summit meeting that Egypt hosted the first meeting of developing countries in Cairo in 1962. This was the meeting at which certain concepts were formulated, to be later crystallized into a call to convene the first conference on trade and development, a conference which was actually convened in 1964. One of its most important resolutions was the establishment of a permanent secretariat under Raúl Prebisch, whose efforts, experience and knowledge have been devoted to defending the cause of developing countries. Hence, I seize upon this opportunity to extend a special greeting to him.

It was approximately 20 years ago that there emerged what came to be known as the grouping of developing countries, comprising African and Asian countries which had just gained their independence, together with Latin American countries. Thus, the first session of the United Nations Conference on Trade and Development was in fact the first gathering between these countries and the other political and economic groupings in the world. Its ultimate objective was the establishment of a more efficient and fairer economic order. Ever since, UNCTAD has remained the only universal forum undertaking close and continual examination of trade and development problems. And, in spite of the difficult circumstances facing it, it has made remarkable achievements in various fields, such as trade, basic commodities and maritime transport.

Meanwhile, that period witnessed major changes in the world, resulting from the scientific and

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technological revolution which made our world a single entity. To this should be added the remarkable progress made in the development of production patterns and means, so that the world, in general, witnessed a period of unprecedented boom; and the standard of living in developed countries showed a considerable rise.

However, such major changes rooted in the industrial and scientific background of the developed countries had no parallel in our developing world. In spite of the great progress made by a number of developing countries in the fields of industry and the attainment of self-sufficiency with regard to food, and in spite of the rise in oil prices as a result of the 1973 October War, and the emergence of OPEC as an effective economic and financial power, the problems of developing countries as a whole remain unsolved. In particular, Africa is the least developed among all continents, embracing as it does the greatest number of least developed States. In the meantime, the problem of securing food has become a devastating one for a large number of countries. Then came the present world economic crisis, which has further complicated the problems of the developing countries, imposing on them additional problems hitherto unknown to them, such as the problem of foreign debt.

It is not easy to explain the reasons which led to the aggravation of the dilemma of developing countries. Nor is it possible to attribute it to a single factor; for there are several overlapping factors and many of the developing countries started the development process from near zero and in the absence of an industrial technological base and even without the necessary infrastructure. Moreover, many of them depend on the export of one or two primary commodities. It was under such conditions that these countries suffered from the unstable prices of such commodities, which kept declining vis-à-vis the prices of manufactured goods that constitute the bulk of their imports. Another important factor is the political circumstances prevailing in such areas as the Middle East, which has suffered from war for over 35 years. Finally, there are local factors related to both nature and population, such as over-population, the brain drain and the spread of costly consumption patterns.

In spite of the worsening economic problem faced by developing countries (which is in fact part of the world economic problem), only one meeting at summit level has been held between developing and developed countries to discuss what could be done in the way of reforming the world economic order: that was the Cancún meeting in October 1981, which was held within the framework of promoting the idea of global negotiations.

It was thus that I welcomed the invitation extended by Mr. Gamani Corea, Secretary-General of UNCTAD, to heads of member States to attend this Conference and take part in its proceedings, as this would afford us all an opportunity to become directly acquainted with the course of international dialogue and to recognize the actual dimensions of the world economic problems, which would be beneficial for us as we tackle the issues of our national economies.

On this occasion, I am pleased to support the idea of holding periodic meetings in future at summit level with heads of State from North and South to examine the world economic conditions and to agree on policies that would help the world avert recurrent acute crises and ensure that the economic wheel is being turned in favour of all countries and peoples.

This session of the Conference has special significance as it is being held while the world is facing the most serious economic crisis since the Great Depression of the 1930s. The Conference, thus, affords us a unique opportunity to identify aspects of disorder in the world economy and hence to attempt to arrive at a common visualization of the urgent measures that should be taken to overcome the crisis and the radical reforms that should be introduced into the pattern of the world economy.

The current crisis has generally led to the shrinking of international trade, while unemployment has reached its highest levels in 50 years. However, the impact of these and other negative factors on developing countries in particular has been far-reaching: prices of primary commodities have come down by one third; reserves of a number of developing countries are insufficient to secure their needs for more than a month. In the meantime, the debts of these countries amount to $630 billion, while the debt servicing cost has reached $130 billion annually. This accounts for an average of one fourth of the export revenue of these countries. It is therefore natural that the development process in a large number of such countries has been halted, and that the per capita income in 24 African countries has been reduced by one sixth compared to what it was 10 years ago. All these aspects, among others, indicate that the economic crisis means for developing countries a decline in growth rates, and partial or full unemployment (now estimated at 500 million people). It also means that more people will die of starvation and there will be more illness and frustration.

However, this economic crisis has clearly indicated that the turning of the economic wheel on the road of growth is no longer dependent on the reactivation of conditions in developed countries alone. It necessarily requires activation of the process of development in developing countries as well and the assertion of the concept of interdependence dictated by the current crisis. An organic relationship has emerged between the economies of developed countries and those of developing ones. The President of the World Bank declared on 10 May 1983 that it was not possible to achieve an economic boom and a return to growth unless both the industrialized and the developing countries recognized the need for mutual dependence and unless they acted in accordance with such recognition.

In the meantime, a number of ideas and proposals have crystallized at various official and non-official levels, with the same common denominator: growing appreciation of the overlapping world problems related to trade, finance, currency and development. Hence, the sixth session of the Conference is convening under one and the same banner raised by all—the banner of interdependence.

We therefore believe that Mr. Gamani Corea, Secretary-General of UNCTAD, was justified when he viewed the issues of economic recovery and of development as one and the same and when he called upon the Conference to examine the economic situation in the world as an integrated whole so that development might be our way out of the crisis and so that recovery might be a means of accelerating development.

We do not view the issue of development as one of charity or grants; it is in the first place a national issue pertaining to each individual State, but, in the meantime, it is a world issue because we live in a world in which common interests and our common destiny have become magnified.

As a developing nation, we believe that the responsibility for development is our own in the first place and that, whatever the interpretations, one basic fact remains firm: the more a society works and the more faithfulness characterizes such work, the greater the return will be for that society. Each State will ultimately reap the fruits of its choice of policies for solving its political, economic and social problems.

In view of the facts related to current economic conditions in the world, it can be said that, whatever the efforts exerted by developing countries and whatever the prudence of the policies they pursue, they will remain exposed to the direct and often acute effects of external economic factors related to the course of the world economy and the policies and bodies governing it. I need not list these factors, for you know them well and you know the exact impact of fluctuating prices of raw materials on developing countries whose economies depend on the export of such materials. You also know the impact of the rise in interest rates on the debt burdens and the impact of fluctuating exchange rates on international trade. You certainly appreciate the impact of all those factors combined in varied degrees on developing countries and their capability for maintaining growth.

In addition, developing countries cannot, in any way, avoid any economic phenomenon in the developed countries. In many cases, the developing countries lack the instruments with which to confront such phenomena. To cite just one example, I shall refer here to the phenomenon of inflation from which developed countries suffered in the 1970s and which soon extended to hit developing countries, which could not prevent its infiltration into their national economies. I shall also refer to the impact of prevailing consumption patterns in the developed countries on the position in developing ones.

It is thus that the world in which we live has become connected in a way that could never have been contemplated by those who laid down the existing economic order. The duty of Governments to "arrange the house from within" has become governed to a great extent by external factors beyond their control.

It is our estimation that the required economic reform is a fundamental one because the phenomena we observe in the world economy are neither casual nor temporary. It is certain that mere achievement of economic recovery would not suffice to rectify the existing disorder; it is therefore inevitable that we should arrive at fundamental policies that would enable developing countries to play their role in the world economy. If these countries have come to constitute an indispensable element in international trade, and if their markets represent a main outlet for developed countries' exports (as indicated by recent statistics which show that, in 1981, developing countries absorbed 37 per cent of the total exports of the United States of America, 40 per cent of those of the European Economic Community, 44 per cent of Japan's and 33 per cent of those of Eastern European countries), then the capability of developing countries to continue to absorb such imports will depend on the soundness of their economic structure and adequate earnings from their visible and invisible exports.

For instance, in Egypt we are faced with a constant deficit in the balance of trade due to the rise in prices of imported manufactured commodities and a drop in the prices of our oil exports, as well as an increase in the rate of debt servicing resulting from a rise in interest that swallowed 24 per cent of the gross current receipts in 1981. Therefore, we are determined to give top priority to developing and increasing our exports and reducing our imports.

All such measures make the development issue in developing countries a principal issue and not a secondary one on the margin of the world economy.

The major objective to which our efforts should be directed in the coming stage should be the realization of a big upsurge through the implementation of major development projects in the third world with participation on the part of developed countries. Such projects could give a tremendous boost to the world economy. However, a new spirit of world co-operation is required and this should be based on a genuine wish to participate jointly in building, reconstruction and the development of new areas in the world to achieve prosperity.

Yesterday, I had an opportunity to address the International Labour Conference and also had an opportunity to review a number of studies conducted by the ILO, all of which support our view that the world needs nearly a billion job opportunities from now until the year 2000. Now it may be asked how such a huge number of job opportunities can be secured unless we have enough imagination and determination to achieve a major expansion and investment in a non-conventional manner. The developing countries have tremendous natural potentialities, hitherto untapped, and this affords the North an opportunity to participate in the process of developing the South while the latter could become a basic factor for the achievement of world prosperity. The South should no longer be regarded as a mere source of raw materials and a market for the consumption of manufactured goods; it should be treated as a full partner in the process of development and economic recovery.

Increased production and accelerated growth in the world can be achieved through major development projects at regional levels in developing areas. Benefits resulting from such projects are not all confined to developing countries, for such works would have far-

reaching effects and the benefits would be felt everywhere. But they require, above all, the creation of workable institutional frameworks which must undertake the conduct of feasibility studies to determine which areas would be the most appropriate for the implementation of such projects, and provide the necessary infrastructure, funding opportunities and available investment chances as well as the guarantees for such investments.

Africa, endowed as it is with tremendous wealth represented in energy, minerals, water, arable land and forests, has embarked upon a careful strategy for socio-economic development outlined by its leaders at Monrovia in 1979. This was supplemented by a detailed plan and a specified programme of action included in the final declaration of the summit meeting held in 1980 at Lagos.[7] Thus, a clear framework of action and measures required for the development of the continent until the year 2000 has been created. However, the need remains to establish effective international co-operation and specific measures at the international level to foster the endeavours exerted at regional levels.

I believe it is high time for the international community to adopt the idea of establishing a world development bank and to take concrete steps for the implementation of this idea as well as the idea of establishing the Bank of the South, which we proposed at the non-aligned summit conference at New Delhi. Participation in this bank should not be confined to developing nations and must be open for participation by all countries.

We welcome signs in certain developed countries indicating the beginning of economic recovery. However, there is a common opinion that such recovery is still fragile. We hope nevertheless that this recovery will be maintained and enhanced so that it may be able to terminate the current world recession. In the meantime, we cannot accept the concept that the issue of development can be resolved by the trickle-down of economic recovery from the developed countries. The recent crisis has proved that what we need is radical reform stemming from the application of the concept of mutual dependence. We believe that there are certain matters that must be seriously treated if we really wish to find a way out of the current crisis and to place the world economy on the road of growth. The main thrust of such efforts should be to enable the developing countries to have a fair share in world output and to obtain equitable returns for their own production.

Another important issue is the creation of an order ensuring a fair proportional relationship between prices of raw materials and those of manufactured commodities. This is an issue which permits of no delay and requires the adoption of immediate measures to tackle the issue of the declining prices of raw materials and the establishment of the Common Fund for Commodities, a fund whose constituent Agreement has been ratified by Egypt.

Parallel to all this is the issue of opening up markets for exports of developing countries so that they may be able to continue importing their requirements of capital goods and consumer goods alike. This calls for the developed countries to reduce protectionist measures and to improve the system of granting tariff privileges and preferential treatment.

Reforms in the monetary domain remain as important as ever and even more pressing. We have been made acquainted in this connection with the proposals contained in the report[8] of the Secretary-General of UNCTAD on the measures necessary for resolving the current financial and monetary crisis, as well as the problem of foreign debt. I believe that these proposals deserve to be a basis for a consensus at this Conference. I also note with satisfaction the statements made by the leaders of major industrialized nations at their Williamsburg meeting on 28 May, as they showed readiness seriously to consider amending the existing world monetary order.

Meanwhile, we believe that this Conference should consider positively the issue of economic co-operation among developing countries. Such co-operation aims not only at fostering the economies of those countries and co-ordinating their endeavours but also at improving the world economy and the developing countries' ability to become an effective element participating actively in turning the wheels of the world economy.

The rise in oil prices in 1973 was one of the factors that created the political climate from which the notion of North-South dialogue emerged. Although we began to make preparations for this dialogue nearly 10 years ago, real action has not yet started. Nevertheless, the economic crisis currently experienced by the world may have gone beyond the notion of dialogue, as it has revealed the factual organic relationship between the economies of the entire world, North and South alike. More than at any time in the past, there is a common feeling that we are all in the same boat and that what is required is concerted action and immediate measures proceeding from the oneness and universality of problems and hence the need to confront them with one heart and one hand.

Moreover, we now live in an age in which interrelationships are not confined to economic conditions but extend to all the problems related to man's survival, stability and security. We cannot imagine how the world can achieve economic stability while a horrible arms race continues. The destructive effects of such a race are not confined to the squandering of tremendous human, natural and material resources but are also manifest in the atmosphere of anxiety and fear of the future that accompanies it.

It is in this context, too, that I believe that economic, social and political stability requires the establishment of a just peace under which all peoples can live on an equal footing. Here, mention should be made of the right of our brothers, the Palestinian people, to live in

[7] Lagos Plan of Action for the Implementation of the Monrovia Strategy for the Economic Development of Africa and Final Act of Lagos, adopted at the second extraordinary session of the Assembly of Heads of State and Government of the Organization of African Unity, held at Lagos, Nigeria, on 28 and 29 April 1980 (see A/S-11/14, annex I).

[8] TD/271, reproduced in volume III. The report was also issued separately (United Nations publication, Sales No. E.84.II.D.4).

peace and to exercise their right to self-determination on their own territory so that they may contribute, together with the peoples of the area, to the development of the Arab homeland. The same applies to our brothers in southern Africa and Namibia who have a right to a decent and free life as well as to self-determination and sovereignty over the sources of their natural wealth.

We are very close to the turn of the century. It has been a century that has witnessed enough experience to make the people of this era more mature and wiser and more convinced that in today's world there is no room for the realization of self-interest at the expense of others. In fact, enlightened individual interest is in the public interest. All this should lead us to call for a new spirit of international co-operation based on the oneness and universality of problems and hence the oneness and universality of solutions; a spirit based on participation in the building of a brighter future for humanity, one that can bring peace and prosperity for all.

Statement made at the 178th plenary meeting, 9 June 1983,* by Mr. Ruud F. M. Lubbers, Prime Minister of the Netherlands**

On behalf of the delegation of the Netherlands, I wish to congratulate you, Mr. President, on your election to this very important post. Your election reflects the eminent role your country plays in the field of international economic relations and development.

I especially want to express my sincere gratitude to the Government and people of Yugoslavia for the welcome and hospitality extended to the participants in the Conference. Of course, I also wish to thank the Secretary-General of UNCTAD, Mr. Gamani Corea, and his team for their preparatory work and especially for the high quality of the conference documents submitted to us. Allow me to express furthermore my sincere appreciation to the President of Argentina for having come to Belgrade to present personally the outcome of the Fifth Ministerial Meeting of the Group of 77, held at Buenos Aires.

The state of the world economy is extremely gloomy. Nationally and internationally, both in developed and in developing countries, traditional social and economic policies are questioned and the credibility of our institutions seems to be at stake. It becomes clearer that national and international problems can no longer be dealt with separately. Therefore we as political leaders have to accept our responsibilities, nationally and internationally. This Conference will be a success if it can arrive at an acceptable diagnosis of the protracted world stagnation that has now entered its fourth consecutive year, and if the Conference succeeds in formulating at least some useful suggestions for measures to free the world economy from its present deadlocked position and to give new impulses to the development process in the third world.

Belgrade may provide a new impetus to the North-South dialogue. Its orientations may be comprised in a declaration of Belgrade as the embodiment of a common vision of the participants in this sixth session of the Conference. The influence of such a declaration could be considerable. Economic growth of the industrialized countries has almost disappeared during the last couple of years. The growth of the developing countries has decreased steadily and now hovers between 2 and 3 per cent per annum only; given the growth of population, this often means stagnation. Unlike the situation of the mid-1970s, the export-oriented industrialization of many countries of the South can no longer count on loans which, in earlier years, used to be available on a massive scale. Therefore, in 1982 a series of crises occurred which were unprecedented in size. Fortunately we acted with prompt, and as far as we can see also effective, support operations. Thus we escaped from the world-wide repercussions which an accumulation of these crises would have had.

For some decades we worked, in general terms, on the basis of a steady increase of production in the developed world. This economic growth enabled us to try to gain momentum in the economies of developing countries. And furthermore, in gaining that momentum in developing countries we expected growth for all. Certainly we discussed the enormous gap in income between countries; but at least there was growth for most countries. From that period we inherited an increased world economy and a concomitant degree of interdependence. Therefore, we should be very much aware of the danger that we might become the victims of the reverse process, which would lead us into a true depression.

More than ever before, co-operation is needed in fighting the problems of stagnation in the world economy.

We will no doubt have to accept painful solutions and we cannot escape from the fact that the suffering is sometimes unacceptably great. All of us have to answer the question of how we can contribute. In answering this question we have first of all to observe the real characteristics of interdependence: the structures of our economies differ a great deal and so do the stages of development. In a way there are, so to say, many Norths and many Souths, in terms of income per capita, in terms of dependence of trade, in terms of population growth.

My second general remark is that, while we all have to put our house in order nationally, we have at the same time, with the same zeal and the same efficiency, to enlarge and extend international and financial institutions and international trade. Let me explain why.

* Distributed at the Conference under the symbol TD/314.

** Also head of delegation.

The developed world

The process of adjustment and transition in the developed world is seriously slowed down by the present recession. As a consequence, certain industries which until recently were thought to be a considerable source of income and growth have been losing their profitability over the last few years, and for some of them the prospects appear very bleak indeed. If we are to avoid protectionism and further decline we should embark on the programme of necessary adjustment and on new bold initiatives on free and fair trade.

Adjustment is a pre-condition for regaining profitability and competitiveness, though the social costs are great. New initiatives are needed in the private sector to absorb new technologies into our economies and to further economic growth. Governments should act in a complementary way in promoting productive government investment. Free trade is the very basis of a worldwide recovery. We could not expect to conquer stagnation if we were to strangle world trade instead of increasing it. At the same time, as a necessary condition, we need fair trade because we have to avoid the untimely exposure of certain countries to the full winds of free trade. Special problem areas can be identified and more gradually integrated in free international trade.

There are some signs of a modest recovery in a number of industrialized countries. Most of the developed world, however, is in the middle of a difficult process of readjustment. And, I might add, some of them are more successful than others.

As I have said, there are, so to say, many Norths and many Souths.

The developing countries

The economies of the developing countries have strikingly different features. If we analyse these contrasts further we can discern first a group of oil-exporting countries. These countries experience—or at least have experienced—in general high growth rates but at the same time suffer from an unbalanced economic structure.

Secondly, there are countries with an impressive economic performance such as the newly industrialized countries and a number of so-called middle-income countries.

In the third place, there is a diverse group of developing countries which have only to a modest degree made their mark on the world economy. In particular, the oil-importing developing countries are severely hit by the recession because they have to deal with a decline in exports, a fast deterioration of the terms of trade, high real interest rates, debt repayment problems and, of course, an increased oil import bill. A number of these poorest countries have acute financial problems to which the international donor community should respond, I shall turn to this in more detail later.

Sixth session of the Conference

I realize full well that one should not lose sight of the individual character of many of the problems and the particular responsibility of each country. Given this fact and the reality of interdependence, this Conference has to contribute to recovery and development.

It stands to reason that the complexity of our problems has effectively ended a period of "grand designs". Easy solutions with a general validity are not to be found. Let us analyse without prejudice and arrive at a common analysis of the world economy and of the various groups of countries I outlined earlier. From there we must be able to find appropriate and effective solutions for the problems we face.

Our common endeavours should observe mutually recognized interests and thereby contribute to the solution of our problems. This certainly can be done, as was shown by Governments, international organizations and international private banks in the unprecedented support operations in 1982 and 1983 in assisting some major debtor countries with their immediate liquidity problems. This well co-ordinated action struck observers by its pragmatism and absence of rhetoric.

Those recent experiences—economies that are cracking or even succumbing—show how vital our programme of adjustment, new initiatives and free and fair trade is. National adjustment and restrictive national policies are necessary: we all have to put our house in order.

These policies should be put in the international context of stability of exchange rates, lower real interest rates, and stronger international financial and monetary institutions.

In this way we can create the necessary room and climate for new sustainable economic growth. Trade can increase in due time. Further, we should not only turn the tide of protectionist tariffs and other restrictions but really create new opportunities and harmonize our industrial approaches in order to create new markets open to all.

Policies for the future

I now turn to the three themes which will be major subjects for discussion during the Conference. I shall dwell briefly on each of these.

(a) *Commodities*

The Netherlands Government will continue its commitment to the Integrated Programme for Commodities. It is important that the work UNCTAD started should be completed within the shortest possible span of time. This implies ratification by a series of developing countries. The Netherlands has just completed the ratification process.

Although the UNCTAD activities in the field of commodities have in many cases failed to produce satisfactory results from an angle of cost-effectiveness, future activities may be stimulated by the experiences with the agreements for coffee, tin and rubber, where the costs incurred by the international community have indeed resulted in a proportional strengthening of the export position of the developing countries concerned. A thorough review of the causes of the differences in the functioning of commodity agreements is welcomed by the Netherlands. Such a review could perhaps also clarify the division of responsibilities.

(b) *Protectionism and restructuring*

Protectionism is a matter of concern for all Governments. The private sector should lead the way in the process of economic restructuring. Consensus has grown in recent years on the need for restructuring the world economy. However, the degree to which Governments can influence the course of this adjustment process should not be overestimated, though it is essential to encourage the process by creating an international climate of stability and to keep the perspective on free trade and the return of sustained growth.

The world-wide stagnation forces all of us to pay particular attention to the position of the less and least developed countries, which merit better opportunities in the field of trade and export. Special treatment of the less and least developed countries also means that the developing countries now going through a period of rapid industrialization will increasingly become integrated into the multilateral trading system. A declaration of Belgrade might contain a recommendation about a greater participation of the strongest developing countries as well as a call for special attention in the context of the generalized system of trade preferences to those countries which most merit our encouragement.

In doing so the Conference, within the limits of its mandate, could provide a most welcome addition to the results of the GATT ministerial session of November 1982. UNCTAD and GATT should be complementary; they should together provide and strengthen the framework for trade—free trade and fair trade—for development and for co-operation.

I hope we can in this spirit convince the newly industrialized countries of the vital importance of more open markets. There will certainly be specific problems in some sectors. These could be controlled, for instance, in GATT safeguard clauses. It is my strong conviction that we could and therefore should control and manage our possible disputes, as the United States of America and the European Community are doing.

(c) *Monetary and financial matters*

I have already referred to the important and swift decisions in IMF, the World Bank and private international banking. Two important decisions still have to be taken. The importance attached to them by the developing countries is fully shared by my Government. Within IMF it concerns the future decision on the creation of special drawing rights, which we feel is necessary to some extent. The size of this SDR allocation will be measured by the global reserve requirement, taking into account the needs of developing countries. In the field of the World Bank an early agreement on the Seventh Replenishment of IDA should be reached. My Government fully agrees that the growth of IDA should be real.

In the second place, I should like to return to the enormous problems of the poorest countries.

The Netherlands has recently presented a proposal aimed at helping the low-income countries in an emergency situation. Real growth has fallen in many of these countries, especially in Africa. Balance-of-payments and debt problems threaten to undermine their development in the 1980s. A recovery of the world economy will benefit these countries only partially, because most of the difficulties are caused by a low level of development and concomitant development problems. Their financial problems are to a large extent structural and necessitate painful adjustment measures. Such a process requires both adjustment in government policies and the availability of sufficient external financial resources to buy time for measures to take effect and to prevent high short-term adjustment costs in terms of development. Such external funds will have to be provided by the donor community, ODA being their main source of external finance.

We therefore propose that the donor community set up a mechanism of response for the low-income countries which would combine three essential elements: (i) co-ordination of the actions of multilateral and bilateral donors; (ii) provision of quickly disbursable additional aid for the countries in question for a period of two years; (iii) a combination of this aid with sound adjustment programmes giving full scope for development considerations.

I hope that this proposal will get sufficient support so that immediate relief for the neediest countries will be provided in the short term and can be used in laying the basis for a more structural recovery in those countries. The donor community should do its utmost to prevent the foreseeable dramatic decline in living standards and per capita income in countries in distress.

I should also like to point to the developments in the field of ODA in general. The Netherlands Government regrets the slight decrease in the total ODA which occurred in 1981, after an uninterrupted real growth in the preceding decade. My Government is worried about the uncertain prospects in the next decade. Our view is that the problems of the industrialized countries must not be diverted to the developing countries. I have to add that, fortunately, the most recent statistics show a slight recovery of the growth of ODA during 1982.

Being representative of a country which endeavours to maintain high levels of ODA—in recent years the Netherlands, with 1.08 per cent of its GNP being spent on ODA, has been among the frontrunners—I have to underline the great importance of maintaining and, if possible, increasing the ODA flows. This also means that it is essential that ODA be spent in an effective manner, so that, among other things, public opinion remains convinced that these financial means are well spent.

The central objective is attainment, by all donors, of the 0.7 per cent GNP target. Apart from this, the Netherlands attaches great value to the sub-target of 0.15 per cent GNP for aid to the least developed countries. Both targets should be persued actively, in order to prevent any disruption of development processes. It is also of the utmost importance, both in light of the financial distress of the developing countries and for the sake of a balanced burden-sharing, that all donor countries reach the aid targets as soon as possible.

That ODA should be maintained, I am happy to say, is the opinion of the vast majority in my country. In order to remain assured of this broad support, also in

the present economic situation my Government intends to actively investigate ways and means to increase the effectiveness of our development efforts, in relation to both the beneficiary countries and our own society.

* * *

The present economic crisis is a challenge. We must rise to the occasion. The price of failure is too high. Blueprints and ideologies of the past are bound to falter as instruments to find our way out of our problems. My country is ready to contribute on the basis of a common and thorough analysis of the complex relations in the world economy. Both countries in the North and countries in the South can join in an unprejudiced approach. Let the crisis prove to be a blessing in disguise.

We may ask the following questions:

Could not, for instance, the developed countries of the North realize that their fight against inflation does not necessarily demand the limitation of the expansion of the international monetary and financial institutions? (On the contrary, austerity in the North demands all the more expansion and mobilizing of productive forces in the South.)

Could the countries of the South not accept the view that conditions attached to loans from these institutions are not unjust interference in their internal affairs but, on the contrary, represent the best possible guarantee for other countries in need of help, discipline and the preparedness to really choose priorities being the characteristic of true independence?

Could we not stop debates on whether trade should be free or fair, and sit down and work out an approach in which fair trade is complementary to free trade?

Could we not agree that there is no such thing as one North-South division, but a complex interrelationship of several groups of countries in need of different instruments to encourage economic development?

Since we are experiencing a period of relative calm in the field of energy, might we, producers and consumers, decide on a common approach so as to ensure a sufficient flow of energy with reasonable prices in the longer run?

When we realize to the full that the economic crisis is as deep as our interdependence is pre-eminent, we cannot but decide to try for a new synthesis.

Therefore, I fully subscribe to the exhortation of the Buenos Aires message for dialogue and consensus to participate in this Conference in a spirit of understanding and co-operation.

This then is not a time for quarrelling. The facts to be faced are that people in the poorest countries face hunger and misery; that a great number of nations struggle to keep on their feet; that many welfare States are infected by the pestilence of unemployment; and that our world is full of arms, and faces an arms race; arms seem to darken the skies.

How can we serve human dignity and freedom? By realizing our common responsibilities both for our citizens and for generations to come.

By accepting and sharing this responsibility we can lay a foundation for hope and a perspective for true development. There is no way back. We have to work together.

Statement made at the 173rd plenary meeting, 7 June 1983,* by Mr. Robert D. Muldoon, Prime Minister of New Zealand**

The sixth session of the United Nations Conference on Trade and Development is meeting at a time of ferment unusual even by the standards of the last decade. The working and direction of the world economy remain uncertain. The first clear signs of a recovery in the world's most powerful economy are evident, but its strength, durability and capacity to spread to other countries are not clear.

By general consent we have come to a crossroads. This year presents us with an opportunity for change and reform which has not existed for nearly four decades. It is an opportunity which the world community can grasp or can ignore. There is one central point which is, however, worth keeping before us. It is that, to a greater or lesser extent, everyone believes that changes are necessary in the way we manage and respond to international trade and payments issues. That must be our starting-point in the debate opening here in Belgrade.

It now appears to be quite fashionable to call for a major international conference along the lines of the original Bretton Woods Conference. When I first called for a Bretton Woods-type conference almost exactly 12 months ago I was well aware that it would not be greeted with acclaim by New Zealand's friends in the developed world. I issued that call, however, after careful thought. For the previous five years, in speaking at annual meetings of IMF, I had repeatedly made the point that the cumulative current account deficits, and their associated debt problems, would present a crisis for us at some point. I came to believe more and more strongly that there were other serious structural economic problems which, if left unattended, would impose increasing strains on the world trade and payments system.

As with many New Zealanders, my own thinking was shaped by the fact of living and working so closely alongside the small developing countries of the South Pacific. I do not see their problems through some North-South prism. I know them well as neighbours. Watching for some of them the receding dream of self-

* Distributed at the Conference under the symbol TD/308.

** Also head of delegation.

sustained economic growth, the inexorable rise in their debt, the efforts of elected Governments to reconcile financial and human requirements—all this helped to convince me of the impracticability of some aspects of our present approach.

During these years we have all come to learn the hard way about the reality of interdependence. While ministers from rich and powerful countries suggested that the protectionism of the 1970s could be attributed to recessionary influences, every New Zealand dairy farmer and meat producer could have told them that there were deeper political and economic roots to protectionism than that.

New Zealand has always been a dependent economy, though we have known that inappropriate domestic economic management can make things so much worse. As with many developing countries, our agricultural exports have suffered massive commodity price fluctuations. This is one reason why we could support the idea of the Common Fund for Commodities, although our commodity exports are not involved, and why my Government took the final and logical step two weeks ago of deciding to ratify the Agreement Establishing the Common Fund.

This background confirmed my view that a major international initiative in the form of a Bretton Woods-type conference was needed to unlock the political log-jams that had developed. Since then, events have moved much faster than I had expected. In London last August, Commonwealth finance ministers expressed strong support for my proposal and set up an expert group to examine the issues in more detail. Their report is expected soon. In February 1983 the Brandt Commission endorsed a call for a review of the world's trade and payments system. In March, the non-aligned summit conference endorsed the Indian Prime Minister's call for a conference on money and finance for development. Following the OECD ministerial meeting in May, at which I repeated my call for an examination along the lines of Bretton Woods, the President of France made a very similar proposal. Then at Williamsburg, only days ago, the leaders of seven major industrial countries invited their Ministers of Finance to work with the Managing Director of IMF to prepare the groundwork for what might develop into a high-level international monetary conference.

We can acknowledge that the objectives of these various political statements are not the same. The political compromises that led to them are different, as is their language. The time-scale envisaged for the exercise may well differ. There is, however, a common core to all these proposals. I believe we now have what could be accurately and fairly described as a general political commitment from all the major parties to a process which, if handled with care, will lead in due course to agreed reforms in the area of trade and payments.

We are on the move. We have struggled with a decade of growing protectionism and financial dislocation. We have had no acceptable overall framework within which developed and developing countries could talk sensibly to each other on these interdependent issues.

At last we are beginning to see the outline of a common strategy. We still have a long way to go. The common strategy has been sketched only in the most general terms, although at the highest political level.

The immediate task ahead seems clear enough—consolidate the recovery, resist pressure to commence a sudden U-turn on the policies that led to disinflation, where necessary secure legislative approval to increase the resources available to IMF, and bind the private banks into further rescheduling exercises as they arise. Beyond that are the structural problems of trade and payments which may well constrain or choke off the incipient recovery. These issues, however, need a considerable period of preparation before they can be considered by a major international conference along the lines of the original Bretton Woods Conference.

There are a number of well-established propositions which would need to be considered. First, there is Fund conditionality. The issue is not, and never has been, conditionality or no conditionality. Rather, it is a question of what conditionality is appropriate to deal with the structural current account deficits that so many countries are now facing. The plain fact is that conditionality has not worked. Countries have been put off from coming to the Fund until too late.

Second, there would need to be a careful examination of how we might achieve greater symmetry in balance-of-payments adjustment. This issue is at least as old as Bretton Woods itself. It was extensively re-examined in the course of the work of the Committee of Twenty.[9] I hope that events since then may have scared us sufficiently to find new ways round old problems.

Greater exchange rate stability would be a central issue in any comprehensive examination of trade and payments. On this issue, I believe views are beginning to converge. Few nowadays consider that intervention alone can hold up rates that are fundamentally misaligned. On the other hand, the shortcomings of a freely floating exchange rate régime, where volatile exchange rate movements may bear little relationship to differences in underlying competitive conditions, are also being increasingly recognized. I would hope a study would carry that emerging consensus further.

Aid flows, and the mechanisms used to generate them, must be subject to careful consideration. If, following further study, the SDR/aid link proposal could not find favour—and I would be disappointed if that were so—then other alternatives that might put aid on a more realistic and dependable footing must be explored.

There are a number of other issues which can only be mentioned here—the concept of a substitution account, the need for effective political mechanisms to co-ordinate macro-economic policies, interest rates, structural adjustment issues, and protectionism, for example.

The main point, however, is that we have been groping for a way to address these issues in a broad

[9] *Ad hoc* Committee of the Board of Governors of the International Monetary Fund on Reform of the International Monetary System and Related Issues.

framework that might be acceptable to the major parties involved. Now the hopes of the non-aligned summit conference for an international monetary conference have drawn a qualified response—but a positive response all the same—from Williamsburg. There is an invitation to a dialogue if the common ground can be built upon. If we do not build up that common ground, the major players will all return to their familiar corners. We will be back where we were 10 years ago, caught in a North-South deadlock.

This is not an appropriate occasion to attempt a rigorous analysis of the issues before such a conference. We can, however, suggest a theme for such an examination—interdependence. It is an interdependence between issues such as trade and debt. It is an interdependence between institutions such as GATT, IMF, and the Bank for International Settlements, whose related operations must be made more coherent.

There is nothing particularly new about the concept of interdependence. We have always known there were linkages between issues such as trade and finance, economic growth and structural adjustment, and, as the name of this very Conference suggests, linkages between trade and development. As far as countries are concerned, most of those represented at this Conference, including New Zealand, have long been aware of what dependence means. Interdependence, however, means dependence which flows two ways in a significant sense, and that is of relatively recent origin.

In the macro-economic field, this phenomenon was demonstrated vividly in the second half of 1982, when the down turn in demand for OECD exports by non-OECD countries—we might say that this is a rough proxy for developing country imports—was sufficient to change a forecast for no growth for the OECD area as a whole into a decline of 0.5 per cent for 1982. The lesson here, of course, is not that debtor countries should not undertake adjustment, but that the structural adjustment process must take a more sophisticated form than simply slashing imports.

Adequate financial flows are an essential ingredient, and yet the President of the World Bank has recently drawn our attention to the fact that in the third quarter of 1982 the commercial banks actually lent less to the oil-importing developing countries than they received in principal repayments. Whether you choose to describe that state of affairs as "absurd" or "sub-optimal", the result is much the same.

Last year, world trade fell by 2 per cent in real terms. If anything deserves the term catastrophe it is that outcome, particularly when one considers the role of world trade over recent decades as an engine of growth and development. It is because of world trade, underpinned by open trading policies, that there are countries at this Conference which we remember only distantly as poor countries. In New Zealand's case, if 100 years agricultural protectionism had been the pervasive influence that it is today, our efficient food industries which export close to three quarters of their output would not have been established. New Zealand in 1983 would have had a population and national income a fraction of the level New Zealanders enjoy today. Export-oriented investment requires an assurance of access opportunities. Open markets and development go hand in hand.

There are clear signs that the international community is beginning to grasp the point at the level of analysis. The old phrase that "debt is only deferred trade" has been rediscovered. Every communiqué published these days talks of the linkages between the two issues of debt and trade. This convergence in analysis is important and should be welcomed, but it needs to be taken one step further.

In New Zealand I have often talked of paralysis by analysis. Finally, we need to see concrete results from the recognition that we are all part of the same global economy. This is why I consider it is so significant that all the major parties have agreed there is need to consider the international monetary system on a comprehensive basis and the part that might be played by a major international conference. It would be a tragedy if people without much of a political perspective failed to see the opportunity presented by this conjunction of events.

What has been agreed at Williamsburg has the potential to be turned into something much more than an expert study. This expert study by the Ministers of Finance and the Managing Director of IMF will no doubt quite properly agree on the need for sound domestic policies, open markets and greater convergence in economic policies, on the need to lessen exchange rate volatility, on the importance of rolling back protectionism and even perhaps on the need for higher levels of ODA.

The authors of a report along these lines must then ask themselves how they intend to get other countries to agree to such a sensible programme of action. In the case of ODA and rolling back protectionist measures they will even have to ask themselves how they are going to get their own legislatures to agree. To achieve these political results will take more than merely noting the study at the next summit meeting.

That is why for a year I have been calling for a conference along the lines of Bretton Woods. Not because I believe a conference as such would, as an isolated event, throw much light on these issues. Not because I believe a conference will see all differences dissolve. What I proposed, and what a number of these other initiatives seem now to envisage, is a long preparatory phase involving people of undisputed technical competence who can prepare the groundwork for a subsequent conference at a political level.

How, four decades ago, did we get sovereign countries one by one to agree to those international disciplines set out in the trade field by GATT and in the payments field by IMF? Our predecessors achieved that result by developing well-conceived technical proposals. They then succeeded in having most of those proposals implemented by the world community. Ultimately at a series of conferences, the most important of which were at Bretton Woods and Havana, each country had to say to itself: this is part of a plan agreed by the world community. Now are we in or are we out?

A compromise of course emerged. If the original ITO, or International Trade Organization, had been agreed at Havana, we would not be still talking about a

stabilization fund for commodities some 40 years later. But for the most part, the vast majority of countries joined the institutions and after a transitional period accepted the disciplines.

The system underwrote an unprecedented period of expansion in world trade, world output and economic development until the breakdown of the Bretton Woods system in the early 1970s. Nowadays we have a global economy and new problems. It is not a matter of starting again from scratch. Whatever their inadequacies—and there are some serious inadequacies—we have built up competent and worthwhile institutions in GATT, IMF, OECD, the World Bank and others. We simply cannot afford to throw these away on the basis of wishful thinking that the entire pattern of international economic diplomacy can be recast. Let us keep what is worthwhile, change what is not and build on the structure as a whole. That requires careful study. It requires at a later stage political agreement.

The first and most important step has been accomplished: all the major parties have accepted, in their own language and with their own build-in caveats, the need to begin the preparatory work which could lead to a conference drawn up on lines acceptable to all parties. The next step is to formulate a process to undertake that work. This process should, I believe, be sufficiently divorced from the day-to-day concerns of Governments to avoid a sterile exchange of entrenched national positions, and yet sufficiently close to government thinking to keep the process within the bounds of political reality. I suspect it will take several attempts to get it right. As far as New Zealand is concerned, we welcome the process endorsed at Williamsburg, though I believe it is only one important part of what needs to be done.

The unrepresentative nature of the study of the international monetary system is not, in my opinion, a serious shortcoming at this early stage. It is a political, and probably a practical, necessity for the countries that control the real aggregates of economic power to establish some prior measure of agreement amongst themselves. That is exactly what happened at Bretton Woods in the war years where the British and United States Treasuries did much of the preparatory work and Keynes and White led the discussions. In any case, the office of the Managing Director of IMF represents all the constituent members of the Fund. I shall be making sure his office is made aware of New Zealand's views at least.

Of course, because of the reality of interdependence, the economic health of the industrial countries is nowadays dependent to an increasing extent on the actions of other countries—a proposition proven neatly, if disastrously, by the two oil shocks—so ultimately the others will have to be drawn into any such preparatory phase. A more serious shortcoming, in my view, is the apparent focus on monetary issues only. The reality of interdependence means that it is difficult to look at only one part of the trade, payments and development equation.

The international community, however, has at least made a beginning. I am not one of those who believe in the inevitable march of progress, so we can go backwards or forwards from this point. It will take a lot of hard work and possibly some self-restraint. Some of the people involved scare easily. The next six to nine months will largely determine whether we have within our sights a renewed programme of international co-operation based on sound economic principles and some understanding of human and political needs.

Statement made at the 194th plenary meeting, 21 June 1983, by Mr. Olof Palme, Prime Minister of Sweden*

It is a great honour for me, Mr. President, to have this opportunity of addressing this meeting of the United Nations Conference on Trade and Development in Belgrade, which is well on its way under your inspired chairmanship. Our Minister for Foreign Trade has already placed before you the Swedish Government's views and proposals as regards the agenda of the Conference. I can assure you that the Swedish delegation will continue to strive for concrete results from this Conference and to contribute to maintaining momentum in face of the substantial work that lies ahead of us also after we leave Belgrade.

Twenty-two years ago, in this city, the Movement of Non-Aligned Countries held its first summit meeting. The Movement has proved to be an important force in promoting the political and economic independence of the nations of the third world. Despite increased international tensions, the non-aligned countries have succeeded in establishing themselves as a most influential grouping on the world scene. The Movement has also helped to safeguard the positive results of the decolonization process which has taken place since the end of the Second World War. The dismantling of colonial domination opened prospects for the release of great productive and creative forces in the third world. New possibilities opened up for former colonies to identify their own interests and on that basis shape their relations with the rest of the world.

Economic and political considerations are indivisible in today's international situation. We are living through a crisis that is particularly serious, not least because political instability and economic difficulties are intertwined. Economic problems accentuate political tensions and vice versa.

International trade and capital flows inevitably bind the countries of the world together. Economic interdependence has greatly increased during the post-war period. This growing interdependence has often been beneficial. It has been possible in certain phases to

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alleviate the economic problems in one part of the world by an upswing in another part.

When many developing countries, after the first upsurge in oil prices, proceeded with their development programmes—at the price of a heavy increase in borrowing—they helped to sustain demand in the industrialized countries. This saved many millions of people in the industrialized world from losing their jobs.

After the second drastic rise in oil prices, a new situation arose, where interaction had a number of negative effects. Much of this was due to the restrictive economic policies pursued by the major countries. They exported their current-account problems instead of trying to solve their new difficulties in co-operation with others.

The Brandt Commission's second report, *Common Crisis North-South,*[10] clearly demonstrates how the world economy has entered a vicious circle of restrictive economic policy, poor utilization of resources, unemployment and protectionism. The economic consequences of the crisis are obvious. The needs of the developing countries for agricultural and industrial goods cannot be satisfied while a substantial part of the industrial capacity in the industrialized world stands idle. An enormous human potential is being wasted as a result of unemployment which—apart from grave social and psychological costs—leads to lower output and economic growth, now and in the future.

Today the third world is confronted by the huge tasks of creating employment for hundreds of millions of jobless people, of giving their young people an education, of finding food for hungry men, women and children. In less than 20 years the world's population will increase to 6 billion people, or by around one third of the earth's population today. The great majority of these people—more than 80 per cent—will be living in the third world.

In the industrialized world, unemployment is rising sharply. In the 1972 recession there were 9 million people unemployed in the OECD area. Now, just over 10 years later, 33 million people are out of work. A growing proportion of the unemployed are young people, who are increasingly losing confidence in society. In the end they may also lose their own self-confidence and self-respect.

Unemployment undermines our efforts to build decent societies—it is a threat to their very fabric. These social effects of stagnation and unemployment also have repercussions on the economy. Economic difficulties, lowered living standards and growing social insecurity may give rise to phenomena like hostility to foreigners and destructive types of nationalism. This, in turn, breeds protectionist pressures in many parts of the world.

Developments of this kind can impede necessary international action where short-term national interests have to give way to longer-term solutions of benefit to the many. At the same time the economic crisis has made international co-operation all the more indispensable.

The world political situation is characterized by distrust and antagonism between the great Powers. Détente and the will to co-operate have weakened in crucial respects. Year by year, more and more resources are wasted in the arms race, which long ago reached absurd proportions. The arsenals of nuclear weapons, which are already large enough to annihilate mankind many times over, continue to pile up at a rapid rate. Military expenditures in the world have more than doubled during the past decade. In 1982, they amounted to some $700 billion.

Every new stage of the arms race demands further economic sacrifices of the population. Therefore, the intentions and strength of the potential enemy must be depicted in more and more glaring colours. This process deepens distrust and impedes efforts to create mutual understanding and common security.

For more than a generation, the search for security between the great Powers has been guided by the doctrine of deterrence. The existence of deterrence may have prevented war in the past. But the enormous build-up of nuclear weapons has radically changed the concept of war. The deterrence doctrine is now becoming destabilizing and dangerous. Its objective is to inspire fear in your adversary. His reaction is to retaliate by inspiring as much, or more, fear in you. This will deepen distrust and mutual suspicion.

In the third world, as elsewhere, military expenditures are requiring more and more resources at the expense of peaceful economic development, which is the most important basis for lasting security.

It is also obvious that a long-needed reduction in spending for military purposes in the industrialized countries can pave the way for greater development assistance to the third world for economic and social progress.

Today, the world spends about 20 times more on armaments than it gives in total development assistance. Every minute more than $1.3 million are channelled to military purposes. During that minute 30 children die—many of starvation and malnutrition.

Armaments are sometimes assumed to have favourable economic effects, particularly by stimulating demand. Economic studies have shown that such assumptions are largely misleading, especially in the longer perspective. In fact, cuts in spending on armaments could stimulate new growth in the world economy, and thus contribute towards international economic security. Today armaments absorb scarce high-technology resources which thus cannot be used for peaceful purposes.

All countries in the world have—for both political and economic reasons—a vital stake in the success of talks between the great Powers on arms control and disarmament. All peoples of the world should unite in an appeal to the great Powers to put an end to the arms race. Such an appeal is all the more vital as the well-being and the security, indeed the very survival, of the developing as well as the industrialized nations are threatened by the senseless competition in acquiring ever more abhorrent means of destruction. Here again we are deeply aware of the fundamental concept of in-

[10] Brandt Commission, *Common Crisis North-South: Co-operation for World Recovery* (London and Sydney, Pan Books, 1983).

terdependence. The atomic clouds know no national frontiers.

One of the messages of the report of the Independent Commission on Disarmament and Security Issues[11] which I had the honour to chair—was that increased armaments do not create greater security, but greater insecurity. Greater insecurity leads in its turn to increased armaments. Our basic message was that it is impossible to create security in competition with the adversary, but only together with him. International security must rest on co-operaiton for common survival, not on the threat of mutual destruction.

The confrontation between the Superpowers also greatly influences relations with the third world. Great Powers may use their influence, including their economic assistance and arms sales, not primarily to promote the well-being of the countries concerned, but to advance political and strategic interests. Tensions can then be exacerbated. This may in turn increase the risk of local conflicts and the extension of such conflicts beyond the region primarily concerned.

Nearly 20 years ago, President Tito of Yugoslavia outlined the foundation for the efforts of the non-aligned movement in his address to the Second Conference of Heads of State or Government of Non-Aligned Countries. He said: "One-sided solutions that rely on force and narrowly conceived ideological motives are gradually giving way to, and must be replaced by, new forms of association among free peoples and sovereign states, predicated on recognition of their national interests". And he added: "That is why development on the basis of national independence, the equal rights of peoples and the struggle for peace are indivisible".

Today we are witnessing a tragic contrast between the need for action and the absence of concrete measures. The international community is confronted by very difficult problems. But they do not stem from any implacable natural force. The crisis is of Man's own creation—a consequence of the lack of insight and the inability to co-operate.

And therein lies the hope for the future. To use the words of Willy Brandt in *Common Crisis*: " ... we must lift our sights to the far horizons. We need courage and imagination; we must co-operate and overcome narrow-mindedness; and we must take bold action now".[12]

It is obvious that the strong interdependence between all the countries of the world makes it impossible for any one country to solve its problems in isolation. I believe that, in the words of Prime Minister Indira Gandhi, "no sustained revival of the North is possible without the development of the South".[13]

Since the early months of this year there are signs of an upswing in the world economy. This is gratifying. We have been waiting a long time to see the first glimmer of light in the world economic gloom. But it would be unwise to rely too much on uncertain indications that an upswing is on the way.

There is a growing awareness that the slight improvement needs support in the form of a well-balanced and co-ordinated economic policy. What we now need is a "New Deal" on a world scale in order to ensure that the present upswing gains momentum and leads to sustained growth. No Government can pursue an expansive economic policy on its own. Its external balance would soon deteriorate and it would promptly be forced to change course. With internationally concerted efforts, individual States can achieve results which are impossible to reach for a country on its own. Action of this kind must be based on the specific conditions of the individual countries and not just on general ideas of the advantages of expansion.

But there are obstacles on the way to durable economic recovery.

The debt burden in the third world is a threat to individual countries and to the monetary system. For the time being, a breakdown of the international capital market has been avoided. But a new wave of payments problems is approaching and makes it imperative to find new long-term solutions. It is not possible to shift the whole burden of adjustment to already severely afflicted countries, particularly in the third world. Nor is it possible for the banks to merely write off all uncertain debts.

All indebted countries need access to new credits. Therefore, greater efforts must be made to bring more co-ordination into the channelling of available funds. Terms must be adapted to the particular situation of every borrowing country. If all industrialized countries were to fulfil the commitment to give 0.7 per cent of GNP to development assistance the volume of aid would be more than doubled. This would make it considerably easier to solve the desperate situation of the poorest countries. For these countries there is no alternative to increased official assistance.

It is essential to restore the balance between foreign borrowing and repayment capacity for all borrowing countries. In many cases, this involves far-reaching and often painful internal reforms if export capacity and creditworthiness are to be strengthened. However, a continued weak demand for third world exports would seriously limit the value of such reforms. For the purpose of stimulating the economic upswing and to pave the way for this difficult process of adjustment, IMF and the World Bank must be given increased resources.

Another threat to recovery is an unbalanced mix of fiscal and monetary policies. This leads to high real interest rates which have adverse effects on investments and on the debt burdens of the developing countries. This, in turn, distorts the pattern of exchange rates. The present rates of exchange do not truly reflect underlying economic conditions. This results in strong fluctuations on the foreign exchange markets, which accentuate the general sense of uncertainty. This holds back investments and thus also impedes a lasting recovery.

An important element in a co-ordinated international economic policy is to bring about greater stability in foreign exchange markets. It is gratifying to note the

[11] Transmitted to the Disarmament Commission under the symbol A/CN.10/38.

[12] Brandt Commission, *op. cit.*, p. 9.

[13] See *Peace and Development*, Second Raúl Prebisch Lecture, delivered by Mrs. Indira Gandhi on 8 June 1983 in the Sava Centar, Belgrade (Geneva, UNCTAD, 1983), p. 5.

growing interest in the recommendation put forward by the Brandt Commission to review how this can best be achieved. The proposals on this matter put forward by President Mitterrand and Prime Minister Gandhi, among others, also deserve thorough consideration. In this process we must bear in mind the need to make full use of the machinery of the existing international institutions to improve the basis for stability of the international monetary system.

Another threat to a durable economic recovery is the quick spread of protectionism.

Measures have been taken that weaken the letter and spirit of GATT. Small countries with weak bargaining positions are particularly vulnerable to this development. These trade restrictions undermine the credibility of the GATT rules and might lead to the diversion of trade flows towards the remaining open markets of third world nations. Small countries can easily be squeezed between the large trading nations or blocs and, thereby, risk the erosion of their independence. In the long run, all countries will suffer from lack of respect for the multilateral trade rules. It is particularly important for the small countries to safeguard an open and free trading system.

In the present economic and political situation, it is of vital importance to strengthen international institutions. We must give effective support to the United Nations. It provides a number of instruments for practical international co-operation. The effectiveness of this co-operation is dependent upon how we make use of these instruments. The United Nations also plays a key role for the upholding of the respect for international law. International law as embodied in the Charter of the United Nations is an alternative to the arbitrary exercise of power.

With its shortcomings, the United Nations represents the best of mankind's endeavours and hopes. It supplies the necessary machinery for solving conflicts by peaceful means. Through the United Nations we can safeguard the common good in a spirit of enlightened self-interest. I am gratified that the Secretary-General of the United Nations has strongly emphasized the need for strengthening the role of the United Nations. He will need all our support in these important efforts. The United Nations will be what the Member States want to make of it.

Recently, the developing countries have been holding important meetings in New Delhi and Buenos Aires, from which we should derive inspiration for our future efforts. Their messages combine the aspirations for self-reliance with the wish for co-operation. They present most valuable contributions to the work of this Conference. In the course of a few months, a number of important international meetings have also taken place in the industrialized countries: the OECD and EFTA ministerial meetings, the meeting of socialist heads of Government in Paris and the Williamsburg summit meeting.

The declarations and communiqués from these meetings have revealed greater understanding of the need for co-ordinated solutions of the economic problems. The summit meeting at Williamsburg emphasized the need for faster growth and a continued fight against protectionism. There is every reason to welcome these commitments. We now hope that the participating countries will proceed from words to deeds.

The message of this session of the United Nations Conference on Trade and Development is one of dialogue and consensus. If we are to tackle successfully the formidable economic tasks before us, we must enter into a true dialogue. If this dialogue is to lead to meaningful results we must seek consensus—a consensus based on the convicton that concerted efforts are the best means to take us out of the present economic crisis.

This Conference pays particular attention to key issues in the world economy. UNCTAD is well equipped to deal with them in a general trade and development context.

We look forward to the day when producers and consumers alike can benefit from stable and remunerative prices of commodities on the basis of the Integrated Programme and the Common Fund for Commodities and when development plans can be based on more stable export earnings. We must work for a tomorrow when protectionist measures give way to new efforts of trade liberalization encompassing developed and developing countries alike. We must overcome the present debt crisis and promote development through determined action to increase the flow of capital from industrialized to developing countries. We must also assure adequate liquidity and greater stability in the world monetary system. In so doing, we have to pay particular attention to the needs of the least developed countries, whose plight calls for additional efforts on the part of all countries.

In order to make reality out of these visions of tomorrow we have to enter the road of arduous and difficult negotiations today. It is only by negotiations and by a give-and-take process that we can achieve results that are of mutual benefit and thus of lasting value.

I am encouraged by the absence of confrontation which has marked the preparations and the beginning of this Conference, a spirit which still seems to prevail in spite of the difficulties which no doubt lie ahead.

The guiding force behind these endeavours must be solidarity between peoples and nations and between different groups within nations But this will be of little value unless it results in action. Gabriel García Márquez expressed this in his speech at the ceremony of presentation of the Nobel Prizes in December 1982. He said:

> "Solidarity with our dreams will not make us feel less alone, as long as it is not translated into concrete acts of legitimate support for all the peoples that assume the illusion of having a life of their own in the distribution of the world".

We must now, together and in a spirit of solidarity, change our world from its state of crisis—our common crisis—into a world of progress and security—our common progress and our common security.

Statement made at the 190th plenary meeting, 17 June 1983, by Mr. Robert Mugabe, Prime Minister of Zimbabwe*

I greatly welcome this opportunity which has been accorded me to address you at this Conference. I am particularly happy to do so in this country with a record of such impressive achievements in so many fields.

Zimbabwe is one of the newest members of this universally representative body and my country is not only pleased to take its rightful place but also readily pledges its resolve to contribute its best efforts in the cause of progressive and equitable international economic relations. Our resolve is the greater because all nations of the world are faced with the economic challenge arising from the failure of the orderly conduct of affairs in the interrelated areas of trade, money and finance, and in the domain of international economic relations generally.

I am, however, encouraged by the discernible convergence of views among the nations of the world as well as by the willingness and determination on the part of all of us to do something before it is too late about the problems which now plague the international economy. These problems include, notably, stagnation in economic growth, contraction of world trade, growing protectionism, mounting unemployment, the crippling and almost insurmountable debt burdens of developing countries alongside declining commodity prices, high fluctuating interest rates, and see-sawing exchange rates. The grim story is encapsulated in the now only too familiar figure of over 30 million people unemployed in the developed market-economy countries and many more in the developing countries; $600 billion of external (medium- or long-term) debts of developing countries; upwards of $90 billion of annual payment deficits of non-oil-exporting developing countries on current account; a 30 per cent decline in commodity prices, and so on.

It is against the background of all this and other economic development disasters and human suffering that this Conference is taking place and that, on behalf of my young country, I stand before you today, to share with you our concerns and anxieties and our determination and hope for man's triumph. For, if necessity is indeed the mother of invention, then challenge should be the begetter of creative response. If, as the nations of the world, we are able to hold a Conference of such a universally representative nature, with such a wealth of ideas, sharing such richness of cultures and ideologies, and with such apparent convergence of views in relation to the diagnosis of the underlying causes of this prolonged, pervasive and catastrophic recession, as well as in relation to the necessary remedial measures, then I am persuaded to believe that the nations of the world cannot fail to rescue themselves from disaster.

It is also most significant that this Conference is taking place in Belgrade, the capital of this amazing and inspiring Socialist Federal Republic, a united nation of nations. The philosophy of non-alignment which has yielded the Movement of Non-Aligned Countries, of which this country is a founding member, embodies principles that seek to promote, on the part of non-aligned countries, positive relations with all countries, whatever their socio-economic systems or ideological persuasions. This Socialist Federal Republic of Yugoslavia, side by side with other pioneer nations of the Movement, occupies the highest pinnacle in this great Movement. I believe that all nations, all Governments represented here, cannot fail to draw inspiration and courage from the historical and socio-economic realities of this country and proceed to bury our differences and unite ourselves, while remaining distinct nations, in an international endeavour to rid the world of the plague of economic stagnation. Cannot unity in diversity prevail at the international level just as it has prevailed in this country, in the United States of America, in the Soviet Union, and in so many member countries of this our dynamic and purposeful organization which has brought us all here?

I believe that the universality of UNCTAD calls for unity of purpose and action, and not the mere exchange of views. That is why my own country, multiracial and multicultural, determined to create peace and prosperity for all, has espoused a policy and programme of national reconciliation; to live not in the past but to face the future with a oneness of purpose deriving from our common identity as a nation and a single allegiance to our country. Problems and set-backs there will always be—at the national as well as at the international level. That is not what really matters; what matters is our vision of the future and our vigour of response to challenges, national and international.

I have just returned from a successful OAU meeting and take this opportunity to reaffirm Africa's commitment to co-operate fully in strategies that will further the cause of the unity and progress of mankind. This Conference constitutes a much-awaited opportunity which the world can ill afford to forgo, let alone misuse, especially given the present economic conditions and the experience of the past decades, characterized by elegantly phrased resolutions that seldom got further than the paper on which they were written.

Divergent though the explanations for the current development crisis may be, it is encouraging to note the consensus on the existence of common problems and the need to do something about them. This common view must engender a common resolve on the part of all of us to rise to the occasion, to sink our differences for the sake of us all and to exploit the opportunities for mutual co-operation provided by this forum, which must be seen as a continuation of efforts stemming from the very first session of the Conference in 1964.

I am certain that I echo the convictions of many, in all the groups of this organization, that, among the numerous institutions charged with the study and management of the global economy, UNCTAD has a particular responsibility for surveillance over trade and

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development issues and the prospects for developing countries. Its strength lies in its concern with problems of all groups of nations, rich or poor, developed or developing, capitalist or socialist.

The sixth session of the Conference must be seen as a further development of all past conferences, each successive session of the Conference constituting in itself a prelude, preparation and stepping-stone for the next. From the first session in 1964 to the present, only 20 years later, I can perceive growth by gradation, from general debate or discourse on issues and principles to desirable solutions based on able and seasoned analysis. The programmes for recovery and development on the agenda of this session are, in our view, the product of this whole process.

In the present world economic situation, the basic tenets of orthodox economics have become questionable. The particular shortcoming of the prevailing world economic system resides in its inability to take into account the broad issues of the socio-economic processes of the new multinational world within a dynamic context, liberated from the trappings of preoccupation with the short-term considerations inherent in a somewhat static view of the world. I would suggest, for instance, that many a developed country has become locked up in inward-looking monetarist policies which have considerably fuelled the downturn of the world economy, with utterly debilitating effects on the developing countries, which are the least equipped to cushion themselves against the legion of problems associated with deteriorating terms of trade, declining export earnings, increasing balance-of-payments disequilibria, a dearth of investment and mounting debt burdens.

It should be quite clear that the developed or industrialized countries are, of course, not immune to the impact of the world recession. If I have given the impression that only the developing countries are affected, it is solely because it is important to emphasize that they are the worst affected, in terms of human suffering, misery and utter deprivation, as well as in terms of impossible financial and development management.

If the ingenuity that characterizes man's accumulation of weapons were used for development and for peaceful arts, and if resources were therefore redirected to that end, the world would be a better place for all to live in. We understand and appreciate the preoccupation of nations with matters of national security; yet we cannot understand the extravagance which goes with this nor the concentration of genius on destruction rather than construction.

As I suggested earlier, the contradictions of a world system characterized by dissent are also discernible in our own society where, because of the multiracial and multicultural—indeed multi-ideological—nature of our social fabric, there are differing and often conflicting interests among our citizens. Adverse publicity apart, we do not regard this aspect as peculiar to our society; indeed this is the case in many countries and in world relations. But this divergence of interests has not detracted from our resolve to forge ahead and chart a course that is in our nation's interests and marks our contribution to the oneness of mankind. The same can be said of the world system. Our differences, where they occur, should not militate against the identification of common interests and the consolidation of positions conducive to development and prosperity.

The clarion call for the establishment of a new international economic order is premised on widespread and discernible disenchantment with the present order. No socio-economic order is God-given; all is man-made. And what man has created he can surely unmake or recreate.

We cannot be unaware that at the end of the First United Nations Development Decade at least two billion people were still undernourished and lacked access to the basic economic minima in terms of food, clothing, shelter, health, education and sanitation. Indeed, the entitlements of the many were shockingly low. We are now in the third year of the Third United Nations Development Decade. Where do we really stand? Stagnation stifles us all.

Governments have dedicated themselves to the fundamental objectives enshrined in the Charter of the United Nations, to create conditions of stability and well-being and to ensure a minimum standard of living consistent with human dignity through socio-economic progress and development. The failures of the development strategies embodied in the first two Decades lie, as we see it, in the erroneous concepts and underlying assumptions adopted as well as in the rules and mechanisms inherent in the present world economic order. The effect of this is that the historical fruit of the development of the world has been based on power and exploitation rather than on equity and distributive justice.

In their quest for development, developing nations have realized that the rules and mechanisms of the existing world, the international environment in general, almost invariably militate against their interests. Yet at the same time they have recognized and accepted the imperative of interdependence, regional as well as global.

What we need to take stock of is our common destiny, which is threatened by the forces we all know. Our diversity notwithstanding, it is not impossible to seek common solutions, through co-operation, to the problems with which we have become familiar—protectionism, stagnation in growth, unemployment, and financial and monetary instability among others.

We in the South are not sitting idly by, waiting for a "Messianic" recovery of the North, in the hope that this will find its way to us through its "trickle-down" effect. We do recognize first and foremost that we are our own liberators. All we ask for from the North is interdependence on the basis of sovereign equality and the establishment of a more equitable international environment promotive of sustained development and our overall national efforts. Through our commitment to self-reliance we are consolidating our efforts for South-South co-operation. This co-operation among developing countries does not and could not preclude or replace the development of North-South relations. Indeed, developing countries do or could promote global interdependence by strengthening their economies

through South-South co-operation and by remaining vigilant against attempts to undermine their unity.

In the African region we have expressed our commitment to a development strategy that has collective self-reliance as its fulcrum. Thus, consistent with the Lagos Plan of Action,[14] our efforts at regional and international co-operation, as in the Southern African Development Co-ordination Conference and the recently established Preferential Trade Area for Eastern and Southern African States are designed to contribute to regional economic and technical co-operation, enhance regional development generally, and contribute to the sum total of collective self-reliance on a continental basis.

If peace and stability are fundamental prerequisites for people to derive the maximum benefits from their development efforts, then situations of hostility which force nations to divert resources from development and peace to national defence, such as the destabilization activities of aggressive neighbours, must stand utterly condemned. With reference to our southern African region, the barbarous acts of murder, brutality and repression and the wanton destabilization of the economies of neighbouring States, such as we are experiencing at the hands of South Africa, are not only contrary to international law and the principle of peaceful coexistence but also destructive of vital development resources. Yet despite the machinations of the enemy, we remain committed in our resolve to join hands with all progressive forces in our support for the common struggle against colonialism, foreign occupation and all forms of foreign domination and exploitation of man by man so to pave the way not only to a more humanitarian world but also to an environment more promotive of meaningful development. From the recent OAU summit meeting, the African States have emerged more united, more resolute and more decidedly committed in their support for the liberation of Namibia, the people of South Africa, and the homeless and long-tortured people of Pálestine. Indeed, Africa's quest is not only for peace within and around its zone, but also in the whole international environment, hence its support for any meaningful dialogue between the two world blocs leading to nuclear disarmament and greater international peace and security.

It is my sincere hope that this Conference will move beyond mere conceptualization of the problems, the mere discussion of possible solutions and mere verbal resolutions. The decisions taken must be translated into concrete actions in the appropriate forums and thus be spared degeneration into food for rhetoric.

Let the nations of the world emerge from this gathering with a oneness that, while recognizing genuine differences, takes full cognizance of the mutuality of interests of our different countries and lays the base for appropriate changes as much in our national attitudes as in the world economic system. The results of the sixth session of the Conference should be measured in terms of what is, or will be, implemented, as opposed to elegant resolutions that never leave the paper on which they are printed.

We all agree on the need for urgent, immediate measures for recovery and development, although we may differ on the details. We all agree on the need for reform of the world economic system. It is thus imperative for a drastic reform of the international monetary and financial system to be effected so as to bring about equity in the international economic order. Accordingly, Zimbabwe supports the proposal for a conference of ministers of finance with a view to the launching of a global round of negotiations. Systems must continually subject themselves to change so that they can apply to current situations. Not even the fathers of Bretton Woods would have claimed complete wisdom on their part or eternity in the principles, rules and institutions they gave to the world. They must have known, just as we ought to know, that international economic relations are a process of constant challenge and response. They are certainly subject to a dialectical process in which problematic situations call for solutions leading to new situations, new syntheses, which may in turn yield their own new problems, again inviting new solutions. That, indeed, is how the world goes. That, indeed, is the path of development and progress.

I am certain that at this Conference we can reach one another across the many bridges which should link our nations and usher in a new phase of recovery and fruitful co-operation. That at any rate is the wish and conviction of my country, of whose determination for principled and sustained effort I readily assure this Conference.

On this note, Mr. President, I must end my address and thank you personally and the Conference as a whole for inviting me to address you.

[14] See footnote 7.

2. HEADS OF DELEGATION*

Summary of statement made at the 182nd plenary meeting, 13 June 1983, by Mr. Mohammad Khan Jallalar, Minister for Commerce of Afghanistan

1. Mr. JALLALAR (Afghanistan) said that the recession in the leading capitalist economies, which emanated from the very nature of that system, had seriously affected the economies of developing countries. The economic policies of capitalist countries were geared to maintaining the developing countries in an inferior position and facilitating the attempts of their monopolies to exploit them.

* The texts reproduced here are those that appeared in the relevant summary records (TD/SR...), incorporating editorial modifications and corrections received from delegations.

2. Although developing countries bore no responsibility for the current crisis, every economic indicator showed how severe its impact had been on their economies. It was regrettable that certain developed countries still lacked the political will to take urgent measures to achieve an equitable solution to the current crisis. They continued to pursue retrogressive policies and practices which ran counter to the objectives of the new international development strategy. In general, the international economic crisis was a symptom of structural maladjustment, which must be fundamentally changed. Failure to establish a new international economic order, based on equality and justice, would have serious adverse economic and political consequences for the entire world. The Group of 77 had played a crucial role in promoting the fundamental restructuring of the international economic system.

3. Afghanistan fully supported the efforts to launch the global negotiations within the United Nations in early 1984, as proposed at the Seventh Conference of Heads of State or Government of Non-aligned Countries. It also welcomed the recommendations of that Conference concerning the adoption of a programme of immediate measures in specific areas in favour of developing countries and hoped that such measures would be implemented promptly. The Group of 77 had worked out a number of constructive and important proposals on the major issues on the agenda of the sixth session of the Conference which were contained in the Buenos Aires Platform. It was to be hoped that the Conference would consider them favourably.

4. His delegation saw the theme of the sixth session as that of development and recovery of the international economy. The programme of recovery must include a strong impetus to the development process. The Conference should identify the measures required to reactivate development and prepare a consistent programme for their implementation. In view of the urgent need to relieve developing countries, quick-acting remedies, particularly in the areas of trade, commodities and money and finance, were required.

5. The problems faced by developing countries in their trade with developed countries was a consequence of the existing international economic system. The situation was deteriorating owing to the pursuit by a number of capitalist countries of increased and diversified protectionist measures and the proliferation of non-tariff barriers. That was causing unprecedented trade imbalances and balance-of-payments difficulties for developing countries, particularly the least developed countries, owing to the simultaneous increase in the prices of industrial imports. Afghanistan rejected all forms of economic aggression and blockade, including the use of sanctions or commercial threats against other countries. There was a need for a time-bound programme to lift all barriers to imports from developing countries imposed by Western countries, together with provisions for monitoring the actions taken and the preparation of a programme of action for structural adjustment in specific product sectors.

6. The GSP had been intended as an effective instrument to promote the trade of developing countries, but the concessions granted by developed countries under that scheme had not always fulfilled the expectations of developing countries and particularly of the least developed countries. Some preference-giving countries had not accepted all developing countries as beneficiaries. Others differentiated among beneficiaries in respect of product coverage and the level of preferential imports admitted. Such selectivity contradicted the principle of non-discrimination. There had also been cases where countries placed conditions on eligibility for preferences which implied a degree of reciprocity of concessions. The principles of generalized, non-reciprocal and non-discriminatory preferences should be reaffirmed and the preference-giving countries should ensure that they were fully observed. Only then could developing countries expect the generalized system of preferences to promote their exports efficiently.

7. There had been a sharp decline in the prices of commodities on which most developing countries largely depended for their export earnings. The capitalist countries' policy of providing domestic subsidies for particular commodities, to the disadvantage of products from developing countries, had had an adverse effect on the world prices of those products. The adoption of the Integrated Programme for Commodities at the fourth session of the Conference had been an important step towards dealing with commodity problems in a comprehensive manner, but the ongoing negotiations on individual commodities were slow and the scope of agreement was very small. Measures to accelerate the process of negotiations should be considered. It was also regrettable that the Common Fund for Commodities was not yet operational, and he hoped that early ratification of the Common Fund Agreement would bring it into operation by 1984.

8. Many of the current economic problems facing developing countries resulted from financial constraints. There was a vital need to restructure the current monetary and financial system, control over which continued to be the preserve of a few dominant capitalist countries. There was insufficient representation of the developing countries in the decision-making processes of the international financial system. The pressures by certain capitalist countries on the World Bank and IMF to adopt a politically motivated approach and conditionality in the granting of credit were to be deplored. He hoped that the sixth session the Conference would seek urgent measures to counter them. Afghanistan endorsed the need for increasing all the conventional channels of resources to developing countries, including increasing the resource base of the World Bank, replenishment of IDA and increasing ODA and IMF quotas. However, some new mechanisms were also required. The transfer of resources to developing countries should be placed on an increasingly sure and predictable basis and they should be equitably distributed among them. Assistance to the least developed countries, which should be doubled by 1985, should as a general rule be in the form of grants.

9. The very low standards of living in the least developed countries were a cause of great concern. The adoption of the Substantial New Programme of Action for the 1980s for the Least Developed Countries by the international community had been a progressive action

but its slow implementation was very disappointing. He urged all donor countries and multilateral institutions to take immediate and adequate steps to implement the programme in order to promote self-sustained social and economic development in the least developed countries. The Conference should give consideration to that issue and the special programme within UNCTAD should be strengthened and additional resources made available. Consideration should also be given to converting the section dealing with the least developed countries into a separate division of the UNCTAD secretariat.

10. His delegation had noted with satisfaction that the legitimacy of the struggle of national liberation movements to exercise their right to self-determinaiton and independence had been recognized by the United Nations and other international organizations. It commended the UNCTAD secretariat for the preparation of studies on that subject. However, there was a need for more comprehensive and in-depth sectoral surveys of the economic conditions of the Palestinian people, whose lands were still under foreign rule, and those of the Namibian people, which were the outcome of the illegal occupation of Namibia by the racist régime of South Africa. He urged all donor countries and international organizations to give high priority to their assistance to national liberation movements and endeavour to make additional resources available to them.

11. In conclusion, he pointed out that the enormous resources, both human and material, which were being squandered on the unconstructive arms race could be very usefully allocated to development activities and international economic co-operation. Real progress in the normalization and democratization of international economic relations, international trade and co-operation could be achieved only in conditions of peace, détente, real disarmament and an atmosphere of co-operation and understanding between States. His delegation expected the Conference at its sixth session to initiate a process to put the world economy and the economies of the developing countries on the stable track of co-operation and development in the interests of the whole world.

Summary of statement made at the 191st plenary meeting, 17 June 1983, by Mr. Gani Qemo, Vice-Chairman of the State Planning Commission of Albania

1. Mr. QEMO (Albania) said that the present world economic crisis had assumed a general character, involving all capitalist countries, developed or less developed alike. Recession was general, to be found everywhere, inflation was rising and unemployment had become a tragedy. Production capacities were underexploited and the volume of investment was shrinking. The sources of financing—a monopoly of the few—were becoming increasingly inaccessible. World exports had registered an unprecedented absolute decline, and huge foreign debts and growing balance-of-payments deficits were suffocating the economies of many countries. The monetary and financial system, dominated by the United States dollar, was in a critical state. His delegation was convinced that all those manifestations had their roots in the conflict between capitalist and neo-colonialist exploitation and the new needs and aspirations of the peoples.

2. In the tensions and conflicts of the turbulent world of today, the hand of the two Superpowers, the United States of America and the Soviet Union, was always to be seen, overtly or covertly, trying to extend their hegemony and assert their economic, political and military superiority. His delegation considered that, to realize their legitimate aspirations and ensure the development of the world economy and world trade, the peoples must resolutely and consistently oppose the Superpowers' policy of hegemony.

3. In the unjust system of present-day economic relations, the two Superpowers and other imperialist Powers, the capitalist monopolies and the transnational corporations made the law. Markets were closed to the developing countries by protectionist measures, and the prices of products were manipulated. While a number of less developed countries were threatened by starvation, the monopolies and transnational corporations were increasing their profits and raising their selling prices. In addition, the industrialized countries used their trade relations with the developing countries to exert pressure on them. A neo-colonialist system employed new and ever more sophisticated forms of oppression, such as credits and loans on oppressive terms which turned the developing countries into debtors permanently dependent on their creditors.

4. In that situation, Albania was in solidarity with the peoples of Africa, Asia and Latin America who were fighting to establish their sovereignty over their own assets, for a revision of the prices of raw materials and energy resources, for reform of the international monetary system and for the limitation and liquidation of the monopolistic power of the transnational corporations. The industrialized imperialist countries claimed to be trying to assist the developing countries, but their words sounded hollow when the gap between rich and poor was widening.

5. The decisions of the fifth session of the Conference had failed to bring any change in world economic relations. The measures proposed concerning development "aid", the curbing of protectionism, an increase in the technological capacity of the developing countries and the creation of the Common Fund for financing buffer stocks remained a dead letter. The main obstacle to their realization had always been the machinations of the Superpowers and other imperialist Powers. The countries of both West and East encouraged the peoples to go into debt for development—a process which resulted in the enslavement of the poor and weak countries. The only way to bring about a change in world economic relations was the resolute struggle of the peoples to free themselves from the chains of neo-

colonialism and the hegemony of the Superpowers, to defend their rights to the end, to oppose neo-colonialist plunder and to take over the sovereign administration of their national assets.

6. Albania was a country with a planned socialist economy characterized by dynamism and stability. It relied on its own forces, and its extracting and processing industries enabled it to produce between 87 per cent and 90 per cent of its raw materials, all the energy it needed and 90 per cent of the consumer goods required by the people. Its modern agriculture was being constantly intensified. Albania had achieved its rapid development by total reliance on its own financial and monetary resources; it had no debts and all its imports were covered by its exports. During the first two years (1981-1982) of its seventh five-year plan, Albania's social product and national income had increased two to three times more rapidly than the population. Over 40,000 new jobs were created every year, thus guaranteeing full employment. With the healthy situation of the economy, it had been possible in June 1982 to reduce retail prices for mass consumer goods and tariffs for public services. There had also been a reduction in prices for many medicines in March 1983. The next five-year plan, which was being drafted for the period 1986-1990, would open up new and even better prospects.

7. Albania had constantly expanded its external trade on the basis of mutual benefit without any discrimination or limitation. It did not accept that trade relations should be used as a means of pressure to impose political and ideological concepts. Although it had never sought autarkic economic development, Albania would not allow its economy to be integrated into the economies of the capitalist and revisionist countries. Whenever those principles of its foreign trade had found understanding in other countries, Albania had responded with complete reciprocity. In the future, too, it would spare no effort to extend its trade relations with the different regions of the world. At the present session of the Conference, Albania would make its contribution to the defence of the interests of the peoples who were fighting against neo-colonialist plunder, exploitation and domination, for sovereignty over their national assets and for the safeguarding of their political and economic independence.

Summary of statement made at the 175th plenary meeting, 8 June 1983, by Mr. Abdelaziz Khelef, Minister for Trade of Algeria

1. M. KHELEF (Algeria) said that the hopes of the international community in general and of developing countries in particular were concentrated on the current session of the Conference because it was being held at a time of grave crisis in international economic relations and subsequent to the constructive proposal decided on by the Seventh Conference of Heads of State or Government of Non-Aligned Countries and the suggestions for joint action resulting from the Fifth Ministerial Meeting of the Group of 77 at Buenos Aires. The non-aligned summit conference had contributed with an acute sense of responsibility to the drafting of a global, coherent response to the challenges of international co-operation. The third world, which was bearing the burden of the crisis, was concerned at the persistent deterioration of the international economic situation and the resulting threats to international peace and security.

2. Because of the increased number of areas of tension throughout the world, the unbridled arms race involving military budgets of unprecedented dimensions and the development and deployment of increasingly sophisticated weapon systems again posed the problem of collective security, especially that of the developing countries. In view of the close relationship between peace and development, it was all the more necessary to realize that disarmament, the lessening of international tensions and the halting or at least slowing down of the arms race could release considerable resources which were more than ever necessary to the development of the world economy on equitable, peaceful foundations.

3. The structural disorder of the world economy, particularly that of the existing trade, financial and monetary systems, and the refusal of the dialogue which the developing countries had repeatedly proposed had aggravated the world economic crisis. Despite urgent appeals for the establishment of a new international economic order, many developed countries had refused to consider anything but the cyclical aspects of the economic crisis, in order to protect their dominant position. That crisis, which now affected all countries and groups of countries, would at least have had the virtue of emphasizing the advanced stage of integration of the world economy through the close interrelations between the various sectors of activity as well as of demonstrating the extensive basis of the interdependence of the economies of the developed and the developing countries. That meant that an objective analysis of the crisis called for a global, integrated approach. The search for joint solutions should be pursued in accordance with a jointly established timetable which would include both a programme of immediate measures and the medium- and long-term structural reforms necessary to support and accelerate the ordered restructuring of the world economy.

4. It was true that the developed countries had had a high level of unemployment and severe inflation for a long time, even if signs of improvement were emerging in some countries. However, despite their relative seriousness, those difficulties were as nothing when compared with the effects of the crisis on the developing countries. The 30 million unemployed in the OECD countries paled before the 500 million unemployed and the 500 million homeless in the third world.

5. The prolonged recession that had resulted in a sharp decrease in international trade had led developed countries to have recourse to protectionism, which had seriously affected the most dynamic export sectors of the developing countries and had jeopardized both the

principle of the maintenance of the *status quo* and the favoured treatment given to developing countries.

6. The decrease in demand and the sharp fall in commodity prices which occupied an essential place in the trade structure of the developing countries had attained in real terms unbearable proportions unheard-of since the 1950s. That situation was the result not only of the slowing down of industrial activity but also of increased recourse to substitution and replacement products as well as of the practices of transnational corporations which controlled and manipulated markets and commodity exchanges for their own benefit, keeping commodity prices artificially low. Difficulties of all sorts were being increasingly encountered in the conclusion of international commodity agreements, thereby hampering the implementation of the Integrated Programme for Commodities and postponing the entry into force of the Common Fund. The stagnation and in certain cases reduction of the developing countries' share in international trade was such that balance-of-payments deficits exceeded $70 billion a year. That had obliged the developing countries to resort to the private capital market at the cost of massive indebtedness, which had become a source of serious concern for the international community as a whole. The external debt burden of many developing countries had increased to an unbearable extent; certain developing countries were faced with bankruptcy whereas others had been forced to make drastic cuts in development projects and to devote the only available resources to the essential needs of their inhabitants.

7. Such was part of the price of the participation imposed on developing countries in the control of inflation in the richer countries.

8. The response of the international monetary and financial system to the serious liquidity crisis resulting from the reduction in trade with developing countries and the massive drain on their resources resulting from their external debts had in no way corresponded to the needs of those countries and was also subject to a conditionality which made it useless. Moreover, the international monetary system no longer controlled the issue of money, allocated the liquidity necessary to the world economy, made balance-of-payments adjustments or ensured the stability of foreign exchange rates.

9. In the light of that situation, the seventh non-aligned summit conference had proposed the convening of an international monetary conference to examine ways and means of undertaking a concerted reform of the international monetary system which would take into account the interests and needs of the developing countries.

10. It should be generally recognized that the only chance that recovery would spread depended on catering fairly to the interests of all, ensuring growth and full employment for some and the conditions indispensable to true development for others. Emergency measures alone could not settle the fundamental problems of the world economy because they could only treat immediate problems. They should not postpone or replace the restructuring of the world economy, which was more than ever essential to guarantee a lasting and equitable recovery in the interests of both the developed and the developing countries.

11. Those essential requirements had given rise to the proposal by the seventh non-aligned summit conference, which combined urgent measures with the negotiation of action for structural change, in all of which both developed and developing countries were associated. The non-aligned countries had seen the sixth session of the United Nations Conference on Trade and Development as a unique opportunity to examine the international economic situation, its consequences and its developments and to take action both to encourage the recovery of the world economy and to accelerate the development process.

12. After reviewing the proposals drafted by the Group of 77 at Buenos Aires, he pointed out that UNCTAD was about to celebrate its twentieth anniversary. During those two decades, it had striven within its field of competence and the limits of its resources to promote trade and development. It had emphasized the need for integrated concerted action to ensure the establishment of a new system of international economic relations. Its successes as well as its failures were the responsibility of its members. His delegation was convinced that if it had an institutional structure which strengthened its competences, and greater resources, UNCTAD could become a really effective forum for negotiations and an operational instrument capable of helping the whole international community and especially the developing countries in their efforts to promote their economic and social development.

13. Since the High Level Conference on Economic Co-operation among Developing Countries, held at Caracas in 1981, the developing countries had instituted a new framework for the promotion of fair, mutually advantageous and lasting South-South co-operation. Without being a substitute for the North-South dialogue, economic co-operation among developing countries had shown the vast potentialities and broad complementarities existing and had become an essential element of the new international economic order. Algeria, which was proud of developing broad diversified co-operation with many countries of the South, considered it an integral part of the process of consolidation of its national independence.

Summary of statement made at the 190th plenary meeting, 17 June 1983, by Mr. Francisco Romão de Oliveira Silva, Ambassador of Angola in Yugoslavia

1. Mr. de OLIVEIRA SILVA (Angola) recalled that after five centuries of fierce and bloody colonization, Angola had acceded to independence in 1979 with an illiteracy rate of over 80 per cent, a dislocated and underdeveloped economy, and overwhelming disparities in living standards.

2. Angola had chosen the socialist path to economic and social development. That meant that it had to assume certain responsibilities within the international community. It was anxious to create good relations with neighbouring countries and to do everything possible to expand its relations with all African countries in the spirit of the Charter of OAU. It had excellent relations of friendship and collaboration with the socialist countries and was working hard to develop co-operation with developing and developed market-economy countries on the basis of mutual respect, sovereignty, territorial integrity, equality, non-interference in internal affairs, and mutual advantage.

3. The efforts made by the Government and people of Angola to establish the technical and material foundations of socialism and maintain peace in that part of Africa had unfortunately been frustrated by the systematic aggression practised by the colonialist racist régime of South Africa. However, through the courageous struggle of the peoples of Namibia and South Africa, the process of eliminating the last remnants of colonialism and racism had entered its final phase. The South African régime, supported by the Western Powers, was therefore developing large-scale military industries, arming its police State, and with the help of puppets and mercenaries carrying out acts of sabotage and aggression against the countries of the region with the dual aim of countering the armed struggle of the peoples of Namibia and South Africa led by SWAPO and ANC respectively and of undermining the sovereign nations of southern Africa so as to promote subversion and create conditions for the imposition of neo-colonialist Governments which would be willing tools in the hands of imperialism.

4. His country had been the victim of continuous armed aggression, leading in August 1981 to the illegal occupation of a considerable portion of its province of Cunene near the Namibian frontier. The South African racist régime had intended to put an end to the armed struggle of the Namibian people and set up a neo-colonialist régime in Angola. But the struggle was intensifying. It did not directly involve Angola but was being waged by the Namibian people in order to achieve its inalienable right to self-determination and independence.

5. The question of Namibia had been entrusted by the international community to the United Nations, which had the legal right to administer the territory. Although that was not its problem, Angola was offering its unflagging solidarity to SWAPO which had the support of the Security Council of the United Nations. There could be no argument to justify occupation of Angolan territory by South Africa.

6. The sixth session of the Conference was being held at a time when the peoples of the world were expressing a fervent desire to end the old international economic order. The capitalist system was bankrupt, but the causes of its economic crisis were outside the control of the developing countries. They stemmed from the fundamental inadequacies and the poor operation of that system, which no longer met the requirements of sustained growth.

7. The establishment of a new economic order should guarantee participation on an equal footing by all countries in solving the world's economic problems and the right of each State to exercise full sovereignty over its natural resources and over all its activities within the framework of international co-operation. That implied the right of each State to nationalize its natural resources or enterprises, establish or strengthen associations of developing countries producing and exporting raw materials, and regulate the activity of transnational corporations.

8. The results of the fifth session of the Conference had been disappointing. The situation of the developing countries had hardly changed since 1979, and the minimal objectives of the Third United Nations Development Decade had not yet been achieved. The process of restructuring international economic relations was practically at a standstill. Despite numerous negotiations within the United Nations, the main provisions of the Declaration and the Programme of Action on the Establishment of a New International Economic Order had not been translated into action. In international trade, restrictive measures had been adopted by the developed capitalist countries to limit imports, and more subtle formulae such as voluntary restrictions on exports had been introduced.

9. Although some progress had been made on the Integrated Programme for Commodities, specifically on the Common Fund, there had been little progress on improving the market structures of the developed countries and on the problem of unstable prices. Progress on international commodity agreements and the conclusion of new agreements had also been slow.

10. Numerous trade restrictions on imports of manufactured goods from the developing countries still remained, though the GSP had been one of the most important achievements of UNCTAD.

11. The Bretton Woods monetary system, which had collapsed in 1981, had not met the needs of the developing countries. Above all, it had been the developed capitalist countries' major instrument in controlling the developing countries' trade, in limiting their international liquidity reserves and in drawing huge profits for the benefit of transnational corporations. Under the Bretton Woods agreements, the dollar and strong currencies were the only reserve currencies for international payments and financing. None of the currencies of the developing countries had had any part in that system.

12. His delegation was very pessimistic about the genuine guarantees that might be provided to the developing countries by the system of SDRs, which were allegedly capable of solving the problems of international reserves, payments and financing. The solutions put forward by IMF were mere palliatives which would not provide a global solution to the crisis in the medium or long term. It was essential to convene a new Bretton Woods conference with the participation of all States, international and intergovernmental bodies, transnational corporations and trade unions, under the auspices of the United Nations. A monetary system compatible with the interests of the developing countries was necessary; otherwise the instability would continue to affect their economies.

13. His delegation congratulated the Group of 77, the socialist countries and the countries of northern Europe on the efforts they had made in the four years since the fifth session of the Conference, Angola firmly supported the proposals in the Buenos Aires Platform, which provided a suitable framework for a fair solution of the problems.

Summary of statement made at the 188th plenary meeting, 16 June 1983, by Mr. Alberto Noguera, Secretary of State for Commerce of Argentina

1. Mr. NOGUERA (Argentina) said that as a member of the Group of 77, Argentina fully endorsed the Buenos Aires Platform and was seeking dialogue and concerted action. Divisive, delaying and evasive tactics would lead only to the loss of the opportunity provided by the sixth session of the United Nations Conference on Trade and Development to find solutions to the most urgent problems of the international economic system and correct its structural defects.

2. It was essential to find global rather than sectoral solutions to those problems, in view of the increasing interdependence of national economies and the interrelations between critical sectors of economic activity. Such solutions had to take account of the medium and long term as well as the existing economic situation if true international economic recovery was to be achieved. It would be a mistake to believe that the solutions could be postponed until consolidation of the economic revival which had allegedly begun in some industrialized countries.

3. Argentina was a major food producer and processor, farm products accounting for 75 per cent of its exports. It had been selling on highly competitive terms on foreign markets, but it was now wondering whether to review its agricultural policy because of the difficulties created by the protectionist policies practised by most industrialized nations, which were largely responsible for the instability of the trade in agricultural commodities.

4. Protectionism guaranteed producers much higher prices than those prevailing on international markets, resulting in greater self-sufficiency in many industrialized countries, a consequent shift in external trade flows and the creation of surpluses which were exported with subsidies and on financing terms with which the exporting developing countries were unable to compete.

5. The industrialized countries had thus transferred to the external markets the results of their internal policies, generating serious distortions and sometimes even trade wars. That situation was currently the cause of discord even among the developed countries, and GATT—the body which was supposed to regulate international trade matters—stood helplessly by while its rules were violated.

6. Many government representatives of the most important countries had spoken of trade liberalization but in fact their words were disavowed by the adoption of measures which distorted and restricted international trade. If words were matched by actions, there would soon be a considerable improvement in the capacity of developing countries to repay their external debts. It was a much healthier process to pay them out of export earnings than by refinancing which, although it brought transitory relief, in the long run increased the intolerable burden of debt servicing at very high interest rates.

7. In view of the interrelationship between the deterioration in international trade and the increase in restrictive trade policies, the developed countries should endeavour promptly to eliminate them. In that connection, the measures adopted with regard to trade in agricultural products on 29 November 1982 at the GATT ministerial session, might constitute a starting-point to change the terms and conditions currently characterizing production and marketing in that sector. The Conference might also arrive at a consensus regarding the need to establish the conditions for a balanced economic growth of the various regions through a fair distribution of trade benefits. Since restrictive trade policies covered a large range of products, they had brought about a fall in living standards and a decline in the foreign trade of the developing countries, thus causing recurrent balance-of-payments crises and indirectly limiting those countries' demand for imports, thus aggravating the international recession. Effective international co-operation would give the highest priority to solving the imbalance in commodity markets and the next highest priority to price maintenance and stock-financing mechanisms. The two latter were subordinate to the main problem.

8. The adoption of stabilizing mechanisms could make a positive contribution to the regulation of the various markets by adjusting short-term movements to long-term trends, but the main point was the existence of a political will to change the protectionist attitudes prevailing in the main industrial countries, which were mainly responsible for the decline in prices and the surpluses that had occurred in the case of many commodities.

9. Protectionism affected not only primary agricultural products but also, and to an increasing extent, manufactures and semi-manufactures. Some of the concessions which the developing countries had won a few years previously through GSP schemes were being withdrawn. The aims of those schemes were being distorted and investments in many developing countries were likely to be jeopardized, with the consequent economic and social costs, because of the limitations that the developed countries were introducing into their schemes and the threat that they would impose further restrictive measures. If GSP schemes were really to be effective, they could not contain quantitative limitations, much less restrictions on grounds such as graduation or selectivity which militated against the objective of universality that had characterized the system from the outset. It was not difficult to perceive that "graduation" or "selectivity" could conceal ways of limiting or even reducing the diversification of the productive structure which some developing countries had been laboriously building up.

10. GSP schemes should be sufficiently comprehensive to promote investment in the developing countries. Only in that way could those countries, mobilizing their domestic savings, succeed in improving their debt servicing and provide the resources to finance the purchase of capital goods and technology needed for their economic growth, most of which had to be obtained from the industrialized countries. Trade was the key to economic growth and was the dynamic activity *par excellence,* as was proved by the fact that even the current economic situation could not destroy its innate propensity to discover new ways of becoming viable again. Solutions would not be easy but they would be possible if there was a reasonable measure of political will to act promptly and decisively.

11. It was encouraging to note that the developing countries were unanimous in their views on the crisis and their proposals to overcome it. In contrast, it had been surprising to hear the statement made on behalf of an influential country which had submitted a scheme that seemed to leave no room for negotiation, since its terms and its aims ignored, or at any rate did not respond to, the proposals put forward by the other participants in the Conference.

12. If anything had been needed to increase the general lack of confidence in the validity of the existing multilateral trade system, it had been effectively provided by the growing use by several developed countries of economic sanctions as a means of political pressure. If North-South relations were to be based on co-operation and constructive understanding among sovereign nations, an end must be put to that deplorable practice.

13. South-South co-operation neither excluded, nor was a substitute for, North-South co-operation. South-South co-operation was an important factor in the future macro-economic structure. Being fully aware of that fact, his Government would do everything possible to promote dialogue and co-operation among the developing countries. It believed there was a need to implement a global system of trade preferences within the developing world. Those who were having recourse to procedural manœuvres to prevent or postpone agreement among the Southern countries on the subject were guilty of political short-sightedness or excessive mistrust.

14. Over the preceding two years, a high proportion of the proposals submitted by the developing world had been systematically deferred until the holding of the sixth session of the Conference. The decisions which should be taken at the current session of the Conference might be subjected to further delaying tactics under the pretext of reactivating negotiations that had previously been postponed, or for some other reason. The participants in the Conference had to face up to their responsibilities and state clearly what they wished to do to overcome the critical economic situation and to stimulate growth in the developing world. They should not postpone to some future occasion, which might not in fact occur, questions which should be tackled without further delay. The Conference should serve to consolidate and not weaken UNCTAD as the principal forum for trade and development. The developing countries' delegations had come to Belgrade without pre-conditions and willing to talk. They had the right to expect a similar attitude on the part of the countries of the North.

Summary of statement made at the 189th plenary meeting, 16 June 1983, by Mr. Ralph Willis, Minister for Employment and Industrial Relations of Australia

1. Mr. WILLIS (Australia) praised the tireless efforts of Yugoslavia to promote peace, independence and economic welfare, particularly in the developing countries.

2. In view of the severity of the economic crisis, all the participants in the sixth session of the Conference shared the great responsibility of engaging in a constructive dialogue on economic recovery and development. The international community could not afford to falter again since the cost for all was too great, particularly for the developing countries. All countries must find the means of restoring growth on a sustainable, long-term basis, taking advantage of the lower inflation and restored competitiveness in some countries and the incipient recovery in a number of developed countries.

3. The newly-elected Australian Government had boldly tackled the twin problems of inflation and unemployment with a view to ensuring sustained recovery. Its strategy was based on the interdependence of society and the economy in both national and international terms. The Prime Minister of Australia had recently outlined some of the broad principles which

would guide the Conference in formulating an international approach. Firstly, it must look for genuinely co-operative solutions. The international economy could function effectively only if individual nations and groups of nations constrained their narrow interests in the wider interest of the international community, in all the major economic sectors. Secondly, co-operation must be built around efficient solutions which would enhance international welfare. Thirdly, those solutions must provide for a fair distribution of the benefits of co-operation.

4. In the opinion of his delegation, the most important immediate step was to nurture the recovery emerging in some major industrialized countries, so as to ensure that it was not short-lived and to avoid any rekindling of inflation.

5. Those countries which had succeeded in reducing inflation and had relatively strong balance-of-payments positions should give the lead by pursuing policies that transmitted to other countries the benefits of increased output and employment. In devising new policy initiatives to restrain inflation, Australia had applied the principle of consensus and the equitable sharing of the burden between all interested parties. A decline in real interest rates was also fundamental to recovery; they had reached alarming levels, and those nations which dominated the world capital markets should consider the balance of their policies in that area.

6. All countries had a common objective in ensuring that developing countries participated in the recovery. The demand of developing countries played an important role in the world economy, as was demonstrated by the many lay-offs which the United States of America had been obliged to effect in 1982 because of declining sales of automobiles to Mexico.

7. In the business world renewed confidence was urgently needed, and to that end there must be consensus between Governments to maintain, strengthen and improve the multilateral trading system. The strengthening of protectionism had eroded the rules which governed international trade, and the proliferation of non-tariff measures outside the disciplines of GATT was a real threat to trade. In such an atmosphere it was very difficult to ask countries, especially those which found their export opportunities undercut by subsidized local products, to reduce protectionism. Leadership must flow from the major developed countries, which must respect the principles of multilateralism, non-discrimination and openness; only those principles could provide some protection for weaker countries against the economic and political power of the strong. The work programme adopted at the GATT ministerial session in November 1982 should provide practical negotiating possibilities, which were nowhere more pressing that in agriculture.

8. UNCTAD also had an important role to play in the trade field. Its work on protectionism and structural adjustment provided insights into the possibilities for the more efficient and equitable functioning of the international economy. The developing and industrialized countries must also face up to their task in a variety of sectors, including agriculture. UNCTAD should continue its work on non-tariff measures, which, according to various studies, affected nearly 50 per cent of trade by market-economy countries, and should disseminate the results of its studies among member countries.

9. It was essential to find practical means to bring about greater price stability and improved market access for commodities. Some 80 per cent of Australia's export earnings comprised processed and unprocessed primary products, and Australia shared that interest whith developing countries. It had consistently supported international co-operation on commodity trade matters and had acceded to most of the major international commodity arrangements. It was to be hoped that the negotiations on a new international sugar agreement would provide an opportunity to put the concept of interdependence to the test. Along with developing countries, Australia hoped that the industrialized countries would approach the negotiations constructively so as to work out an effective agreement on sugar, which was one of the developing world's most important export crops.

10. Progress in the area of international commodity arrangements would give a fillip to the Integrated Programme for Commodities and to efforts to bring the Common Fund into operation. Australia had ratified the Agreement Establishing the Common Fund for Commodities and urged other nations that had not yet done so to ratify it as soon as possible. Australia was willing to study means of providing financial assistance to countries that needed such assistance to enable them to join. It was also prepared to participate in further consideration of an immediate action programme for commodities, although it was persuaded that each commodity required a specific solution. It was prepared to study means of improving the IMF compensatory financing facility. With regard to other ideas on commodity earnings stabilization, it questioned the appropriateness of arrangements that were commodity-specific and not related to overall balance-of-payments difficulties.

11. With regard to the financial difficulties of developing countries, only an open trading system would provide a lasting remedy to the debt problem. Indeed, it was easy to see how the sluggishness of trade and the financial vulnerability of debtors fed on each other in a vicious circle, from which a way out must be found. Many developing countries were making arduous and courageous efforts to overcome the economic shock of recent years and adjust their economies; they deserved the commitment by other countries to open their markets and a response by creditors, donor countries and capital markets in providing sufficient finance to carry through their adjustment efforts. IMF and the World Bank had adapted their operations and expanded their lending, particularly since 1980, and had a key role to play in maintaining the confidence which underpinned flows of private capital to developing countries, as well as providing finance of their own. It was in everyone's interest that those two institutions should continue to operate.

12. Australia would also do all it could to ensure adequate aid flows, and in particular to supplement the

resources of multilateral financial institutions, including IDA, IFAD and the Asian Development Fund.

13. Conscious of the likelihood that the poorer countries stood to gain little in the short term from a world economic revival, his delegation considered that there was a need for greater assistance efforts. Australia had undertaken a series of practical initiatives within its region, particularly in support of island developing countries, in which it had a special interest.

14. His Government was in favour of consultation and consensus at the national and international levels, and hoped that the sixth session of the Conference would be marked by genuine dialogue.

Summary of statement made at the 180th plenary meeting, 10 June 1983, by Mr. Erwin Lanc, Federal Minister for Foreign Affairs of Austria

1. Mr. LANC (Austria) said that since the fifth session of the Conference, some progress had been achieved under the Integrated Programme for Commodities and some positive, if modest, progress in other sectors. However, as one of the initiators of the Cancun summit meeting, his Government had been disappointed that more had not been achieved in the North-South dialogue. At any rate, the world-wide and growing sense of awareness of global interdependence and the need to seek global solutions offered some encouragement.

2. The Economic Declaration of the Seventh Conference of Heads of State or Government of Non-Aligned Countries, held at New Delhi from 7 to 12 March 1983, was a major step towards a pragmatic approach to remedying the problems of the developing world and setting priorities to meet the most pressing needs. The Buenos Aires Platform was also an important contribution to the sixth session of the United Nations Conference on Trade and Development. At their recent meeting,[15] the OECD countries had been guided in their preparations for the Conference by a readiness to reach a common understanding on world economic problems..The Secretary-General of UNCTAD had provided participants with valuable documentation in good time.

3. With that background, the Conference must focus on interrelationships between sectors and issues if it was to succeed in contributing to a sustained world economic recovery and a reactivated development process. In recommending specific actions, it should take an integrated view on their overall impact. The search for specific areas of convergence would depend upon the extent to which it was possible to arrive at a common diagnosis of the world economic situation. It was to be hoped that in both North and South there would be agreement on the need to pursue sustained economic recovery on a global scale. It was clear that the scope and type of recovery achieved by the industrialized countries would substantially determine the degree to which it would be possible to reactivate the development process of developing countries.

4. As a small, open economy, Austria could not adopt an independent macro-economic strategy, but it had embarked on more expansionary demand management, which had been successful in keeping down unemployment. In a number of countries, particularly those which had controlled inflation, there was considerable room for less restrictive monetary policies which would permit lower interest rates, thus easing the debt burden of many countries and stimulating investment.

5. It would be difficult or even impossible to sustain increased economic activity in the industrialized countries if the economies of developing countries continued to stagnate. The incipient upturn of economic activity in certain areas needed to be supplemented by concerted action covering all regions. Many developing countries would remain dependent on a continued or even increased flow of external resources through bilateral and multilateral channels. Assistance to develop the capacity of the poorest developing countries to take advantage of the recovery was a long-term or, at best, a medium-term strategy. Additional short-term measures would have to be considered to meet their immediate needs. The action of industrialized countries largely determined some economic parameters, such as interest and exchange rates, that had a considerable effect on the resources available in developing countries. Other parameters, like commodity prices, required joint action between producers and consumers.

6. The grave consequences of the decline in such prices demonstrated the need to renew efforts to stabilize commodity markets. Austria had ratified the Agreement Establishing the Common Fund for Commodities and hoped that the Conference would give a new impetus for the political action and technical preparation required so that it could soon become operational. It also hoped that there would be progress towards negotiations on individual commodity agreements. Experience indicated the need for differentiated treatment according to the production, marketing and consumption characteristics of each commodity. Moreover, a commodity agreement could be expected to have a lasting effect on price stabilization only if it covered a major part of world trade in that commodity and if it provided a mechanism to balance supply and demand. His Government welcomed commodity agreements which enabled commodity-exporting developing countries to avail themselves of the financial facilities provided by the Second Account of the Common Fund. At the fifth session of the Conference, his delegation had pledged a voluntary contribution to the Second Account, thereby demonstrating the importance it attached to measures to increase the local processing, marketing and distribution of their commodities by

[15] Meeting of the Council of the Organisation for Economic Co-operation and Development at ministerial level, Paris, 9-10 May 1983.

developing countries. Austria was prepared to examine additional measures to that end in existing forums. It had always recognized the need to complement price stabilization measures by the effective measures to protect developing producer countries from excessive fluctuations in export earnings. At the current stage, it might be realistic to give priority to expanding existing facilities in order to give additional relief to the poorest countries which were dependent on the export earnings of a few commodities. There was also scope for increasing technical and financial support to existing institutions, such as the International Trade Centre UNCTAD/GATT, with a view to improving market strategies of low-income countries.

7. There was general recognition that the unemployment and economic insecurity caused by the decline in world economic activity had revived protectionist tendencies and reduced investment in structural adjustment. Austria, which was a heavily export-oriented country, remained committed to maintaining and developing an open world trade system. Protectionist pressures must be energetically resisted and there must be a renewed commitment to a standstill as a prelude to subsequent liberalization measures.

8. The Austrian Government had faithfully fulfilled its commitments with regard to preferential trade treatment for developing countries, with the result that imports from developing countries to Austria had increased by 60 per cent between 1978 and 1982. The Austrian scheme of generalized preferences had proved to be an efficient instrument, and imports from preference-receiving members of the Group of 77 were steadily increasing. Preferential treatment had been substantially improved for the 36 least developed countries and the scheme did not contain any *a priori* quantitative limitations on preferential imports. It was a matter of concern that not all countries eligible to do so made use of the Austrian GSP scheme. Accordingly, Austria attached great importance to technical assistance in that field, which should be increased.

9. At the recent GATT ministerial session, Austria had supported the decision to examine the prospects for promoting the growth and diversification of trade with developing countries. It was ready to examine rules and principles of international trade with a view to further facilitating such trade. In that connection, it had always held the view that trade policies should not be used for non-economic aims. It would also welcome more effective economic co-operation among developing countries and an expansion of trade relations between countries having different economic and social systems. An expansion in those sectors of international trade could contribute to global economic recovery and a more equitable balance of world trade. However, trade policy could not be considered as an autonomous but only as a concomitant measure for revitalizing the world economy. It was the general hope that economic recovery would increase the possibilities of overcoming the structural problems which underlay the current economic situation. Nevertheless, it was not sufficient to wait for rain; means of irrigation must be applied.

10. Austria fully shared the sense of urgency regarding the effects of the indebtedness of many countries on their development efforts and on the international financial system. Now that there was the prospect of even hesitant recovery in certain industrialized countries, individual and collective action must be taken to facilitate the adjustment process required for a lasting improvement in the situation of developing countries. To provide the financial flows necessary for that process constituted a challenge to the international community. Recognizing the importance of concessional finance, the Austrian Government reaffirmed its commitments under the International Development Strategy and the Substantial New Programme of Action for the 1980s for the Least Developed Countries. The former Federal Chancellor of Austria had also proposed an organized transfer of resources to increase the availability of funds for the development of infrastructure. In the same vein, Austria had participated in strengthening the financial base of the multilateral development institutions, which had a central role to play in helping the adjustment efforts of developing countries. It had contributed to the recent capital increase of the World Bank and supported the Bank's programme for expanded activities.

11. The impact of energy problems on the development of developing countries also deserved particular attention. Austria had therefore supported the World Bank's increased activities in the energy sector and would welcome the creation on an energy affiliate, provided that it would not reduce the funds available for institutions meeting primarily the needs of the poorest countries. The Austrian Government had participated in the Sixth Replenishment of IDA and supported increasing in real terms the lending capacity of the Seventh Replenishment of IDA. Austria was a member of most regional development banks and funds. It was also one of the founding members and consistent supporters of IFAD. It was concerned that that Fund's activities, which were of great importance for the poorest countries, might be impaired by the failure of some of its contributors to fulfil their commitments. The Austrian Government likewise actively supported the United Nations Financing System for Science and Technology for Development and appealed to all major donor countries to reach an early agreement on an adequate and durable financial and administrative basis for the System, which was a useful instrument for strengthening the scientific and technological capacities of developing countries. Austria was helping to facilitate the flow of publicly-owned technology and technical information through the Austrian Patent Office, which was operating a research service free of charge for developing countries, which gave access to comprehensive patent documentation.

12. Austria supported recent modifications in IMF funding and rules, including a new allocation of SDRs, a link between SDRs and development and a review of the compensatory financing facility. The international financial institutions had been increasingly responsive to new requirements, but they should continue to seek innovative and pragmatic responses to international financial problems. It might prove necessary to review and gradually adapt present features of the international monetary system and its institutions in order to provide long-term solutions. Within the limits of its possibilities, the Austrian Government would continue

to assist in the strengthening of the international financial system and in actions to alleviate the problems of countries with debt-servicing and liquidity problems. Intensified international co-operation in that field was an indispensable prerequisite for a sustained world-wide recovery.

13. The sixth session of the Conference might well prove to be the only forum with a global participation in 1983 in which the burning issues of the welfare of mankind could be discussed at the current critical stage of the world economy. That challenge could be met only if deliberations were conducted in a constructive and co-operative spirit. He therefore welcomed the Message for Dialogue and Consensus emanating from the meeting of the Group of 77 at Buenos Aires. His delegation shared the urgency reflected in various proposals before the Conference, in particular those to help the least developed and poorest countries, which were most affected by the current crisis.

14. The United Nations, and UNCTAD in particular, had a major role to play in the quest for peace and prosperity. The Austrian Government was firmly convinced that any significant improvement in the welfare of all nations would depend on the extent to which the colossal waste of material and human resources resulting from ever mounting arms expenditure could be contained and reduced. The work of the Conference must therefore be supplemented by intensifying efforts to reach agreement on arms control measures.

Summary of statement made at the 185th plenary meeting, 14 June 1983, by Mr. Karim Ebrahim Al-Shakar, Permanent Representative of Bahrain to the United Nations Office at Geneva

1. Mr. AL-SHAKAR (Bahrain) emphasized the importance of the sixth session of the Conference. It was being held in the city which had been the cradle of the non-aligned movement—the efforts of which had been devoted to the establishment of good relations between States—and in a country which had been a pioneer in setting up an independent socio-economic system.

2. In the years since the preceding session other major meetings had taken place, including, to mention only the more recent, the Seventh Conference of Heads of State or Government of Non-Aligned Countries at New Delhi, the Fifth Ministerial Meeting of the Group of 77 at Buenos Aires and the Williamsburg summit meeting, and States were again gathered to seek means of reviving development. Recent developments in the economic situation allowed a measure of optimism, as the first signs of a recovery were to be seen in some developed countries, and it was to be hoped that the recovery would spread to the developing countries. Those countries had been hit very hard by the crisis and had seen the progress of their GNP halted; they were in the grip of inflation, were suffering from the effects of protectionist measures and were experiencing worsening terms of trade.

3. His delegation hoped that the sixth session of the Conference would permit the elaboration of an integrated programme of action designed to revive development through an effort of solidarity, made all the more essential by the fact that the interests of the developed and developing countries were absolutely indissociable.

4. The current economic disorder and crisis were not purely accidental; they were explained by the need for structural transformation, carried out by common agreement. In that connection, the importance of the Buenos Aires Platform should be underlined, as it laid stress on dialogue and consensus, not on confrontation. Half-measures and palliatives must be avoided, and efforts to find a just equilibrium redoubled. With good will on the part of everyone, the sixth session of the Conference might afford a real opportunity to solve the world's economic problems.

5. The situation of the developing countries was set out in the Buenos Aires Platform, which he liked to think would be considered in a positive spirit. The developed countries must show the greatest possible flexibility for the North-South dialogue to achieve something. The Platform should make it possible for an integrated programme of action to be drawn up at the current session, in order to accelerate development, especially in the developing countries, and to provide a solid basis for the new international economic order. It was also intended to achieve a balance between prices of commodities and raw materials exported by the developing countries, and prices of manufactured articles which they bought from the developed countries. Finally, the measures provided for in the Platform would encourage a reshaping of the international monetary and financial system.

6. His delegation hoped that the Conference would hear the appeal made by the non-aligned countries at New Delhi and, in particular, would accept the proposal to convene an international conference on the reform of the financial and monetary system which would devote attention, in particular, to finding a solution to the very serious problem of the indebtedness of the developing countries. He supported the idea of creating international machinery for assistance to developing countries, so as to ensure flows of necessary financial resources on terms which took account of mutual interests, as well as the granting of assistance under non-restrictive conditions.

7. The members of OPEC were providing substantial assistance, especially in the food and agriculture sector and for supporting the balance of payments. They were devoting to that effort a much larger proportion of their GNP than were the industrialized countries. Between 1975 and 1982 the proportion varied, depending on the State, between 2 and 9 per cent of GNP, whereas the developed countries had still not reached the target

of 0.7 per cent fixed in the International Development Strategy.

8. His country, which was one of the island developing countries, was experiencing difficulties, many of which were common to those countries. Its natural resources were limited, its area of agricultural land was small, and its petroleum reserves were becoming exhausted. It had nevertheless taken steps to cut down expenditures and rationalize consumption and, with the assistance of other Gulf States, had been able to continue carrying out its development projects.

9. His country, which was deeply convinced of the interdependence of nations, had always followed a policy of co-operation with other countries, especially developing countries. It had, for example, taken part in the establishment of the Gulf Co-operation Council, whose members were Saudi Arabia, Kuwait, Qatar, the United Arab Emirates, Oman and Bahrain, and the purpose of which was to establish co-operation in all fields and to harmonize national, financial, trade and economic policies. The Council had adopted an economic convention with a view to such harmonization and the establishment of good trade relations among the members.

10. As it was meeting in the home country of Marshal Tito, that great freedom fighter, the Conference could not remain silent as to the situation of peoples oppressed by foreign occupation, in particular the Palestinian people in the territories occupied by Israel, and the people of Namibia, who were deprived of their inalienable rights. His delegation reaffirmed its unconditional support for the struggle being waged by the people of Palestine under the leadership of the PLO, and for the struggle of the South African and Namibian peoples. It hoped that UNCTAD would give them increased assistance and was in favour of the proposal to establish a special group, within UNCTAD, to study the economic situation in the territories occupied by Israel.

11. Although the United Nations Conference on Trade and Development had achieved progress, much still remained to be done, and the way was strewn with obstacles. His delegation hoped that the sixth session would produce decisions and resolutions capable of solving world problems. It supported the efforts of other developing countries to find a way out of the crisis and to devise solutions to all the economic problems that would ensure economic security for all. A universal effort to promote equality and justice could bring prosperity to all.

Summary of statement made at the 185th plenary meeting, 14 June 1983, by Mr. Shafiul Azam, Minister for Industries and Commerce of Bangladesh

1. Mr. AZAM (Bangladesh) said that the current world-wide recession gave the sixth session of the Conference special significance. The statements made during the general debate showed that participants recognized the opportunities available at the session and were determined to seize them. He stressed that there was general recognition of interdependence: the North was affected by the adverse situation of the developing countries, and the South could not protect its economies against the economic policies of the developed countries. In the developing countries, per capita growth rates had been negative in the past two years, and their total external debt had risen to $600 billion. The prices of their export commodities had fallen to their lowest levels for four decades. The sharp decline in their terms of trade, rising protectionism, fluctuating exchange rates and inadequate aid flows had obliged them to cut back their investments and consumption severely. In turn, the developed countries had seen their overall growth rates fall back to 1 per cent on the average during the past two years; their investments had declined and their unemployment had risen to 30 million.

2. There were some signs of recovery in the developed countries; in view, however, of the reality of interdependence, it was doubtful that recovery would be maintained if the development process was not reactivated at the same time in the developing countries. Wide-ranging consultations had been held on that subject in recent months to prepare for a fruitful dialogue in Belgrade. In particular, the Buenos Aires Platform proposed concrete measures for the short term, coupled with structural changes aimed at ushering in the new international economic order.

3. Turning to certain specific items on the agenda, he said, in connection with financial and monetary issues that the developing countries needed substantial flows of assistance on favourable terms, as well as direct investment to increase their income. Initiatives had recently been taken to that end, but they did not provide adequate long-term financing possibilities that were unconditional and quickly available. Furthermore, the prevailing high interest rates needed to be brought down and exchange rates stabilized.

4. In that connection, his delegation was of the opinion that the following measures should be taken: first, a relaxation of debt-servicing conditions for the developing countries, and full implementation of debt-relief measures agreed to five years earlier; secondly, an immediate and substantially increased allocation of SDRs and a sizeable increase in IMF quotas for the developing countries, a review of the conditions imposed by IMF, a liberalization of the compensatory financing facility, and the establishment within the framework of that system of special arrangements for the benefit of the least developed countries; thirdly, strengthening IDA, application of the agreement on the Sixth Replenishment of IDA and early agreement on an expanded Seventh Replenishment; fourthly, expanding and liberalizing the lending operations of the World Bank and other multilateral financial institutions; fifthly, increasing voluntary contributions to UNDP.

5. The existing trading environment was characterized by rising protectionism in developed countries. That trend should be immediately halted and reversed on a non-reciprocal basis. It was not the protectionist measures of the developing countries, but rather lack of purchasing power, that hindered the expansion of markets for the developed countries. To increase the purchasing power of the developing countries, it was necessary to improve their access to the markets of the developed countries without delay.

6. Most of the participants has strongly supported action relating to commodities. Commodity prices were equivalent to only one third of their real value of 20 years earlier. In such a situation the Integrated Programme for Commodities needed a new boost, and the Common Fund should be brought into operation rapidly. A number of delegations had already announced during the session that their Governments were going to ratify the Agreement Establishing the Common Fund for Commodities. It was also to be hoped that the agreements already negotiated for commodities would be implemented without delay, and he appealed to the producers and consumers to ratify the International Agreement on Jute and Jute Products, which had recently been concluded after years of negotiation. Furthermore, it would be desirable to make arrangements enabling developing countries to engage in the processing, marketing and distribution of their commodities.

7. With regard to the Substantial New Programme of Action for the 1980s for the Least Developed Countries, he recalled that, before the adoption of the Programme in 1981, the Conference at its fifth session had already adopted a programme of action, which was set out in its resolution 122 (V). The Substantial New Programme of Action provided, in particular, that ODA for the least developed countries should be doubled by 1985 and that all ODA loans to those countries which had not been reimbursed should be converted into grants. It also provided for arrangements to cover shortfalls in their commodity export earnings and exemption from customs duties for their exports. In general, the Conference should make a real effort at its sixth session to translate the Substantial New Progamme of Action into specific measures. It was to be hoped that the necessary political will to arrive at an agreement on those questions would be shown at Belgrade.

Summary of statement made at the 178th plenary meeting, 9 June 1983, by Mr. H. Bernard St. John, Deputy Prime Minister and Minister for Trade, Tourism and Industry of Barbados

1. Mr. St. JOHN (Barbados) said that the sixth session of the Conference was taking place at a time when the world economy was engulfed in a prolonged and deepening crisis which threatened the economic future of all countries. That crisis had placed a heavy strain on the international systems that had sustained international economic relations during the post-war years in the areas of money, finance and trade, and had raised the spectre of trade warfare, competitive devaluations and financial collapse. It was a crisis that had a strong impact on developing countries, especially on countries with small open economies like Barbados. It had brought into sharp focus the crucial interdependence of the economies of the world, a factor which countries could not afford to ignore any longer.

2. The failure of countries to arrest that crisis was due not to a lack of capacity on their part, but rather to their failure to recognize the very nature and dimensions of the crisis and the need for concerted action. So far action had been taken mostly on an *ad hoc* basis and at the national level and had been mostly defensive and inward-looking. In the developed countries, the primary policy objective had been to curb inflation, and that had had a serious impact on employment and production. In the developing countries, investment and development activities were being scaled down and in some cases halted in order to cope with the problems of external payments and indebtedness. The decline in production and in the volume of trade and the unemployment in which such policies had resulted had had dramatic consequences in many parts of the world, especially in the developing countries.

3. As had been noted by the Secretary-General of UNCTAD in one of the reports before the Conference,[16] the sixth session had been convened against a record of failure, but it could yet be a decisive turning-point in international economic relations. The issues before the Conference, although wide-ranging, were interrelated and reflected the crucial problems confronting the contemporary world. They related to trade, finance and commodities; the way out of the crisis demanded a set of interrelated measures encompassing those three areas. The Conference should deal with all those issues, paying special attention to their interrelationship.

4. The UNCTAD secretariat had provided a number of conclusions and proposals regarding the issues and problems which the Conference would have to address; they deserved the most serious attention since they correctly analysed the crisis. The major conclusion of that analysis, which his delegation fully endorsed, was that there was an urgent need to arrest the crisis and to reactivate the world economy. In the pursuit of that objective, it had been recommended that the Conference should adopt a programme of immediate measures to create the conditions for the resumption of growth and for dynamic structural adaptation in the industrial countries, as well as the renewal and acceleration of development in the developing countries. The secretariat had also stressed the need to address the underlying changes that had been taking place in the world economy and their effects both on international

[16] TD/271, reproduced in volume III. The report was also issued separately (United Nations publication, Sales No. E.84.II.D.4).

economic relations and on the systems that were designed to support them.

5. In the area of money and finance, the programme called for the mobilization of the entire range of monetary and financial instruments available, including a special increase of SDRs for the developing countries; that was crucial since all financial flows to those countries were at present severely hampered, with the result that their financial position was weakened and their import capacity diminished. The programme also called on the developed countries boldly to adopt a new policy involving lower interest rates, the restoration of stability to exchange markets and a moderate expansion in their economies; those measures would have a beneficial effect on the world at large.

6. In the area of commodities and trade, the programme called for the strengthening and stabilization of commodity markets and earnings, which could be achieved by immediately bringing into operation the Common Fund for Commodities and through the conclusion of a series of "interim agreements" on a number of commodities. That recommendation made a great deal of sense in view of the importance which many countries, particularly the developing countries, attached to commodities.

7. The immediate programme for recovery in the world economy would not be truly effective unless protectionism was removed. His delegation supported the call for Governments, especially in the developed countries, to desist from applying new restrictions and to make a start on dismantling existing restrictions.

8. Because of the devastating impact of the world crisis and the crucial importance which they attached to the Conference, the developing countries had met to prepare a common position on the issues addressed at the Conference. The Buenos Aires Platform represented their position, which was a fair and balanced one. The conclusions and draft resolutions of the Group of 77 had drawn attention to the needs of the developing countries, the intimate links between development and the smooth functioning of the world economy, and the urgent need for concerted action. All those proposals, like those of the UNCTAD secretariat, the non-aligned countries, the Brandt Commission and the Committee for Development Planning, should be carefully examined with a view to reaching agreement on the formulation and implementation of a programme that would revive the world economy and on the basic requirements for changes in the fundamental systems which underpinned international economic relations.

9. Barbados, like other countries with small open economies, was suffering as a result of the world crisis. The price of one of its few commodities—sugar—had plunged to very low levels, and the earnings from one of its vital sectors—tourism—had stagnated and declined in 1982. It had suffered from the effects of the protectionist policies of a number of developed countries, its external payments position had worsened and its indebtedness had increased enormously. It had had to scale down or postpone a number of development projects. For Barbados, therefore, a solution to the crisis was vital.

10. His delegation had come to the Conference with a determination to work with all countries, developed and developing alike, in order to devise a common programme that would effectively turn the crisis around, and to examine means of strengthening the system of international economic relations in the areas of money, finance and trade. Without an agreement on those points, the recovery would not be self-sustaining.

Summary of statement made at the 186th plenary meeting, 15 June 1983, by Mr. Leo Tindemans, Minister for External Relations of Belgium

1. Mr. TINDEMANS (Belgium) said he had the impression that people held two opposing and equally extreme views about UNCTAD. Some tended to regard each session of the Conference as the last chance to solve every problem, a viewpoint which overlooked the fact that the Conferences were one episode in a continuous process of negotiation and also that problems other than those dealt with by UNCTAD, such as the population explosion, social rigidity, malnutrition and adverse changes in the environment could constitute a serious brake on development. Others tended to think that the importance of a meeting like the current session of the Conference was artificially exaggerated. He did not agree with either opinion. It was useful and necessary that the international community should be required periodically to re-examine the world economic situation and recommend ways of improving it. It was even more useful in the present situation of international crisis, which had particularly affected the vulnerable developing countries and especially the poorest among them.

2. Looking back, it could be observed that, over the previous 20 years, growth rates in developing countries had generally been higher than those in the industrialized countries but food self-sufficiency had decreased sharply in a number of regions, particularly in Africa, which currently imported nearly 30 per cent of its food requirements. However, it was primarily the indebtedness of developing countries, estimated to total about $630 billion, that gave the most serious grounds for concern. The current liquidity crisis was straining co-operation between creditor and debtor countries. World trade had declined for the first time since 1945, largely owing to the fall in demand in industrialized countries. Thus the Conference was meeting at a time when there was practically no economic problem that did not have global dimensions and that did not indirectly or directly affect North-South relations.

3. Nevertheless, the deliberations should avoid certain pitfalls. For example, a review of the international economic situation should eschew a sterile debate on

whether or not the crisis was structural in nature. The main point was that it profoundly affected the economy of every country, and no country could hope to get out of it under its own steam. International action directed towards economic recovery and long-term growth must include the granting of an adequate amount of assistance, efficiently used, to enable developing countries to continue to grow and to maintain an adequate level of imports. Growth in the imports of developing countries was both a requisite for their development and a concomitant to industrial recovery in developed countries.

4. That led to the question of the linkage between foreign trade and development co-operation, in other words, between commercial considerations and the use of assistance. In his view, there was no clear-cut answer to that highly topical question. Neither a very high-minded nor a very commercial attitude should be adopted.

5. The developing countries themselves maintained that it was in the enlightened interest of the developed countries to support the developing countries by an open trade policy and by greater financial assistance, since such a policy offered the industrialized world more possibilities for their own exports of goods and services. Thus, the developing countries themselves formulated a link between assistance and exports. Moreover, public and parliamentary opinion in the developed countries would be more likely to approve an increase in public aid if they knew that it enabled their countries to increase world trade and to support their own economies.

6. That did not mean, however, that commercial considerations should prevail over the real aims and objectives of aid. The first criterion for the use of aid should be a justified and recognized need for development assistance in the countries applying for aid and its essential aim was to contribute to a satisfaction of that need, through appropriate and efficient action. Assistance which failed to meet that criterion did not provide aid in its true sense and could even harm the development of the countries in question by diverting their efforts to enterprises that were economically and socially hardly justifiable. At a time when the developing countries were facing serious financial problems and the amount of aid had decreased sharply, it was essential that available resources were used as effectively as possible.

7. Belgium hoped that the sixth session of the Conference would contribute to the promotion of a durable world recovery. However, while renewed growth in the industrialized countries was a necessary condition for helping the third world, of itself it was insufficient. Specific measures were needed in favour of the developing countries. All countries must assume their responsibilities in that respect and, in that connection, it was regrettable that the Eastern countries were not playing a role in North-South co-operation more in proportion with their economic strength. As the Group of 77 had continuously recognized that the developing countries themselves were primarily responsible for their own development, the combined efforts of all were essential and constituted the only approach leading to prosperous international co-operation.

8. The measures that should be taken in favour of the developing countries must be such as to contribute to the strengthening of their markets as well as to an increased stabilization of the export revenues of their raw materials. They must also promote the re-establishment of a more stable monetary and financial system, which should increasingly be based on a collective discipline, as well as the maintenance of and, if possible, an increase in the transfer of resources, both in the form of public assistance and private investment and bank credit. Those measures should foster an open international trading system and, as their development progressed, a better integration of the developing countries into it.

9. In the field of raw materials, efforts to implement the Integrated Programme for Commodities adopted in 1976 must be continued. It was true that those efforts had revealed the complexity and the profound diversity of the situation from product to product. His country, however, believed that a more determined political will on the part of the principal producers and consumers could lead, for the 18 products on the list of the Integrated Programme, to the conclusion of a larger number of agreements or arrangements or, at least, to the creation of study and consultation groups bringing together the countries most interested in trade in those products.

10. Belgium also recognized the magnitude of the problems facing developing producer countries in the marketing, processing and distribution of their commodities. The Conference should recommend internal and external measures in those sectors. Such expansion of manufacturing activities must be accompanied by full respect for security of supplies, and a balance should be found which both guaranteed regular supplies to the importing countries and provided the necessary technical assistance to the producer countries together with improved access to world markets. As to stabilization of export earnings from commodities, Belgium, in co-operation with its European partners, was prepared to examine the possibility of improving the existing mechanisms, paying special attention to the needs of the poorest countries.

11. With regard to international trade and structural adjustment, he fully subscribed to the declaration made by the Minister for Economic Affairs of the Federal Republic of Germany on behalf of the European Economic Community, to which he would merely add a few observations. First, the importance of world trade to the developing countries must be emphasized. It was thus normal that UNCTAD should concern itself with the evolution of world trade in relation to development. Belgium, however, insisted on respect for the competence of GATT in those matters so that the activities of UNCTAD and GATT would not hinder but would complement one another. Secondly, he reaffirmed the Community's concern not to take any measures that would restrict imports from developing countries nor to prolong longer than necessary structural-adjustment measures aimed at restricting imports that might damage certain European sectors experiencing difficulties. Thirdly, despite unemployment and the closing down of many enterprises in Europe, Belgium was aware that a defensive policy would not be

in conformity with its long-term interests, nor with the need to maintain international trade, the sole guarantee of strong and durable world growth. Thus, the public authorities of his country wished to accompany structural changes with positive policies aimed at mitigating their consequences, especially in the social field.

12. His fourth comment was that the Community's trade policy remained wide open to imports from third world countries. Belgium's increasing purchases from developing countries, other than oil-producing countries, which had amounted to 150 billion Belgian francs in 1981, had exceeded 171 billion in 1982, representing an increase of 13.6 per cent in one year. That openness was reinforced by the Community's decision to maintain its GSP at least until 1990, with annual revisions to improve the Community's demand for both agricultural and industrial products.

13. Lastly, he drew attention to the new situation stemming from the rapid development of certain developing countries which had registered economic performances that brought them close to the industrialized countries. Belgium believed that those countries should play their part by assuming the rights and obligations of the multilateral trading system so as to contribute to the general process of economic development.

14. At present, the world was chiefly worried by monetary and financial problems, since it was those problems that most revealed the complex network of interdependence. It was normal that UNCTAD should discuss those matters, but the debates should be constructive, without questioning the entire international monetary and financial system. Among the most immediate problems, the large and rapid fluctuations of exchange rates and the excessive indebtedness of the majority of the poor countries deserved particular attention. Substantial progress in exchange-rate stabilization could only be achieved by better co-operation between countries with a view to improved co-ordination between economic and financial policies and by a strengthened supervisory role of IMF in connection with structural adjustment. In order to reduce the heavy debt burden of the developing countries, the transfer of public and private financial resources to them must be maintained and, if possible, increased, in order to help them maintain a reasonable pace of development.

15. Such financial transfers must, of course, be used as efficiently and productively as possible through closer co-operation between international financial institutions, commercial banks and development-aid agencies. To that effect, Belgium had recently concluded a framework agreement on co-financing with the World Bank whose scope was particularly wide in that it concerned not only public but also private financial flows.

16. As to resource levels and IMF intervention possibilities, Belgium welcomed the 47 per cent increase in quotas, all the more so as it had expressed itself in favour of doubling them. It also supported a new issue of SDRs and a review of IMF statutes in order to ensure their more effective utilization in favour of the developing countries. Special emergency measures on behalf of the least developed countries were also essential in order to avoid a complete halt to their growth and unacceptable social tragedies. In that connection, the recommendations of the United Nations Conference on the Least Developed Countries, held in Paris in 1981, either to provide 0.15 per cent of GNP for special action in favour of the least developed countries or to double public aid granted to those countries[17] should be borne in mind. A number of countries, including Belgium, could agree that that 0.15 per cent goal should be reached by 1985. His country had confirmed that commitment by transferring, as from 1981, 0.17 per cent of its GNP to the least developed countries.

17. Belgium was also in favour of a better co-ordination of international aid, particularly between aid by IMF and the World Bank in the field of structural adjustment and assistance by other institutions engaged in bilateral and multilateral co-operation. Such co-ordination should be fully integrated into wide-ranging and open dialogues with the Governments involved, in order to help them establish coherent development strategies. The necessary urgent and concerted action in favour of the poorest countries, to be really effective, must be supported by the will of national Governments to assume the main responsibility for the development of their countries.

18. In conclusion, he quoted the words which the King of the Belgians had addressed to the international monetary meeting held at Brussels in May 1983 on the need for a constructive North-South dialogue, in which King Baudouin had pointed to the absurdity of a situation in which so much productive capacity remained underutilized in the northern part of the globe, while so many fundamental needs remained unsatisfied in the southern part, and had stressed the interdependency of all countries and the need for the economic, social and human development of the third world as an essential factor for lasting economic growth.

19. Those words proved how conscious Belgium was of the importance of the North-South dialogue and of international co-operation uniting all countries in a common effort to improve the prosperity of all people, in particular of the weakest.

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[17] See *Report of the United Nations Conference on the Least Developed Countries, Paris, 1-14 September 1981* (United Nations publication, Sales No. E.82.1.8), part one, para. 63.

Summary of statement made at the 187th plenary meeting, 15 June 1983, by Mr. Manassé Ayayi, Minister for Trade of Benin

1. Mr. AYAYI (Benin) said that, as far as the developing countries were concerned, international economic life had been marked since 1980 by a slowdown in their exports to the main European markets, a worsening of the terms of trade, the unusually high cost of borrowing on financial markets and a decline in ODA in real terms. The developing countries in general and the least developed countries in particular were heavily dependent on their commodity exports. At its sixth session, the Conference must pay full attention to the following matters: the stability of commodity prices, a more advanced degree of processing and the improvement of marketing.

2. The efforts made by the developing countries to undertake a greater share of the processing of their commodities often ran up against the commercial and industrial structures of transnational corporations. Commodity prices had shown an upward trend in the 1970s, but they had fallen sharply since 1980; on average the prices of products other than fuel had decreased by 16 per cent between 1980 and 1981 and by 17 per cent between the first three quarters of 1981 and the corresponding period of 1982. The export earnings of the developing countries had declined as a result by $8 billion between 1980 and 1981, and by $0.8 billion in the case of the least developed countries. Because of a further substantial reduction in prices in 1982, the developing countries could be estimated to have lost in all $21 billion in earnings during the period 1980-1982.

3. At the same time, their external indebtedness had increased: at the end of 1982, the debt of the non-oil-exporting developing countries had exceeded $500 billion. That situation was all the more disturbing since the prices of manufactures imported by developing countries were soaring: for instance, to buy a Swiss watch in 1974 the sale of 14.2 kilograms of coffee had been sufficient, but today four times as much coffee was needed. That worsening of the terms of trade was reflected in a relative reduction of the purchasing power of developing countries and a transfer of increased resources to the developed countries.

4. There was a very urgent need for corrective measures. The entry into force of the Agreement Establishing the Common Fund for Commodities should be an essential step in the restructuring of the machinery governing trade relations between developed and developing countries. Unfortunately, since the establishment of the Fund in 1980, only 92 countries, representing 74 per cent of the capital, had signed that Agreement and 42 countries had ratified it. His delegation urged those countries which had not yet signed and ratified the Agreement to do so, in order that the Fund might become operational by 1 January 1984.

5. Furthermore, it was necessary to negotiate and implement effective international commodity agreements, containing provisions for both price control and product valorization, with a view to defining frameworks for international co-operation in processing, marketing, transport and distribution. Such provisions would introduce more flexibility into the IMF compensatory financing facility and buffer stock financing facility, with special attention being paid to the least developed countries. Negotiations should also be conducted on the setting up of a supplementary mechanism for shortfalls in commodity export earnings.

6. The re-emergence of protectionism was preventing the expansion of international trade and was constantly aggravating tension and conflict in trade relations. In several developed countries, tariff and non-tariff barriers were now so high that they were a major obstacle to any increase in the earnings which the developing countries derived from their commodities. Next to food products, fibres and related products were the most protected sector. Thus, in the early 1970s, the United States of America had concluded more than 20 bilateral agreements with various developing countries to limit textile imports. In EEC, imports of textiles from non-member countries had accounted for only about 8 per cent of total consumption in 1974-1975, while in the United States and Japan imports of textiles had scarcely reached half that percentage.

7. Those protectionist measures were creating a climate of commercial warfare and deepening the world economic recession. The discriminatory aspects of protectionism were to a large extent due to the structural rigidities of the world economy. All countries should now help to adapt those structures by refraining from further unilateral action. Furthermore, comprehensive international machinery should be set up to centralize and exchange information on all types of action affecting international trade, and principles and methods should be defined for application in future multilateral trade negotiations. Technical assistance should also be supplied to developing countries so that they could better understand national regulations and procedures in trade matters.

8. Formal commitments had been undertaken at the United Nations Conference on the Least Developed Countries in 1981, and donor countries had expressed their desire to support the Substantial New Programme of Action for the 1980s for the Least Developed Countries. His delegation appealed to all developed countries to fulfil their commitments by supplying the least developed countries with the means needed to implement that Programme.

9. The developing countries did not earn enough from their exports to import the capital goods and technology they needed. They had no alternative but to give up development projects and borrow in order to be able to service their external debt. The international community should explore every possible means by which the necessary finance could be found to remedy that situation. Obviously, the least developed countries deserved special attention in that respect.

10. The stringent measures which IMF and the World Bank sought to impose on the developing countries were obsolete remedies; such measures, which had been effective in the immediate post-Bretton Woods era, were now inadequate, since the current crisis was structural and any attempt to reduce international economic problems to stereotypes was liable to result in social explosions and political destabilization.

11. The objective of the new international economic order should be to place the economy at the service of mankind.

Summary of statement made at the 178th plenary meeting, 9 June 1983, by Mr. Om Pradhan, Permanent Representative of Bhutan to the United Nations

1. Mr. PRADHAN (Bhutan) commended the role of Yugoslavia in the non-aligned movement and pointed out that the President of that country, in his inaugural address, had highlighted the problems of the developing countries and stressed the need for global action to prevent a further deterioration of the present economic situation. That situation continued to give cause for concern. The documentation for the session showed that, for the first time since the Second World War, numerous developing countries, in particular the least developed, had experienced a decline in their per capita GDP. Commodity prices in real terms had slumped to their lowest level for 45 years. Increased protectionism had caused a decline in the exports of numerous developing countries. In many of those countries, the balance-of-payments deficit and the external debt had reached unparalleled proportions. The monetary system evolved at Bretton Woods had collapsed, and the floating currencies that had existed since 1973 had caused the international community serious difficulties. To cope with that situation, short-term measures were clearly required, but such measures would not suffice in the long term.

2. Multilateral financing institutions, in particular IMF, the World Bank and IDA, needed strengthening and reform. They must be made more dynamic and their decision-making processes more equitable. In his delegation's view, to bring order into the international monetary and financial system a conference should be convened at which all the parties concerned were represented. He hoped that a decision would be taken on that subject at the current session.

3. Many delegations had already pointed out that several donor countries had not yet achieved the long-promised target for ODA of 0.7 per cent of their GNP. In 1982, such assistance from all the members of DAC amounted to only 0.32 per cent of their GNP. While commending those donors who had reached or surpassed the 0.7 per cent target, he would urge the others to reassess their individual positions so that the targets laid down in the new International Development Strategy could be attained. Another disturbing problem was that of the deteriorating financial situation of UNDP, UNICEF and UNFPA, which was jeopardizing programmes of crucial importance for many developing countries.

4. The least developed countries had begun, in co-operation with the donor countries concerned, to implement the Substantial New Programme of Action for the 1980s for the Least Developed Countries, adopted at the Paris Conference in 1981. In May 1983, Asian and Pacific least developed countries had been able to hold their scheduled round-table meeting. His delegation acknowledged the efforts made by UNDP, UNCTAD and the World Bank to promote contacts between donors and least developed countries. However, if the objectives of the Substantial New Programme of Action were to be achieved, continuous follow-up action would be required on the part of the above-mentioned organizations, donor countries and the least developed countries themselves. Such action would have to be sufficiently flexible. His delegation hoped that the sixth session would expedite the achievement of those objectives.

5. The land-locked countries incurred additional transit costs in their trade and had to rely entirely on the transport facilities of the transit countries. Of the 21 developing land-locked countries, 15 belonged to the least developed category. Unfortunately, the resolutions adopted at previous sessions of the Conference for specific assistance to land-locked countries had not really been implemented. He therefore appealed to all donor countries to pledge adequate contributions to the United Nations Special Fund for Land-locked Developing Countries. In addition, all transit countries should facilitate the transit traffic of land-locked developing countries by simplifying and speeding up formalities and procedures. Every effort should also be made to ensure the development of appropriate and adequate means of road, rail, air and waterway transport. Whenever necessary and feasible, transit countries should even seek external assistance for that purpose, for the benefit of their land-locked neighbours. His own country had improved its trade and transit facilities thanks to the friendly co-operation of India.

6. The countries of southern Asia had broadened their co-operation in the commercial and socio-economic spheres thanks to increasing contacts and dialogue, which had banished the historical and colonial legacy of distrust. The Ministers for Foreign Affairs of Bangladesh, Bhutan, India, Maldives, Nepal, Pakistan and Sri Lanka had held a series of official meetings since 1981 and would assemble at New Delhi in August 1983 for a high-level meeting which would no doubt give the required impetus to socio-economic co-operation among those countries. Such co-operation formed part of economic and technical co-operation among developing countries as defined at the Caracas Conference in 1981 and at the seventh non-aligned summit conference at New Delhi in March 1983.

7. However, co-operation among developing countries must not undermine North-South co-operation. It was for the developed countries to take major initiatives since they accounted for fully two thirds of the global product and possessed the necessary technical and financial capacities. The necessity of assisting the developing countries, especially the poorest among them, had been recognized in May 1983 at the summit meeting of industrialized countries at Williamsburg and at the OECD ministerial meeting, where the expansion of trade with the developing countries through the removal of trade barriers had been accepted as a vital process in their development. There had also been agreement to look into the possibility of convening an international conference on the monetary system. In the months ahead, the implementation of those decisions should help to promote co-operation between developed and developing countries.

8. His delegation considered that the Buenos Aires Platform constituted a sound approach to the items included in the agenda for the session. Its proposals were not unrealistic. They had been outlined in the second report of the Brandt Commission and in the UNCTAD secretariat studies. In conclusion, he hoped that in the 1980s it would be possible, through active co-operation, to meet the challenges and overcome the obstacles that confronted the world; the sixth session provided an excellent opportunity for making progress in that direction.

Summary of statement made at the 192nd plenary meeting, 18 June 1983 by Mr. Luis Adolfo Siles Salinas, former Constitutional President of the Republic, Ambassador of Bolivia in Spain

1. Mr. SILES SALINAS (Bolivia) said he would give a brief account of the effects of the current world situation on the economy of his country. In October 1982, when democracy had been restored in Bolivia, the position was one of total economic and financial collapse and deep social and political crisis. Over the years since 1975, GDP had decreased by 10 per cent and receipts from the mining sector, the most important exporter, had fallen by 12 per cent in 1982, due mainly to the fall in commodity prices. Consumer prices had risen by 76 per cent between December 1981 and September 1982 and were continuing to rise. In 1982, Bolivia's debt repayments had amounted to 71.24 per cent of its total export earnings. Those economic facts had put an intolerable strain on Bolivian society and, by and large, they were typical of all the Latin American countries.

2. The Bolivian Constitutional Government was devoting itself to economic reconstruction, establishing a balanced society and developing a political democracy. It was fully aware of the fact that it was primarily responsible for carrying out that immense task. However, it was also aware that the country's situation, which was essentially similar to that of all developing countries, could not be overcome successfully and without the sacrifice of several generations unless the peoples of Latin America gave proof of mutual co-operation and solidarity. Accordingly, the President of Bolivia had proposed that the countries of the region should conduct joint negotiations about their external debts, examining the situation of each country. At the forthcoming meeting of the Presidents of a group of Latin American States at Caracas, that idea would be explored together with the positive proposals from other countries. Recent experiences had convinced the Latin American countries that they must join forces, expand their markets, conduct research in common, share technology and form their own regional multinational corporations.

3. Latin America had pursued agrarian reform for decades and yet it was still not self-sufficient in food; it had successfully launched stabilization programmes in the 1950s and was currently overwhelmed by galloping inflation; it had implemented development policies and was currently suffering from economic recession and vulnerability to external forces; it had embarked on essential integration measures, but in some cases they had lost their cohesion while in others they had ceased to function; it had achieved notable successes in the fields of health, education and cultural identity but, at the beginning of the current decade, all those achievements had come to naught. In the bicentenary year of the birth of Simón Bolívar, the Latin American countries must recover his threefold ideal of eliminating all forms of servitude, achieving national emancipation and building continental integration.

4. After the establishment of democracy, Bolivia had reopened a dialogue with the outside world. It asserted its loyal support for the Buenos Aires Platform because it was not only a call for dialogue, it also proposed concrete solutions to the world problems and appealed to the self-interest of the industrialized countries.

5. The current international economic order could more properly be described as established disorder, for there was no rightful order without justice. His Government therefore emphasized the need to improve the terms of trade, including fixed and remunerative commodity prices, and to secure the effective participation of the developing countries in world trade and in decision-making. The effectiveness of establishing the Common Fund for Commodities would depend on the extent to which it responded to the needs and interests of the developing countries and of the world at large.

6. As a land-locked country, Bolivia was well aware of the need for technical and financial co-operation and the implementation of the relevant UNCTAD and other United Nations resolutions and of the need to uphold in general the principles of free access to the sea, free and unrestricted transit rights, freedom of navigation and

the right to participate in the benefits of the resources of the sea.

7. Bolivia looked for an early solution to the problems which its enforced geographical position imposed. Such a solution would clear the way for integration and consensus and remove the causes of irritation and alienation. For that reason, out of feelings of justice and solidarity, Bolivia had received international support in the Organization of American States and the Movement of Non-Aligned Countries.

8. In conclusion, he expressed the hope that all the States members of UNCTAD would bear in mind that if they adopted solutions which rescued the few and sacrificed the many, they would be failing in their avowed intention of creating a world of peace, security and progress for all.

Summary of statement made at the 192nd plenary meeting, 18 June 1983, by Mr. Moutlakgola Palgrave Kediretswe Nwako, Minister for Commerce and Industry of Botswana

1. Mr. KEDIRETSWE NWAKO (Botswana) said that the whole international community was currently being confronted by issues and realities which could no longer be dismissed as cyclical or passing phenomena. Nor could the current crisis be considered in isolation or only in the context of a particular group of countries. The future growth of international trade, and indeed of the world economy, and universal prosperity were at stake. It was necessary not only to reaffirm faith in the process which had started 20 years earlier with the inception of UNCTAD but also to intensify efforts and harmonize interests if the future course of events was to be influenced positively for the common good. Most of the participants had come to Belgrade with a firm conviction that the international community would not shirk its responsibilities.

2. The global crisis was threatening the stability and growth prospects of both developed and developing countries. The developing countries, especially the least developed among them, had suffered the most severely, since the recession in the developed countries was transmitted to the developing countries through a variety of channels. The development process had thus come to a virtual standstill, undermining past achievements and jeopardizing the basis for future growth. The first task, therefore, was to restore and strengthen the momentum of economic growth, especially in the third world.

3. Further deterioration of the negative trends in international co-operation had to be arrested and reversed. The experience gained since the beginning of the decade had amply demonstrated that the roots of the worsening crisis lay in the fundamental structural imbalance and inequities of the international economic system.

4. All Governments realized that the efforts of their own peoples were the decisive factor in revitalizing the economies of their countries. However, the worsening international economic environment had taken a heavy toll of the ability of the developing countries, whether individually or collectively, to restore the momentum of their economic growth. Their balance-of-payment deficits and external indebtedness had assumed critical proportions. The shrinkage in the flow of external resources continued. Commodity prices had slumped in real terms to their lowest levels in the past 50 years, forcing many developing countries, such as his own, to curtail priority development projects and investment programmes. The creeping protectionism in the developed countries constituted a serious barrier to the expansion of exports of manufactured products from the developing countries; it also cast a shadow over the prospects for industrialization in several other developing countries. With rising populations, declining national outputs and external resources, most developing countries found themselves caught in a vicious circle.

5. International development assistance on a significant scale was therefore essential to the attainment of success by the developing countries in their campaign against poverty and underdevelopment. It would, however, be wrong to conclude that the increased need for international development assistance was the result of a slackening of development efforts by the developing countries or a reflection of the hopelessness of their situation. The developing countries had become a significant partner in the international economy, accounting for 20 per cent of a world output and 30 per cent of the exports of the developed countries. Those achievements had undoubtedly been made possible by past international development assistance as well as by the dynamism of the developing countries themselves. International economic co-operation should be inspired by past achievements and should not be deterred by the challenge that lay ahead.

6. It was a well-known fact that economic growth in a developing country depended largely on its export performance which, in turn, depended in most cases on commodities. The collapse in commodity prices at the beginning of the 1980s had thus aggravated the current economic crisis in the developing countries. International co-operation should therefore be directed towards removing instability in commodity trade, ensuring compensation for export shortfalls and increasing the participation of the developing countries in the processing, marketing and distribution, including transportation, of their commodities, in accordance with the Integrated Programme for Commodities adopted in 1976.

7. Immediate action was also needed to launch the operations of the Common Fund, and his delegation urged those countries which had not yet signed or ratified the Agreement Establishing the Common Fund for Commodities to do so, with a view to making it operational by January 1984.

8. The only other significant achievement in international economic co-operation was the Substantial

New Programme of Action for the 1980s for the Least Developed Countries, adopted by the United Nations Conference on the Least Developed Countries held in Paris in 1981, the implementation of which had been far from satisfactory. The refusal of major industrialized nations—with both market economies and centrally planned economies—to honour their commitment to devote 0.15 per cent of their GNP to the least developed countries had made the Programme virtually a dead letter. As for the doubling of overall ODA flows to the least developed countries by 1985, the ODA flows would hardly be sufficient to maintain the *status quo* of negligible growth in the least developed countries.

9. The prospects for growth had become alarming, especially in those least developed countries which were susceptible to droughts, disasters and external threats, and were aggravated if the country also happened to be land-locked and dependent on a single source for its access to international markets. His delegation therefore urged the international community to reactivate its support to the least developed and land-locked countries in their efforts to restructure and revitalize their economies.

10. Botswana was a least developed country which also happened to be land-locked, to be susceptible to drought and to have a commodity-based economy. It was therefore one of the countries which had suffered most in the global crisis. Its export earnings had dwindled sharply since 1980, thereby reducing its capacity to finance the import of essential goods. Government revenue had declined, thus further adversely affecting development projects and investment programmes. It was thus highly vulnerable to any contraction in external assistance. Its membership of the Southern African Development Co-ordination Conference bore testimony to its intensified efforts for co-operation among developing countries on a regional basis. Botswana had come to realize that its destiny was interlocked with that of the rest of the world.

11. The revitalization of the world economy was thus crucial for its survival. The lost momentum could and should be regained by joint efforts. All that was needed was the political will to reshape the international trading and monetary systems, reinvigorate the International Development Strategy and restore universal harmony and prosperity through the new international economic order. As all countries shared a common destiny, irrespective of the type or level of their economies, they should strive together to make a success of the Conference.

Summary of statement made at the 176th plenary meeting, 8 June 1983, by Mr. Ramiro Saraiva Guerreiro, Minister for External Relations of Brazil

1. Mr. GUERREIRO (Brazil) said that the Conference was meeting at a particularly critical moment, after more than 20 years of frustration in the negotiations between North and South. In addition, over the past 18 months, three important multilateral meetings had been unsuccessful: the meeting of heads of State at Cancún had failed to revive the idea of international co-operation for development; the meeting of IMF at Toronto had failed to strengthen the international financial system; and the GATT ministerial session had failed to curb the rising tide of protectionism. The Conference thus could not permit itself to be another failure.

2. There seemed to be no doubt that neither the trade system nor the financial system alone was capable of providing the necessary impetus to enable North and South to achieve adequate and sustained rates of growth. Only political decisions could succeed in reversing the downward spirals caused by what had become the chronic malfunctioning of the trade and financial systems. Only firm political commitments would succeed in bridging the gap between the increasing awareness of the crisis and the weakness of the efforts to overcome it.

3. The countries of the North had made the mistake of having too much confidence in their economic power and relying too much on *ad hoc* actions and unilateral policies. It had become quite clear that more was needed to prevent the indefinite continuation of a situation of uncertainty and instability in the world economy. Brazil had advocated the need for reform of the international economic order long before the emergence of the current difficulties, at a time when growth had not been able to hide the precariousness of an unbalanced and unjust system. At a time when the world was currently plunged in a crisis with deep-rooted structural causes, the developing countries had once again expressed their belief in the need for co-operation, had stated their readiness to achieve it though dialogue and consensus and, in the Buenos Aires Platform, had put forward proposals which they looked forward to discussing, together with the proposals emanating from other groups of countries.

4. Currently, after five sessions, there was reason to hope that the Conference would succeed in launching a concerted co-operative effort. The developing countries had become important economic partners and the interdependence of the economies of the South and the North was an irreversible feature. The Conference provided an appropriate setting for dealing in a universal and integrated manner with the main problems in the fields of commodities, trade, and money and finance. Another reason why such decisive co-operative effort had become essential was that the current crisis had laid bare some of the more serious shortcomings of the framework in which international economic relations were conducted. But such concerted action would not be achieved unless all countries were ready to face up to the different features of the crisis and to deal with their consequences accordingly.

5. For example, the lack of liquidity from which many developing countries were suffering could not be

overcome without determined complementary action in the fields of trade and finance. What was needed was a combination of recovery in the world economy, lowering of interest rates, increased resources for development financing under adequate conditions and a recovery in commodity price levels; in addition, there must be access to the developed countries' markets for the developing countries' exports of manufactured goods. In other words, a period of a few years in which the behaviour of the world economy was the exact reverse of what the developing countries had suffered in the recent past would be needed to undo the harm caused by the crisis to their economic development.

6. That would not be sufficient, however, to ensure sustained momentum for the resumption of development in the third world. To achieve that end, and to ensure the growth of the world economy as a whole, all countries would have to adopt a policy of structural adjustment involving a revision of domestic priorities in varying degrees in both North and South. In that connection, it would also be a good thing to stop preaching reconversion or modernization without intending to practise it, and to stop advocating liberalization while erecting new trade barriers.

7. Nevertheless, action to spur prompt recovery, even if accompanied by a significant adjustment of national production structures, would not succeed without an overhauling of the trade and financial systems. It must be stressed that the Buenos Aires Platform in no way suggested doing away with the existing systems; what it proposed was building upon them as a means of ensuring that the joint action to be undertaken produced durable results which were proof against another crisis. What was urgently required in the trade system was a return to the rule of law; what was equally urgently needed in the financial system was a strengthening of its capacity to finance a return to adequate rates of development.

8. At all events, the essential element to remember was that, however compelling the reasons for joint action for recovery and development, there would be no result without the political will to achieve political decisions in the common interest of both North and South.

Summary of statement made at the 174th plenary meeting, 7 June 1983, by Mr. Andrei Loukanov, Deputy Chairman of the Council of Ministers of Bulgaria

1. Mr. LOUKANOV (Bulgaria) drew attention to the serious problems at present facing mankind in stressing the importance of the sixth session of the Conference.

2. The particular seriousness of the situation in international economic relations was the result of a combination of factors: a sharp cyclical downturn, a deep structural crisis of the capitalist economy and the growth of political tensions in the most crucial sectors of international relations.

3. There was no denying that the generally positive evolution of trade and economic relations during the 1960s and 1970s would not have been possible without two major political breakthroughs: détente and the collapse of the imperialist colonial system. Unfortunately, at present the impact of political factors on the evolution of international trade and economic relations was having the opposite effect. Thus, certain events connected with political relationships and international security, resulting from the irresponsible and aggressive policies of a major Power, had posed a real threat to the very existence of mankind. Furthermore, that climate of political tension, charged with suspicion, prevented any far-reaching intitiative from being taken to alleviate the current economic difficulties. The arms race was, of course, having a destructive impact on the world economy through its appropriation of enormous material, financial and technological resources, but it was also bringing about new phenomena. The massive rearmament programme undertaken by the Government of the United States of America, whose cost would be two and a half times greater than the total external debt of the developing countries, was financed to a great extent by resources obtained by means of enormous budget deficits and artificially high interest rates. The result had been widespread inflation, high interest rates, growing unemployment and economic instability throughout the world.

4. Trade policies and practices were being increasingly dictated by purely political objectives and considerations, with the socialist countries being so far the main targets. Nowadays, no country could consider itself safe from arbitrary and politically-motivated restrictive measures. As far as the socialist countries were concerned, experience had amply demonstrated that sanctions and embargoes had always been counterproductive. The socialist community, now as before, was the most stable and dynamic sector of the world economy.

5. The present dangerous drift in international affairs was not inevitable. Thus, the States parties to the Warsaw Treaty, in their Political Declaration adopted at Prague on 5 January 1983, and the Seventh Conference of Heads of State or Government of Non-Aligned Countries, in the Economic Declaration adopted at New Delhi in March 1983, had proposed concrete measures which could lead to a fundamental improvement in international relations and the state of the world economy.

6. It was not sufficient to recognize the extreme vulnerability of the developing countries to the impact of the current cyclical downturn. As had been stressed in the Ministerial Declaration in the Buenos Aires Platform, that state of affairs was the result of the inequitable position of the developing countries in the capitalist division of labour. The indispensable structural changes presupposed the long-term commitment of substantial investments, which often required decades to produce the expected results. Trade policy practices must therefore be stable and predictable.

Ultimately there must be reasonable certainty that investment decisions would not be nullified by political restrictions.

7. In the present situation, it was increasingly important to reaffirm the fundamental principles of equality, non-discrimination and mutual benefit, which had of late been seriously eroded.

8. His delegation would fully support any proposal aimed at restoring confidence, reducing protectionism, and halting and eventually abolishing the various restrictions and obstacles to trade. It would also support all measures proposed in the crucial areas of commodities, manufactures, money and finance with the aim of normalizing international trade and ensuring its long-term development. There was also a pressing need to discuss short-term action to alleviate some of the more acute effects of the current crisis on economic co-operation, with particular attention to the problem faced by most of the developing countries.

9. For nearly 40 years, his country had been engaged in an all-out effort to overcome its inherited economic backwardness. The dynamic growth that it had been able to sustain even in the present difficult circumstances gave the lie to the assertion that all countries without exception were at present in a state of crisis. His country's success was the result of the effective mobilization of internal resources, the priority given to technological innovation and productive investments, and an economic strategy based on the international division of labour. In its efforts, his country had benefited from the economic co-operation arrangements concluded under CMEA. That co-operation with the socialist countries in no way excluded co-operation with all other countries; participation in the economic integration system of CMEA even made it possible to widen the opportunities for trade and long-term co-operation with both developed market-economy countries and developing countries. In particular, his country's trade with the latter countries had increased almost fivefold between 1960 and 1982.

10. Of course, such a development could not have occurred by itself; it was a product of political determination backed by instruments capable of promoting growth and diversification of trade between Bulgaria and its partners.

11. Since the first session of the Conference, trade and economic co-operation with the developing countries had crystallized in a form amalgamating several elements of bilateral co-operation: trade, co-operation in production and investment, financial and technological assistance and human development. That approach had proved to be an effective way of producing structural changes in the economy of trading partners and in mutual trade. Furthermore, it had had the advantage of alleviating the debts of developing countries by generating new resources and trade flows and by providing them with access to the Bulgarian market. It went without saying that efficient bilateral planning was a *sine qua non* for the success of that co-operation. He found it strange that planning in socialist countries could be confused with non-tariff trade barriers and regarded as a brake on the exports of developing countries. On the contrary, thanks to its policy of planning, his country had steadily increased its economic and financial assistance to developing countries, which represented an annual average of 0.79 per cent of its net material product.

12. His country had endeavoured to respond to the legitimate aspirations of the developing countries by scrupulously applying the provisions of numerous UNCTAD and other United Nations programmes and resolutions, the success of its efforts naturally presupposing a similar attitude on the part of its partners; it would in fact be futile to expect the world economic situation to improve simply through the operation of market forces, as some delegations seemed to imply.

13. The present world economic crisis might perhaps have a salutary effect in making public opinion aware of the global nature of today's problems and consequently of the need for universal and comprehensive action to solve them in a concerted and systematic manner. Every country must contribute to the common effort, and global negotiations must be undertaken without delay within the United Nations. In view of its universal vocation in trade and economic matters, UNCTAD was in a position to play a useful role in that effort, and that should be borne in mind when the Conference dealt with institutional issues and the future role of UNCTAD. It would be a complete waste of time merely to indulge in cosmetic changes and procedural improvements.

14. His country would support all initiatives taken at the present session to creat a more favourable climate for international co-operation and social and economic progress and to establish a more equitable new international economic order.

Summary of statement made at the 178th plenary meeting, 9 June 1983, by Mr. Térence Sanzé, Permanent Representative of Burundi to the United Nations Office at Geneva

1. Mr. SANZÉ (Burundi) praised the role played by Josip Broz Tito in the course of modern history, particularly in the cause of non-alignment, and pointed out that Belgrade remained the centre of that movement. The family of non-aligned countries had frequently played a part in defusing crises and it was to be hoped that, following the same Belgrade tradition, it would again be possible, in 1983, to find a way out of a difficult situation. At the fifth session of the Conference in Manila, his delegation had advocated organizing a world conference on the least developed countries. Such a conference had been held in Paris in September 1981 and had aroused a certain awareness. But efforts for the benefit of the least developed countries were now stagnating, if not slackening, and the Substantial New Programme of Action for the 1980s for the Least

Developed Countries adopted in Paris was experiencing a premature drying-up of resources. At international meetings like the Williamsburg summit and even at the current session, the least developed countries were too often dismissed lightly. That made the concern shown in the statements recently made by the French, Swedish and Swiss delegations all the more commendable.

2. A genuine rescue operation must be mounted for the least developed countries, comparable to the Marshall Plan, which had put the European countries devastated by the Second World War back on their feet. Actually, the 35 least developed countries represented a far less onerous responsibility, for today the burden would fall not on a single State but on a number of rich countries, including several economic giants. Moreover, a plan for the least developed countries would follow, not a murderous war, but decades of peace and prosperity, and could be backed by far more advanced technology.

3. At the fifth session of the Conference and at the Fifth Ministerial Meeting of the Group of 77 in Buenos Aires, his delegation had emphasized the special difficulties of land-locked countries. A world conference should now be organized to improve communications with those countries. Such a conference would study technological mechanisms for overcoming the geographical handicaps suffered by their exports and imports.

4. The fate of the least developed countries was bound up with the world crisis. Research into the real causes of the chronic poverty of the third world and the recession in the developed world revealed a twofold crisis: an economic crisis and a crisis of human conscience. The former was attributable to the current situation and structural causes, which had been examined from every aspect by economists, international organizations and Governments in the framework of the United Nations and in particular by UNCTAD. But that crisis masked an even graver crisis of the human conscience, a moral and political crisis. The moral crisis was revealed by the enormous amount of resources squandered on the arms race. Between $12 million and $15 million were spent on nuclear weapons every hour. Seven new strategic bombers cost the equivalent of the annual budget of the United Nations. Another statistic revealed the extent of the moral crisis from a different angle: in one country, no less than $3.2 billion had been spent on cats and dogs in 1979 alone.

5. The crisis of political conscience was also deep-seated. In the past, humanity had managed to overcome grave situations thanks to the political will of States and negotiators: at the Congress of Vienna in 1815, at the Paris Peace Conference in 1919, at the San Francisco Conference, where it had been decided to establish the United Nations, in 1945, in economic forums organized to put an end to the recession between the two world wars, and on other occasions. The need for a new order, adapted to the new realities, had then been recognized. But today the negotiations were bogged down through the fault of those who insisted on adhering to conventional international law. However, with the emergence of new States, it was necessary to establish a new legal order and economic balance which responded to mutual interests. In that connection, he drew attention to Article 13 of the Charter of the United Nations, which provided for the promotion of international co-operation and the encouragement of the progressive development of international law.

6. At present, many dialogues remained unproductive because of desperate efforts to maintain the *status quo*. As his delegation had already pointed out at the fifth session of the Conference, the present system was unipolar, tailored to the life-style, requirements and aspirations of just one part of humanity. On the new world stage, the actors were legion and diverse: the proposed new international economic system must therefore be pluricentric and multipolar, so that its real goal was man. In that perspective, the establishment of new economic structures must be geared to interacting and interdependent relationships. Obviously, it was unrealistic to envisage absolute equality between all the inhabitants of the earth, but it was imperative to remove the glaring disparities between them. All peoples had a right to relative prosperity, commensurate with their needs and adapted to their particular circumstances.

7. The third world must not be excluded from the current economic negotiations. It must be a genuine beneficiary in conferences aimed at laying the foundations for a new international economic order. The North and the South brought to mind the picture of two persons clinging to the same plank to avoid drowning, the former refusing to make room for the latter. There was a danger that both might drown because of a failure to make mutual concessions. To prevent a collective disaster, all the participants in the Conference must endeavour to ensure that the sixth session did not end with a mass of outstanding problems, but rather that it produced agreed solutions.

Summary of statement made at the 188th plenary meeting, 16 June 1983, by Mr. V. I. Peshkov, Head of the Department of International Economic Organizations, Ministry of Foreign Affairs of the Byelorussian Soviet Socialist Republic

1. Mr. PESHKOV (Byelorussian Soviet Socialist Republic) said that what characterized the world economic situation was the fact that, in the current continuing crisis of the world capitalist economic system accompanied by aggravation of the financial and trade problems of developing countries, certain circles were attempting to impede the development of normal international co-operation, to create new obstacles to the restructuring of international economic relations and to consign to oblivion progressive United Nations decisions on the establishment of a new international economic order. In violation of the principles of inter-

national law and of peaceful inter-State relations, imperialist forces were bent on undermining economic relations established between countries and on using foreign trade as an instrument of their policy of force, diktat, intervention in the internal affairs of States and curtailment of the national independence and sovereignty of States, while shifting the burdens of the economic crisis onto their own peoples and the peoples of the developing countries.

2. After enumerating the negative phenomena of the present international situation mentioned by previous speakers in the general debate and in UNCTAD secretariat documents, phenomena which the recent Williamsburg meeting had sought to justify, he pointed out that there was a link between the economic strategy of imperialism and its pursuit of a policy of force and militarism. Aiming at military superiority, the programmes of the United States of America for developing and producing nuclear weapons and designing weapons based on the latest scientific discoveries, including outer-space warfare systems, were bound to destroy international stability and intensify international tension.

3. It was the urgent duty of all States and international organizations to do everything in their power to help stop the present dangerous course of events, to shift them back to the path of détente and mutually beneficial international co-operation, to find solutions to the unpostponable problem of arms limitation and reduction, especially in nuclear weapons, and to ensure the peaceful settlement of conflict situations. An extremely important contribution in that regard had been the declaration of the Soviet Union in 1982 that it would not be the first to use nuclear weapons. That historically important initiative and the proposals of the States parties to the Warsaw Treaty, contained in the Political Declaration adopted at Prague on 5 January 1983, opened the way for clearing the world political atmosphere, strengthening mutual trust and general security, and developing broad international co-operation.

4. He pointed out that the USSR and other socialist countries had supported the proposals of developing countries in the United Nations and together with them had succeeded in securing the adoption of General Assembly resolutions approving the Charter of Economic Rights and Duties of States, the Declaration and the Programme of Action on the Establishment of a New International Economic Order, and complete sovereignty for States over their natural resources and in economic activities. Those resolutions underlined the inescapable fact that without national sovereignty in the economic sphere, the machinery of the State would be merely carrying out the political and socio-economic orders of the big monopolies and transnational corporations.

5. In the past, during the era of colonialism, it had not been possible to expand relations between the socialist and developing countries. Starting practically from zero, the socialist countries had year by year been actively expanding their trade and economic relations with developing countries. At present, the Byelorussian SSR was sending its products to 70 developing countries, including tractors, heavy-duty trucks, watches, computers, chemical products, machine-tools, communications equipment, road-building and agricultural machinery, refrigerators, etc. More than 300,000 "Byelarus" tractors were working in the fields of many of those countries, and industrial enterprises were using more than 100 different models of metalworking machine tools made in the Byelorussian SSR.

6. One of the important results of the co-operation of the USSR with developing countries was the construction of industrial and other enterprises which, being the property of the national States concerned, had become an inseparable part of their national wealth. Details of the increasing scale of Soviet assistance to developing countries had been given in the statement of the head of the Soviet delegation in the general debate and in the document submitted to the Conference entitled "economic co-operation of the USSR with developing countries".[18] As the bulk of the assistance of the CMEA countries supported urgent national programmes, its results for developing countries were more effective than was shown by figures. No less valuable also was the training of specialists both on construction sites and in the educational establishments of the socialist countries.

7. In keeping with the nature of their own social order, the relations of socialist States with developing countries were based on the principles of full equality, justice, mutual advantage, and respect for the sovereignty and national interests of the partners. It was not the socialist countries but the Western States that were responsible for the economic crisis, the sequels of colonialism and the use of neo-colonialist methods. Statements in the general debate had brought out why the policy of seeking inflows of private foreign capital increased the indebtedness of developing countries and served to fleece them of their financial resources. Practice also showed that the bulk of the foreign-trade earnings of many developing countries fell into the hands of foreign monopolies once those monopolies were engaged in the marketing, mining, processing of transport of raw materials and other goods. United Nations economic bodies had repeatedly observed that total capital flows from developing countries to Western developed countries exceeded all types of capital investment in developing countries, including various forms of aid, coming from developed capitalist countries. The mechanics of that process should be carefully investigated. For example, the United States publication *Survey of Current Business* in its issue of June 1982 estimated that there was an annual inflow to the United States of America of $10 billion from developing countries alone. As to the increase in the amount of direct investments abroad belonging to United States corporations, it was enough to say that in the final analysis it came from the exploitation of the human and natural resources of other countries. By its very character, that kind of "aid" was not aid at all. On the whole, it was quite clear why there were so many calls for creating and maintaining a "favourable" climate for private foreign capital investment and why such investments were being so highly advertised.

[18] TD/302 (reproduced in volume I, annex VII).

8. There was also a link between the policies of the international monopolies and the policies of *apartheid* in South Africa, its occupation of Namibia and its aggressive operations against African States, as well as Israel's aggression against Arab States and occupation of Arab territories. His delegation shared the views of other delegations concerning greater UNCTAD promotion of international assistance to national liberation movements recognized by regional intergovernmental organizations.

9. In future annual reports on trade and development, the UNCTAD secretariat might present proposals on the above-mentioned problems, since they were highly substantive and long-term problems. Special attention should be given to the trade and economic aspects of disarmament. The enormous growth of military budgets in the big Western countries lessened governement expenditure for social purposes, curtailed the real income of the working people and consequently weakened the domestic market, which ultimately greatly worsened economic problems. Inflation, which had become general in those countries, was transmitted through the channel of the activities of transnational corporations and banks to many other countries.

10. UNCTAD must take timely steps to promote the development of stable and equitable trade between States with different socio-economic systems. His delegation would like to observe, however, that it would not be appropriate to apply to the sphere of the economic co-operation and trade of the socialist and the developing countries, methods and recipes which had proved so ineffective in fighting such phenomena as inflation, unstable prices, mounting foreign debt and the brain drain. Such proposals did no one any good.

11. His delegation wished to stress its desire to co-operate with other delegations which favoured the restructuring of international economic relations on an equitable and domocratic basis, the establishment of a new international economic order, the attainment of full sovereignty by the countries of Asia, Africa, Latin America and Oceania over their natural resources, and the speedy initiation of global negotiations on urgent economic problems in accordance with United Nations decisions. His delegation supported the provisions along those lines contained in the Buenos Aires Platform and in the final documents of the Seventh Conference of Heads of State or Government of Non-Aligned Countries at New Delhi.

12. In conclusion, he paid a tribute to what had been accomplished by UNCTAD in the 19 years of its existence and pointed out that by its composition and approach to problems, it was well fitted to address itself to the many urgent and serious problems awaiting solution.

Summary of statement made at the 173rd plenary meeting, 7 June 1983, by Mr. Allan J. MacEachen, Deputy Prime Minister and Secretary of State for External Affairs of Canada

1. Mr. MACEACHEN (Canada) said that, at a time of such great challenges, what was at stake was the ability of nations to work together to solve the problems that beset them all. Clearly the Conference could not come up with magic solutions to the deep-seated problems of recession, inflation, protectionism, unemployment, poverty, debt, high interest rates and the fluctuating exchange rates which had haunted all countries, especially the poorest, in recent years. However, the time had come to make it clear that the member States of UNCTAD were prepared to try to do things differently than in the past. If the Conference broke up in recrimination and disunity, that would set back the cause of international co-operation at a critical moment. It was essential to demonstrate that, despite inevitable differences, some lessons had been learned from the recent past.

2. One of the most important of those lessons was the fact of interdependence. The linkages between the nations had grown rapidly and their ability to solve their problems individually had lessened. They needed co-operation and an international system in which each could feel that there was a potential for self-fulfilment. He was optimistic that such goals were attainable. Economic prospects were improving after a recession worse than any since the 1930s. In the course of the last few weeks, he had attended both the OECD ministerial meeting and the Williamsburg summit meeting. Despite many continued uncertainties and risks, the industrialized countries now saw clear signs of recovery, and at the Williamsburg summit meeting had recognized the importance of acting together to ensure that recovery should spread to all countries, developed and developing alike.

3. The meetings of leaders of non-aligned countries at New Delhi and of ministers of the Group of 77 at Buenos Aires had, not surprisingly, reached a more pessimistic economic analysis, both because they suffered severely at a time of economic crisis and because signs of recovery in the third world were still faint. He had been particularly encouraged, however, by the tone and spirit emerging from both New Delhi and Buenos Aires: a call to approach international problems in a spirit of understanding and co-operation and to search for answers in a practical and realistic way.

4. That spirit had also informed the countries of the North at the OECD ministerial meeting and the Williamsburg summit meeting. At the former meeting, those countries had set themselves, in relation to their approach to the present session of the Conference, the task of ensuring that all countries would benefit from the economic recovery now under way, of recognizing that recovery would not in itself have sufficient economic benefits for the third world, and that development must be promoted and the structural problems of underdevelopment and poverty tackled together.

5. At Williamsburg, the countries of the North had paid considerable attention to the increasingly important third-world dimension of their economic issues. The

10-point Williamsburg Declaration on Economic Recovery mentioned the problems and interests of developing countries in the majority of items. The theme "recovery and development" advocated for the sixth session of the Conference by the Secretary-General therefore admirably met the needs of the moment and summed up the dynamic interdependence which all accepted. The responsibilities lay with each country, whatever its wealth, stage of development or political system, to contribute to that goal. The key question, however, was how they would translate that theme into their work over the next few weeks.

6. UNCTAD had established itself as an indispensable forum for the deliberation of international economic issues and the search for solutions. It had continued its quest for a better and more equitable world order and had become an accepted forum for regular discussion and pursuit of further understanding and action of the pressing issues of trade and development in the North-South context. Yet, its reputation would improve if the Governements of member States treated their deliberations with greater respect for the institution and conducted themselves with greater restraint. Such respect and restraint would not be served by rhetoric, meaningless resolutions, blaming others for one's own misfortunes, injecting extraneous issues, or the idea that words had somehow contributed to a better world.

7. He agreed with the Secretary-General's suggestion during the preparation of the Conference that member States should try to make something a little different of it. There were two broad approaches to be considered. The first was the system-restructuring approach. The second was trying to make the system in force work better. Clearly the present system of international institutions was not perfect and did not fully meet the needs of the developed and developing world. Change was constantly needed. Canada placed great importance on the smooth functioning of an international system which could adapt flexibly to a changing international environment. If he had a comment on the excellent platform which the Group of 77 had put together in Buenos Aires, it would be to question the priority it placed on the radical restructuring of present institutions and the creation of yet more mechanisms. In recent years the international community had spent far too much time on trying to devise new machinery and not enough on making what it had work better.

8. The credibility of all countries would be much enhanced and the effectiveness of the international system improved if they all lived up to the commitments already made. Aid targets, for example, had first been introduced in the 1960s and had been accepted by nearly all, but their attainment was as far off as ever. International financial institutions and development banks had been created with great promise; yet they suffered from lack of resources. A replenishment for IDA had been agreed upon but not put into place on schedule. Despite promises to resist all forms of protectionism, it was still mounting. At the fourth session of the Conference, an integrated programme for commodities and the establishment of the Common Fund had seemed to be well on the way, but the Common Fund had still not been set up and there were few commodity agreements. The International Development Strategy for the 1980s had been agreed, but scant reference to it had been made in subsequent actions.

9. Member States should use the present session of the Conference to declare to the world that they now wished to make their performance match their declarations and commitments. That would be the real approach of courage and confidence-building. It was all too easy to hide behind the need for systemic change and do nothing in the meantime. It would be unfortunate if the Conference were to pass a long series of resolutions not based on a common analysis of real problems and the joint actions needed. He hoped that the Conference could issue a declaration that the world community was committed to working together in a spirit of interdependence and establish priorities for the future work programme.

10. In his recent address to the Canadian Institute of International Relations, the Prime Minister of Canada had suggested that what was needed was to rekindle a fundamental spirit of enlightened internationalism which could lead to both better understanding and better commitment. The linkages between growth, trade, finance, energy, debt and other economic factors had become increasingly complex in recent years, and slowness in understanding that phenomenon and its aggregate effect on the global economy had been at least part of the cause of the world's difficulties. The discussion under agenda item 8 could contribute significantly to shared knowledge of those factors and their interaction, particularly as between developed and developing countries. A common analysis of the economic forces and trends at work in the interdependent world of the 1980s was an essential prerequisite to making the system work and enhancing development prospects.

11. All countries must contribute to economic recovery and development. Vigorous economies in developing countries were becoming as essential to the well-being of the North as the economies of the North were to the development objectives of the South. Just as the developing world counted on the industrial world to provide open if not preferential markets for its products, the North needed ready access for its products. Just as the Group of 77 expected the wealthier countries to make further structural adjustments away from economic activities in which the South had a competitive edge, there was a return requirement for enlightened and effective economic management in the developing world which properly capitalized on market forces, attracted investment and applied ODA efficiently. Just as Southern countries rightly counted on wealthier nations to contribute to their development, the Northern countries expected those who received assistance to recognize primary responsibility for their own development and to adopt policies which promoted and accelerated that process through optimum use of local savings and advantage.

12. The Conference had before it three other major items for detailed consideration: commodities, trade, and monetary and financial issues. There again, he believed that a pragmatic, results-oriented approach was the only way to ensure a productive outcome and

build on past achievements. Canada was ready to examine all proposals put forward under those items on their merits.

13. On commodities he observed that, while much had been achieved since the adoption of an integrated approach in Nairobi seven years before, much remained to be done. Five commodity agreements were now in place as well as a new type of arrangement for jute. Canada would be ratifying the jute, tin and coffee agreements in the near future. It was also starting the process of ratifying the Agreement Establishing the Common Fund for Commodities.

14. Over the past two years, prices of internationally traded raw materials had plummeted. That had hurt Canada, and developing country exporters of resource products even more. Canada at least had the cushion of a diversified economy. Many developing countries, on the other hand, had to rely almost exclusively on their earnings from one or a few primary commodities.

15. One lesson that had been driven home in recent years was the continuing need to find practical ways and means to reduce the impact of severe price fluctuations. Canada would continue to be an active participant in the effort to find solutions without preconceived ideas. Such solutions must be worked out between producers and consumers in the light of the characteristics of each commodity. Canada also recognized the need for more broadly-based solutions and continued to support, for example, balance-of-payments assistance to countries experiencing severe difficulties from declining export earnings.

16. There was, however, a further and potentially more important lesson. Vulnerability to price and earnings instability would only be overcome when developing country exporters could rely on more diversified economic structures. They should participate more fully in the processing, marketing and distribution of their indigenous resources. That was a path on which Canada had embarked decades ago. Starting along that path required domestic policies which encouraged the development of local processing industries. To succeed, however, it required a supportive multilateral framework. While much had been achieved to develop such a framework, much more remained to be done. The Conference could make a positive contribution to that effort, which the Canadian delegation pledged to help.

17. As a nation heavily dependent on foreign trade for its economic well-being, Canada, like developing countries, was vitally interested in restoring a healthy trading environment. It fully recognized the important role that trade could play in economic development and the need to ensure adequate levels of export earnings in developing countries faced with heavy debt burdens.

18. The first priority should be to achieve a sustained noninflationary economic recovery, which would generate the increases in import demand necessary for renewed growth in world trade. At the same time, protectionist pressures must be resisted. Trade expansion benefited all nations and every effort must be made to keep markets open. Realistic and attainable goals must be set and purely rhetorical commitments avoided. The Williamsburg Declaration on Economic Recovery has placed emphasis both on a dynamic approach to the problem of protectionism—namely, a move to dismantle barriers as recovery proceeded—and also on a commitment to implement and monitor the stance against protectionism.

19. Canada had made sustained efforts over the years to improve access to its market for developing country exports. The Canadian Governement was committed to extending its GSP scheme for a further 10-year period beyond its expiry date of 1984. Since the fifth session of the Conference, a broad range of products had been added to Canada's GSP list, and lower GSP rates of duty had been introduced for a number of products. Under its GSP exports the least developed countries now enjoyed duty-free treatment, and provisions regarding rules of origin had been liberalized.

20. Canada was prepared to explore new avenues for fostering an expansion of trade between countries of the North and of the South. It was in the interests of all that developing countries should increase their participation in world trade and become more fully integrated into the international trading system. That system had withstood the severe strains of recent years remarkably well on the whole. The basic principles of the GATT-based trading system remained sound, although its efficiency and effectiveness could be improved. Canada did not believe that the answer to present problems lay in the negotiation of a new set of trading rules.

21. As to international monetary and finance questions, Canada would participate fully in their consideration. It regarded the international financial situation and especially the debt burdens of many developing nations with great concern. It was important to ensure that institutions and resources were adequate to met the continuing pressures, and to build for the future. At Williamsburg, Ministers of Finance, in consultation with the Managing Director of IMF, had been invited to define the conditions for improving the international monetary system and to consider the part which might, in due course, be played in the process by a high-level international monetary conference.

22. Canada's objective would be to examine the issues in ways which could assist the competent financial institutions better to fulfil their mandates, to conduct efficient and timely operations, and to respond to the needs of developed and developing countries alike in a new period of recovery and development. Member States must try to build on their strengths and be wary of schemes that tended to undermine confidence in either institutions or the creditworthiness of borrowers, both of which were fundamental to the functioning of a system that had proved its competence and ability to weather rough times and emergencies.

23. The remainder of the agenda for the session consisted of subjects for review only, but he wished to stress the importance Canada attached to responding to the pressing needs of the least developed countries, whose development had stopped in many cases, and even reversed in others. They had felt the brunt of the fall in commodity prices and were suffering from slow or no growth in aid disbursements. Although not to

blame for the extreme strains placed on the financial system by others, they found it difficult to get the loans needed to purchase even essential imports and foodstuffs.

24. Wherever possible, Canada would take a sympathetic look at proposals that provided special measures for the poorest countries. Outside UNCTAD, Canada had released for commitment in advance of any requirement its final payment of $165 million to the Sixth Replenishment of IDA and had pledged a further $200 million to the IDA Special Fund for bridging arrangements for the fiscal year 1984. It would like to see negotiations on the Seventh Replenishment of IDA successfully concluded in the next year so that IDA could continue to provide an adequate level of assistance to the poorest countries. It remained committed to increasing the levels of Canadian ODA to reach 0.5 per cent of its GNP by 1985 and 0.7 per cent by 1990.

25. Canada attached considerable importance to the question of energy because of the uncertainties of energy pricing and the profound implications which continuing sharp fluctuations in oil prices would have for the international economic system. The main concern must be to provide for greater stability in the longer run. For example, oil price reductions, welcome as they were for many countries, must not be allowed to impede efforts to encourage vital structural changes such as substitution and conservation. Future stability could also be promoted by considering what consumers and producers could do jointly to minimize erratic and damaging price fluctuations that could hinder economic growth and development. Canada believed that the present oil-market situation provided an opportunity for greater co-operation between oil producers and consumers.

26. The Conference had a long and weighty agenda before it. It should try to reach common analyses of problems and shared perceptions and priorities for the future. Every Government should leave Belgrade with a sounder understanding of how national policies and the system of international economic institutions could best respond to and facilitate the imperatives of recovery and development. Canada was prepared to work with other countries to restore a compassionate and disciplined world order, and that spirit would animate his delegation in its work at the Conference.

Summary of statement made at the 185th plenary meeting, 14 June 1983, by Mr. Jean-Louis Gervil Yambala, Minister of State for Trade and Industry of the Central African Republic

1. Mr. GERVIL YAMBALA (Central African Republic) paid tribute to the memory of Marshal Tito, the liberator of his country and fierce defender of the cause of the developing countries in their fight to bring about a fair and equitable world.

2. He stressed the extreme gravity of a world situation characterized by flagrant inequalities and recalled that technical and financial assistance was not always sufficient to allow third world countries to ensure their own self-generated and self-sustaining development. Those countries were experiencing the effects of the economic crisis, which for them took the form of a sharp deterioration in the terms of trade, a lack of investment, an excessive external debt burden, a chronic balance-of-payments deficit, the closure of access to foreign markets by numerous discriminatory protectionist measures, credit restrictions and the application of high interest rates, as well as a growing food shortage. The interdependence of countries was an undeniable fact, and the participants in the Conference should combine their efforts to put an end to the current crisis through dialogue and consultation.

3. At its Fifth Ministerial Meeting, the Group of 77 had adopted the Buenos Aires Platform, which provided a sound basis for negotiations and contained relevant resolutions on all the issues of concern to the developing countries as a whole.

4. With regard to commodities, the main source of income of the developing countries, it was obvious that the constant decline in prices could only aggravate the balance-of-payments deficit. His delegation appealed to all States, particularly the wealthy ones, to demonstrate the political will to ensure the effective and immediate implementation of steps to stabilize exchange rates and strengthen commodity markets. He also appealed to all States which had not already done so to ratify the Agreement Establishing the Common Fund for Commodities.

5. The situation of the developing countries was little better in regard to international trade in goods and services. The Conference should stress the urgent need to enable developing countries to increase their production capacity and to process, transport and sell their export products. That could be done by such measures as the conclusion of agreements for the creation of equitable trade flows, the opening up of the markets of developed countries, the permanent or temporary elimination of tariff and non-tariff barriers, the improvement of the GSP in favour of developing countries, the simplification of rules of origin for manufactures or semi-manufactures, the application of long-term arrangements for the purchase of the goods of least developed countries with guarantees of quantities and prices, and special non-reciprocal treatment for imports from the least developed countries in the case of contracts concluded with developed countries.

6. In monetary and financial matters, it had to be accepted that the Bretton Woods system was outdated; his delegation joined others in asking for a basic reform of international monetary machinery; the use of SDRs and distribution of annual allocations on the basis of development requirements; genuine protection of the financial assets of developing countries against exchange rate fluctuations; and a more democratic

decision-making procedure within IMF. With regard to the indebtedness of the developing countries, his delegation once again pronounced itself in favour of the creation of an international debts commission to consider each case submitted to it by the debtor country and recommend the measures to be taken.

7. The prime responsibility for their development fell on the developing countries themselves, and it was obvious that co-operation among them was a crucial element of collective self-reliance as recommended in the Arusha Programme for Collective Self-Reliance, which was extensively reiterated and developed in the Economic Declaration adopted at New Delhi by heads of State or Government of the non-aligned countries. Efforts should therefore be directed at South-South co-operation, the transitional stage in building up the new international economic order, with the understanding and disinterested support of the countries of the North.

8. With regard to the least developed countries, which included the Central African Republic, he was concerned by the tardy implementation of the Substantial New Programme of Action for the 1980s for the Least Developed Countries; donor countries should be urged to do all they could to achieve, by 1985, the target of 0.15 per cent of GNP established in that Programme.

9. The land-locked countries were in a particularly critical situation, since their exports and imports were subject to the numerous constraints of transport and transit through neighbouring countries where the infrastructure was generally inadequate. His delegation suggested the organization, in the near future, of an international conference on land-locked countries to define a satisfactory framework for relations between coastal, transit and land-locked countries. It also asked the industrialized and developing countries in a position to do so to make generous contributions to the United Nations Special Fund for Land-Locked Developing Countries, the resources of which should be fairly distributed among the recipients.

10. He stressed that the recent execution of three South African nationalists underscored the urgent need for the Conference to give large-scale assistance to liberation movements in their fight against the racist régime of Pretoria and its *apartheid* policy.

11. With respect to the extension of institutional machinery, he observed that future solutions should form part of a new structure based on consultation and dialogue among States, international governmental organizations, economic agents, employers' and trade union associations, representatives of the academic world, representatives of non-governmental organizations and representatives of the transnational corporations, all of whom should take part in negotiations with a view to establishing the new international economic order. It would thus be possible to define gradually an overall approach applicable in a number of spheres: a code of conduct for the transfer of technology, shipping, transnational corporations, stabilization of the price of raw materials, and investment in the energy sector and in the food and agriculture industries of the third world.

12. In view of the aggravation and general nature of the crisis, his delegation hoped that the Conference would concern itself basically with action to be taken to ensure the implementation of all decisions adopted during the session. He was convinced that no progress could be achieved without consultation.

Summary of statement made at the 190th plenary meeting, 17 June 1983, by Mr. Amos Reoulengar, Secretary of State for Economic Affairs and Trade of Chad

1. Mr. REOULENGAR (Chad) said that the developing countries were today suffering the disastrous consequences of a world economic crisis not of their making. Long before the first session of the United Nations Conference on Trade and Development the African countries, in an OAU resolution, had requested that the existing machinery for international trade should be revised with a view to establishing an international trade organization suited to the needs of the developing countries. The same problems had arisen at all preceding sessions of the Conference and had increased in gravity to the point of endangering peace and security, which were inseparable from development. The developing countries had repeatedly proposed solutions to some of those problems, and if attention had been paid to them, the crisis affecting developed and developing countries alike might largely have been avoided. Machinery such as that established at Bretton Woods, conceived purely for the developed countries, continued to be used. If the crisis was to continue for a long time, as the experts predicted, it would have devastating consequences for development programmes, especially those of the least developed countries. The developed countries must realize that it would be impossible to solve their own problems without taking into account those of the developing countries and that global solutions must be found for the areas which were closely interlinked.

2. After many demands by the third world countries, the Conference at its fourth session had adopted resolution 93 (IV) on the Integrated Programme for Commodities, but the Agreement Establishing the Common Fund for Commodities, one of the essential elements of that Programme, had not been concluded until four years later. Chad had already signed and ratified the Agreement and appealed to all those who had not yet done so to ratify it as soon as possible so that it could become operational by the beginning of 1984.

3. His delegation felt obliged to draw attention to the lack of progress in the negotiations on the 18 products listed in resolution 93 (IV). As a cotton-producing country, it was disappointed at the stalemate in the discussions concerning cotton. However, the list of 18 commodities was only indicative, and all commodities

of interest to the developing countries should be the subject of international agreements. He therefore supported the proposal to include other products, such as hides and skins.

4. An attempt had been made at the second session of the Conference to find a solution for manufactures and semi-manufactures through the institution of the GSP, but that too did not cover all the products of interest to developing countries. It should therefore be improved by the inclusion of agricultural and other processed and semi-processed products and especially by giving priority to products from the least developed countries.

5. The production of manufactures and semi-manufactures was restricted by the tariff and non-tariff barriers imposed by the developed countries against exports from the developing countries. If the developing countries were to achieve the target of 25 per cent of world industrial production by the year 2000 set in the Lima Declaration and Plan of Action on Industrial Development and Co-operation,[19] the developed countries, which had endorsed that Declaration, should refrain from imposing such obstacles.

6. Even if developing countries did manage to benefit from their primary products, most of them needed external financial assistance to maintain an adequate growth rate. The responsibility for each country's development lay first of all with the country itself, but effective international action was essential for it to fulfil its development aims. That was why in the International Development Strategy for the Second United Nations Development Decade, the developed countries had undertaken to transfer 0.7 per cent of their GNP to ODA. In the third year of the Third Development Decade, the rich countries had attained only half that target.

7. In addition to increasing resource transfers, it was also necessary to improve the terms and conditions thereof as set forth in General Assembly resolution 3362 (S-VII) of 16 September 1975.

8. The question of debt was of serious concern to his country, whose economy had collapsed after 17 years of war. It therefore supported the other developing countries in requesting that their debts be reduced. In that connection, he wished to thank those Governments which had converted their loans into grants, pursuant to Conference resolution 98 (IV) relating to the least developed countries.

9. In addition to being a least developed country, Chad was also land-locked. It therefore attached special importance to the Substantial New Programme of Action for the 1980s for the Least Developed Countries and hoped that the donors of ODA would fulfil their commitment to give those countries 0.15 per cent of their GNP and to double their aid over the period 1982-1985. His delegation also wished to remind the Conference that at the United Nations Conference on the Least Developed Countries in Paris, it had been agreed that the developed countries should provide their aid to the least developed countries in the form of grants and give them loans on very favourable terms; and that the aid should not be tied but provided as assistance to projects, programmes and sectors, aid in kind, support for balance of payments and, where applicable, support to local development banks and financial institutions. Those measures were indispensable for a country like Chad, which could not recover from the effects of a long war without them.

10. The developing countries fully realized the importance of their own efforts at the national, subregional, regional and interregional levels. Co-operation among developing countries was an essential element of the new international economic order. Collective self-sufficiency would help them to become less dependent on the developed countries, to strengthen their possibilities for joint action and to play a role in building the external framework in which development could take place. However, not all developing countries had attained the same level of development. Consequently, ever since 1978, Chad had supported the idea of working out a global system of trade preferences among developing countries, which had become one of the priorities set forth in Conference resolution 127 (V). In that system, the principle of non-reciprocity should be applied to the least developed countries. Moreover, the poorest countries should be allowed to give each other preferences which they did not give to other developing countries.

11. Failing an international trade organization, UNCTAD had been established as a subsidiary body of the General Assembly to implement in the commercial sphere the provisions of Article 57 of the Charter of the United Nations. After almost 20 years, the need for an organization to deal with the problems of trade and development had proved even more necessary. He reaffirmed his delegation's total support for the Buenos Aires Platform, for which it requested the support of the developed countries.

12. He drew the Conference's attention to his country's extremely critical situation after a long war which had totally destroyed its economy. Chad was certainly the poorest country in the world since, in addition to the war, it suffered from drought, famine, endemic disease and rinderpest. It therefore hoped that the commitments entered into at the International Conference on Assistance to Chad in November 1982 would rapidly be fulfilled and that other countries would join in the wave of solidarity which had been shown.

[19] Adopted by the Second General Conference of UNIDO, held at Lima, Peru, from 12 to 26 March 1975 (ID/CONF.3/31, chap. IV).

Summary of statement made at the 174th plenary meeting, 7 June 1983 by Mr. Sergio Covarrubias Sanhueza, Deputy Minister for External Relations of Chile

1. Mr. COVARRUBIAS SANHUEZA (Chile) said that the economic crisis was affecting the developed and the developing countries alike and could be overcome only through joint action, since international interdependence was the phenomenon governing all international relations.

2. In recent times, the third world countries had, if anything, been a stabilizing force, by virtue of the fact that, as they developed, they had been able to participate to a greater degree in international trade, thereby stimulating world trade. At the same time, the low prices of their export commodities had helped to alleviate inflation in the developed countries.

3. Conversely, in the case of Latin America, the close interdependence between that region and the developed countries had caused the recession to spread over the entire Latin American continent. The shrinkage of world trade in 1982 had reduced Latin American exports, the rise in international interest rates had increased the burden of debt-servicing, and the private banks had abruptly tightened credit. To revive the economy, the Chilean Government had initiated an emergency plan designed to increase production, reserves, employment and exports. It was being assisted in that undertaking by a loan from IMF and by the rescheduling of its debt. In addition, it was relying on foreign trade and on the play of market forces to enable optimum use to be made of its human, material and natural resources.

4. At the international level, in order to overcome the crisis, efforts should be made to set up an emergency programme focusing principally on commodities, trade and financing. In implementing the programme, account should be taken of the links between the various sectors of the economy, particularly those between financing and trade. It would be necessary to stabilize financial flows, strengthen the guiding role of the international institutions, secure the sustained support of the private banks, allocate additional resources to the developing countries, reschedule their foreign debt and liberalize trade.

5. Thus far, the monetary and financial policy of the developed countries, characterized as it was by high interest rates and unstable exchange rates, had had the effect of intensifying the recession and extending it to all parts of the world. He therefore welcomed the intentions, expressed at Williamsburg by the industrialized countries, to exercise greater monetary discipline. However, those countries must also take other measures to assist the developing countries, including the improvement of the GSP and the elimination of protectionism.

6. The agencies within the United Nations system should also intensify and harmonize their action. To that end, UNCTAD, the central economic body, might decide to devote an entire annual session to the in-depth analysis of the question, while at the same time taking into account the special prerogatives of each regional or world agency.

7. The conditions which would enable the developing countries to play their stabilizing and dynamic role were currently absent. Those conditions were: a multilateral trade system which favoured industrialization and exports, as well as structural adjustments; a monetary and financial system enabling the developing countries to cope with their short-term and structural balance-of-payments deficit; stable commodity markets; and a network of international agencies to promote just and equitable economic relations. The consolidation of the multilateral trade system would call for the full implementation of the programme of work approved in the GATT Ministerial Declaration of 29 November 1982, so that concrete results could be presented at the meeting of the Contracting Parties in 1984. At the same time, the consultation and co-ordination machinery of UNCTAD should be strengthened. All of those measures would lead to a new round of trade negotiations, which had in fact been envisaged by the major industrialized countries in their Williamsburg Declaration on Economic Recovery. In addition, the world conference on trade proposed by UNCTAD could be convened to review the standards and principles of the multilateral trade system. Finally, the developing countries should be associated with the major decisions concerning them, which was something to which the international financing institutions could give their immediate attention.

8. In order to provide a solid foundation for trade in commodities, efforts should be made to strengthen the community of interests between the countries of the North and South through joint investments and projects. To that end, the industrialized countries should take care not to yield to the temptation of protectionism and should permit the free play of market forces.

9. Naturally, international action in no way precluded national efforts—which must remain the main driving force of development—or co-operation between third world countries, as part of the process of restructuring international economic relations. If, at its current session, the Conference succeeded in establishing a properly conceived system of international co-operation, it would have taken the first step along the road to solidarity, justice and development.

Summary of statement made at the 180th plenary meeting, 10 June 1983 by Mr. Yao Yilin, Vice-Premier of the State Council of China

1. Mr. YAO Yilin (China) expressed his delegation's pleasure at attending the Conference, as well as its admiration for the important role played by the Yugoslav Government and people in international affairs and for their tremendous achievements in safeguarding State sovereignty and independence and in promoting socialist construction.

2. Since the fifth session of the Conference, the international economic situation had been extremely grim, with declining growth rates in world production, contraction of world trade and disarray in international monetary and financial markets. Many developed countries had experienced their worst economic crisis since the Second World War, which had seriously affected international economic co-operation and development. The developed countries had intensified their efforts to gain more investment outlets and markets for their goods in increasingly fierce trade and monetary wars, had resorted to policies of protectionism and high interest rates and had cut back their ODA, to the detriment of the developing countries, particularly the least developed among them.

3. The Chinese Government fully supported the reasonable proposals to meet that crisis contained in the Economic Declaration adopted at the Seventh Conference of Heads of State or Government of Non-Aligned Countries at New Delhi and the Ministerial Declaration adopted at the Fifth Ministerial Meeting of the Group of 77 at Buenos Aires.

4. The basic objectives of the current session of the Conference should be to promote sustained economic development in the developing countries and to revitalize the world economy with a view to facilitating the process of establishing the new international economic order.

5. To achieve those aims, China believed that there were three relationships that must be properly handled: the relationship between solutions of urgent problems and the long-term objectives of establishing the new international economic order; the relationship between the economic development of the developing countries and the revitalization of the world economy as a whole; and the relationship between the North-South dialogue and South-South co-operation.

6. The developing countries were facing a series of urgent problems calling for immediate solution, caused mainly by the various constraints imposed upon them by the old international economic order. The solution of those urgent problems must be linked appropriately to the long-term objective of establishing the new international economic order. The current session must take concrete measures to solve those problems, and the global negotiations were a good channel for improving North-South economic relations and attaining the long-term objective of a new international economic order. China endorsed the new proposal on global negotiations made by the seventh non-aligned summit conference and hoped the major developed countries would respond positively to it.

7. Progress in modern industry, science and technology had resulted in closer links between the economies of all countries. In the past, the prosperity of the developed countries had been built on the basis of unequal exchange with the developing countries, but with the rise of the third world, the policy of solving their own economic problems at the expense of the economic interests of the developing countries had become completely outdated. The developed countries should respond positively to the reasonable demands of the developing countries and promote their development in all fields, so as to contribute to the improvement of North-South relations and encourage economic development throughout the world.

8. Because of the deteriorating world economy and the stalemate in North-South negotiations, it had become all the more important to strengthen South-South co-operation, which could reinforce the developing countries' economic strength and further encourage the North-South dialogue. South-South co-operation, to which all developed countries should give active support, would not, however, exclude or replace the North-South dialogue nor reduce the North's obligations to the South.

9. Issues concerning commodities, trade, money, finance and development should not be tackled separately nor in isolation. Attempts to force the developing countries to adopt adjustment policies not suited to their specific conditions or to increase their economic burdens would damage their economic development as well as the economic recovery of the developed countries themselves and the revitalization of the world economy. The key to those issues was to accelerate the economic development of the developing countries. China endorsed the efforts to formulate and implement an integrated set of international policies in the interrelated areas of commodities, trade, money, finance and development, comprising a programme of immediate measures, as well as an interim and a long-term programme.

10. The current session should adopt effective measures to ensure full implementation of the Integrated Programme for Commodities, facilitate the entry into force of the Agreement Establishing the Common Fund for Commodities as soon as possible, speed up negotiations on individual commodity agreements, improve and expand the compensatory financing facility, and increase the developing countries' share in the processing, marketing, transportation and distribution of primary commodities.

11. The developed countries should gradually reduce and eliminate protectionist measures, restructure industrial sectors lacking in international competitiveness, take effective measures to improve the GSP designed for the developing countries, and review the principles and rules of the existing international

trading system so as to make changes in the interest of the developing countries.

12. With regard to monetary and financial issues, China supported the legitimate demands of the developing countries that all the developed countries should expand ODA and concessional loans through bilateral or multilateral channels, that international financial institutions should increase substantially their funding sources and that there should be a real improvement in the terms and conditions for loans. The major developed countries should take positive measures to lighten the debt burden of the developing countries in accordance with UNCTAD resolutions. China supported the efforts aimed at reforming the existing international monetary and financial system in order to establish a new system on an equitable basis, with a view to ensuring the full participation of the developing countries in the decision-making process on monetary and financial issues. It favoured the creation of conditions for the convening of an international monetary and financial conference which would constitute a major step towards the realization of the general objective of establishing a new international economic order.

13. China had always sympathized deeply with the plight of the least developed countries. The international community, and the developed countries in particular, should take effective measures to implement the Substantial New Programme of Action for the 1980s for the Least Developed Countries.

14. China was a developing socialist country belonging to the third world. Its Government had unswervingly taken as the corner-stone of its foreign policy the strengthening of unity and co-operation with other third world countries. It was ready to develop further its economic and technical co-operation with those countries on the principle of equality and mutual benefit, emphasis on practical results, diversity in form and achievement of common progress. It was willing to expand economic and technical exchanges with all other countries, develop foreign trade, make active and prudent use of foreign funds and import advanced technology and equipment suited to national conditions, so as to enhance its capability for self-reliance and speed up its socialist modernization. Together with other third world countries, it was prepared to work with all the developed countries willing to improve North-South relations in order to implement the Declaration and the Programme of Action on the Establishment of a New International Economic Order, the Charter of Economic Rights and Duties of States and the International Development Strategy for the Third United Nations Development Decade.

15. China was happy to note that UNCTAD had played an active role in promoting world trade and development, strengthening international co-operation, promoting reform of unjust and inequitable international economic relations and safeguarding the legitimate interests of all countries, especially the just rights and interests of third world countries and peoples. It hoped that the current session would contribute constructively to breaking the stalemate in North-South negotiations, the promotion of international economic co-operation and development, and the establishment of the new international economic order.

Summary of statement made at the 185th plenary meeting, 14 June 1983, by Mr. Rodrigo Lloreda Caicedo, Minister for External Relations of Colombia

1. Mr. LLOREDA CAICEDO (Colombia) reviewed the progress achieved as a result of the initiative and action of the developing countries, in five sessions of the Conference. The first session, in 1964, had been devoted to establishing the forum which would integrate the financial, commercial and political institutions that had emerged from the meetings held at Havana, Bretton Woods and Belgrade. That session had brought about the first co-ordination of the developing world and made its demands heard. Four years later, in New Delhi, the Conference had formulated the generalized system of preferences, which had still not been adopted by GATT, where the most-favoured-nation clause still prevailed. The third session, held at Santiago in 1972, had achieved important progress with regard to commodities and the need for trade openings with States with centrally planned economies. There too, the battle against protectionism began and preferences, henceforth based on the criterion of non-reciprocity, were consolidated. In 1976, the Nairobi meeting, influenced by the optimism of the oil-exporting countries and the pessimism of the importing nations, adopted the idea of an Integrated Programme for Commodities. Conference resolution 93 (IV) was adopted, and co-operation between developing countries began to be strengthened. Finally, at Manila in 1979, despite the failure of the discussions on the energy problem, and although the developed countries, in view of the crisis, had refused to enter into serious negotiations, economic co-operation among developing countries began to take shape through the Arusha Programme for Collective Self-Reliance and Framework for Negotiations.

2. At Belgrade, the States members of UNCTAD were meeting in a situation of general economic crisis. There was a paralysis of development and a serious breakdown in the world system of economic relations. The developed countries, far from responding to the hope of developing countries wishing for concerted action, had simply taken a few "mini-decisions" at the Williamsburg summit meeting. The developed countries advised developing countries to wait for the signs of recovery to be consolidated in the industrialized countries, whose main concern was the reduction of unemployment and the protection of their financial systems from bankruptcy as a consequence of the inability of a number of developing countries to pay their debts. If the developed countries were to be believed, the developing countries should endeavour to stimulate a healthy growth in their economies, to achieve which

they should open up their markets. That would not be a bad formula if the developed countries were to dismantle their protectionist barriers, without which the developing countries would be ruined by importing increasingly without exporting more. The situation would be aggravated by a price structure compelling the developing countries to buy expensively and to sell cheaply. Countries with a centrally planned economy, when faced with the requirements of the third world, maintained an eloquent silence. Everything seemed to be conditioned by political interests, forgetting that misery went beyond ideologies and that peace had no frontiers.

3. It was understandable that arms limitation should constitute a priority for the great Powers, but it was inconceivable that the indirect effect of the proliferation of the arms race should be underestimated, as it diverted enormous financial resources which could be used to relieve existing poverty and give rise to a much fairer and more tolerable situation. The explosion inherent in world-wide poverty was also a danger for those who so eagerly took care of their own safety. The efforts towards peace not only depended on agreements among the great Powers but also on the social and economic conditions in the developing countries. He recalled that the President of Colombia had proposed that a specific percentage of the earnings of countries which sold arms should be allocated to a development fund administered by the multilateral financial bodies.

4. There was no peace without development, as the situation in Central America illustrated. Economic and financial difficulties, structural dependence and uneven distribution of the benefits of growth led to political tensions, which aggravated the recession, which, in turn, as part of a vicious circle, exacerbated the political situation. Central America suffered from increasing unemployment, a fall in real income, a reduction in investments and persistent flights of capital. That could be the result of the political climate, but also of the situation of the commodity markets and the high cost of the foreign debt. A more favourable economic outlook would certainly create the conditions in that region for a return to political stability. Instead of becoming involved in a ruinous arms race, the rival ideological and political factions should address themselves to the social and economic development of the people. He appealed to the international community, and particularly to the industrialized and Latin American countries, to be more generous, without distinction, in their economic aid to Central America and the Caribbean. The developing world, through the Group of 77, had pinpointed in advance the problems demanding an immediate response from the developed countries, namely, solvency, trade openings, the recovery of commodities and continued aid to the least developed countries. Two thirds of the world expected responses to those issues from the sixth session of the Conference.

5. However, the developing countries also had a role to play in world-wide economic recovery. On their economic development would depend the growth, or the suffocation, of the world economy. The developing countries should not, of course, depend solely on foreign aid; their growth depended also on structural reforms and administrative adjustments to enable each nation's potential to be exploited to a greater degree. In conclusion, he referred to a statement made by President Betancur at a meeting of the nations of the American continent held recently at Cartegena, in which he had said that, while the commitment of States was to guarantee global peace, it must still be consolidated and strengthened by justice and equity in international economic relations.

Summary of statement made at the 186th plenary meeting, 15 June 1983, by Mr. Ngaporo Elenga, Minister for Trade of the Congo

1. Mr. ELENGA (Congo) said that the sixth session of the Conference was being held at a particularly difficult time. The world economy was traversing a disastrous crisis and prospects of recovery even in the long term were gloomy. The crisis affected all areas of economic life and all countries, but its effects on the developing countries and the least developed of those countries were particularly serious. The disastrous fall in commodity prices, the deterioration in terms of trade, huge debts and the consequent reduction in earnings capable of financing investment increased the vulnerability of the developing countries' already frail economies, undermined their independence, often achieved at the price of great sacrifice, and caused great concern for their sovereignty.

2. The crisis brought with it increased tensions at the international level, leading to a terrifying increase in expenditure on arms. Indeed, the arms race placed the whole world before the possibility of a nuclear war. Détente, dialogue and negotiation had been replaced by political pressures and interference in the domestic affairs of other States. Constructive dialogue in international economic relations was being abandoned. While peoples called for liberty, sovereignty, territorial integrity and the free choice of their socio-economic system, economic weapons were used as a means of overcoming their determination to free themselves from exploitation and domination. There could, however, be no economic development without true independence and peace in the world.

3. The situation of the developing countries in the present crisis of the world economy was the result of their position in the international economic system. They were considered by the developed countries mainly as suppliers of commodities and as markets for manufactured products. By way of trade, and by their monetary, financial and technological policies, the industrialized countries were trying to keep the developing countries on the periphery. That was the cause of all the difficulties in arranging a dialogue, and of the

categorical rejection of important discussions within organizations where developing countries could make an appreciable contribution to the correction of international economic relations.

4. The developing countries were fighting for a thorough-going reform of the present system of international economic relations and for a new international economic order which took their legitimate interests into account. The sixth session of the Conference provided an opportunity for negotiations to give concrete form to the awareness of the new economic relations needed between the different countries of the world. The North-South dialogue was one way of establishing those new relations, but it needed critical analysis of trade and development problems and an agreement on the principles that should guide joint action in the 1980s. The call for a new international economic order in the 1970s had met with little success, mainly because of the lack of true political determination on the part of the developed countries and their indifference to the legitimate demands of the developing countries.

5. His country attached special importance to the work and recommendations of the Movement of Non-Aligned Countries, UNCTAD and all organizations working to establishing a new international economic order. His Government realized, however, that its efforts to build the national economy could not be fully achieved while selfish external actions continued adversely to affect the international situation. His country had taken an active part within the African Group and the Group of 77 in the preparatory work for the present session of the Conference, and it supported the constructive proposals that had emerged from Buenos Aires. To reject those proposals without due consideration would be both arrogant and unrealistic. It was also quite unrealistic to imagine that recovery in a few developed countries would solve the problems of the developing countries. Those countries, whose present difficult situation was mainly due to international market conditions, had no reason to believe in the miracle of liberalism in international economic relations. The proposals put forward by the Group of 77 were thus justified.

Summary of statement made at the 185th plenary meeting, 14 June 1983, by Mr. José Figueres Ferrer, former President, Ambassador Extraordinary of Costa Rica

1. Mr. FIGUERES FERRER (Costa Rica) welcomed the fact that the sixth session of the Conference was being held in Yugoslavia, a country which had had to face and overcome difficulties resulting from its initial divisions. He expressed the hope that that example might inspire the Conference in its search for universally acceptable solutions, in the common interest.

2. He had recently had occasion to deal with the important question of the North-South dialogue in a statement in Nicaragua, a suffering and heroic country, and he had given the text of that statement to the secretariat for circulation to the participants in the Conference. The question of international justice in trade, in which an interest had been taken mainly since the establishment of UNCTAD 19 years earlier, was relatively new for mankind. International trade was currently passing through enormous difficulties and was finding it hard to extricate itself from its slump. However, important questions were never solved in the space of a few short years. The abolition of slavery, for example, had taken two centuries. He would like to hope that the establishment of justice between developed and developing countries would be achieved more quickly, particularly as international public opinion supported that concept of justice.

3. While some progress had admittedly been made in international trade, the basic aspirations of millions and millions of individuals in the less developed world were far from being realized. Mankind remained divided into two worlds—one rich and the other poor—which seemed to be growing further and further apart. He did not believe that that situation could be remedied simply by telling the developed countries of the hopes of the poor countries. Rather, the solution lay in action like that carried out by workers' movements throughout the world. Workers' movements had been able to make great social progress, admittedly as a result of the good will of the ruling classes and of Governments, but also by knowing how to exert pressure at the right time. Their example should be followed in organizing world-wide action on behalf of those producing sugar, coffee, bananas etc., who performed the most arduous tasks under difficult conditions.

4. The same arguments and the same pretexts were used continually in order not to hear the voices of those producing raw materials. However, facts sometimes changed the most obstinate attitudes. For example, four or five months earlier an ordinary crate of bananas, weighing 42 pounds, had sold at the place of production for $4; it was argued that consumers in the rich countries would refuse to pay higher prices. In the meantime, unfavourable natural conditions affected banana production, and the price per crate consequently rose to $11. Consumption of bananas in the rich countries continued none the less. The fear of no longer being able to sell had not been substantiated. The pressure of circumstances had made it possible to obtain what had not previously been possible for workers performing difficult tasks in malaria-infested areas.

5. His country had for a long time counted on the generosity of rich and powerful nations. Unfortunately, the attitude of those nations had not justified that expectation. However, the faults attributed to them were also faults which were to be found in the Latin American countries. The governing classes of those countries included individuals who, while they were very gifted, very knowledgeable and doubtless very compassionate, did not always see things very clearly. For example, his country, along with others in Latin America, produced coffee. The owners of the coffee plantations

sold at prices which seemed adequate to them to pay their workers. In a coffee-producing region, however, services such as schools and hospitals also had to be paid for. The governing classes too often had a tendency to forget those social costs.

6. Without wishing to belittle the merits of the governing classes in Latin America, he thought that certain errors and certain human attitudes needed to be pointed out. Only too often, what was wrong was not seen because it was not exposed. The issue was above all a moral one; strong countries and weak countries should come to an understanding so as to stabilize prices of commodities at fair levels. To do that, taking account of the social as well as the commercial costs, resolve and solidarity must of course be shown. The developed and the developing countries needed to make a common and co-ordinated effort to solve the existing problems and to eliminate their causes, failing which mankind would remain divided for a very long time, and division did not promote a climate of peace. There was too often casual talk of the ideal of peace; peace must not be the sole objective of modern times, or even its main objective; the first objective must be justice, which was the foundation of peace.

Summary of statement made at the 177th plenary meeting, 9 June 1983, by Mr. Ricardo Cabrisas Ruiz, Minister for Foreign Trade of Cuba

1. Mr. CABRISAS RUIZ (Cuba) said that the efforts being made by the international community at the sixth session of the Conference would be meaningful only if resolutely aimed at clearly identifying the nature of the problems afflicting the world economy and at adopting the necessary measures to overcome them. As had been repeatedly acknowledged, the international community was facing the worst economic crisis since the Great Depression of the 1930s. From its point of origin in the great industrial centres of the capitalist system, the crisis had spread rapidly and with increased intensity to the developing world, where its effects had been devastating. Restrictive monetarist economic policies aimed at fighting inflation by limiting monetary supply and economic activities had failed to stop the crisis and check mass unemployment which, during 1982, had reached the figure of over 30 million persons in the major developed capitalist countries.

2. According to published estimates, GDP and industrial production in all the OECD countries had declined by 0.5 per cent and 3.5 per cent respectively in 1982. But even at the cost of such severe consequences, inflation in those countries had not been contained. Moreover, the effect of the capitalist crisis had been to reduce the overall growth rate of the third world from 4.8 per cent in 1979 to 2.8 per cent in 1980 and 1 per cent in 1981, with the trend for 1982 remaining the same.

3. The effects of the crisis on those countries' external sectors were even more serious. According to IMF estimates, the accrued deterioration of the terms of trade of the oil-importing developing countries between 1977 and 1981 had surpassed 15 per cent, which was tantamount to a $50 billion net loss during the period. The drop in export volumes and prices of the main commodities exported by the developing countries had plunged to the lowest level in decades. According to UNCTAD estimates, from October 1980 to March 1982, international prices for all commodities, excluding oil, had dropped by 22.1 per cent.

4. Sugar provided one of the most dramatic examples. Its price in the world market had dropped to unprecedented levels, well under the cost of production, considering the deflated price indexes. As the Cuban economy depended greatly on sugar exports, his country hoped that the Conference would endorse the conclusion of a new international agreement on sugar with the participation of all the exporting and importing countries and, in particular, those countries which, owing to their importance for the world market and the impact of their policies, held major responsibilities. The recent negotiations to that effect at Geneva allowed for the establishment of a constructive dialogue between the parties to the existing agreement and the representatives of EEC. It was to be hoped that that dialogue would continue and culminate in concrete results.

5. The behaviour of commodity export prices was the result of the combined effects of several factors stemming from the international economic crisis: the contraction of demand brought on by the recession in the industrial countries, the all too overt reappearance of protectionist measures in those countries and the generalized increase in interest rates with the consequent appreciation of the United States dollar in international money markets. The combined deficit in the current accounts of the developing countries had risen from $30.2 billion in 1978 to $77.5 billion in 1981, a two-and-a-half times increase in four years.

6. But perhaps the most dramatic indicator of the impact of the crisis on the developing countries was the exorbitant and seemingly unpayable foreign debt they had accumulated—more than $600 billion, with an annual servicing requirement of $130 billion.

7. In addition to the factors mentioned, there had been a progressive deterioration in the standards governing the operation of the international financial, monetary and trading systems, among which the sustained use of coercive economic measures imposed for political reasons against several countries should be singled out. For more than 20 years Cuba had been the victim of a trade and economic blockade imposed by the United States of America, which not only precluded all commercial transactions between the two countries but also adversely affected its products in third markets by banning imports of equipment from any other country manufactured by firms buying Cuban nickel. In recent years similar measures had been implemented against several other countries. Likewise, the United States Ad-

ministration had tried to impose an embargo on trade in high-technology equipment with the Soviet Union, but its failure had been so great that it had adversely affected its relations with other developed countries. More recently it had applied arbitrary measures of the same nature against Poland. During the Malvinas war, Argentina had been the victim of economic sanctions in violation of the norm and principles governing international trade. Only recently, the United States had cut the quota for sugar imports from Nicaragua by more than 90 per cent, in violation of its obligations as a contracting party to the General Agreement on Tariffs and Trade. Such a measure contradicted the spirit of co-operation and dialogue that the international community needed at the present time.

8. Similar coercive measures and discriminatory policies had been adopted in respect of access to sources of financing, commercial credits and development assistance programmes, among others. Such actions were incompatible with the elementary norms of international coexistence and economic relations between States and should be ended.

9. The political background to the critical economic situation, in addition to keeping the world on the brink of a nuclear catastrophe, also contributed to a deepening of the crisis. International tensions and flash-points had dangerously increased in recent years. The aggressive policy against the Palestinian and Arab peoples had become more virulent; in South Africa, the *apartheid* régime continued with its repressive policy against the African peoples and neighbouring countries while flouting United Nations resolutions and postponing Namibia's independence; in Central America, the Nicaraguan Government, which had emerged as a result of the people's victory over the Somoza dictatorship, was facing foreign intervention seeking to prop up the traditional structures of domination and exploitation in the region.

10. Military spending and arsenals continued to rise. In 1982 alone, some $500 billion had been spent for military purposes in the world, a sum which, if used for educational and health purposes, could revolutionize social conditions in the third world.

11. It was now more evident than ever that the structures and principles which had shaped the present unjust international economic order could not be maintained. Never before had the need for a genuine new international economic order been so evident, an order in which the developing countries would find room for their development potentialities, and where the interests of a minority would not block the aspirations to development of the great majority.

12. The sixth session of the Conference provided the possibility of initiating a process of effective contributions to world economic recovery and progress in the establishment of fair international economic relations. The proposals made by the Group of 77 at Buenos Aires were now before the developed countries. Cuba believed that dialogue and negotiation should be constructive and that they should be guided by the quest for solutions of mutual interest and benefit allowing, in the first place, the developing countries to emerge from their present stagnation and to reactivate their economies. There would be no economic recovery if policies were applied that only took into account the interests of a few. Owing to the interrelationships of economies, any solution would have to be global and include the developing countries, which were potentially the most dynamic factors.

13. During the preparatory work for the sixth session of the Conference, it had been agreed that emphasis should be placed on commodity-related topics, trade in goods and services, monetary and financial matters and the implementation of the Substantial New Programme of Action for the 1980s for the Least Developed Countries. With respect to the latter, he reiterated his country's support for all efforts that might be made by the international community to contribute effectively to the development of those countries. But each of the remaining subjects demanded careful study so as to contribute positively to the achievement of the goals of the Conference, such as commercial relations between countries with different economic and social systems and all commercial flows resulting therefrom, economic co-operation among developing countries and support to national liberation movements.

14. Special attention should also be paid to the role UNCTAD should play and to reinforcing its competence, both in the areas of trade and development and in financial-monetary matters. As a United Nations body, its universal nature put it in a position to carry out the decisions and tasks assigned to it. There was no other institution that provided for the all-round analysis of matters related to trade and its associated areas.

15. In conclusion, he said that the Cuban delegation pledged every possible effort to contribute to the success of the Conference. The gravity of the present situation and the importance of the issues to be tackled called for participants to make a concrete contribution to the solution of the distressing problems afflicting mankind. By so doing they would facilitate not only world economic recovery, but also the establishment of international peace and security.

Summary of statement made at the 179th plenary meeting, 9 June 1983, by Mr. George Andreou, Minister for Commerce and Industry of Cyprus

1. Mr. ANDREOU (Cyprus) said that, four years after the fifth session of the Conference, the world economy was experiencing its worst crisis since the 1930s, with unemployment, negative or minimal growth, monetary instability and increasing protectionism, which affected all countries but the developing countries more than the developed. The crisis would have been less serious if the developed countries had not

neglected the need for structural changes in international economic relations and ignored the links between their own current economic problems and the disequilibrium in the existing international commercial and financial systems.

2. In recent years, the developing countries had been encountering more and more difficulties in their attempts to increase their exports to the developed countries, mainly as a result of protectionist measures adopted by the latter. In addition to tariff barriers, quotas and time limitations, the developed countries had deployed "voluntary" export restraints and "orderly marketing arrangements" to prevent the importation of goods from the developing countries, using the argument that it would cause massive job displacement. That might be so, but it should not be forgotten that far more unemployment had been caused by technological changes in the developed countries and that, if the developing countries were permitted to increase their purchasing power by exporting products in which they had a comparative advantage, they would import more consumer goods from the developed countries, thus helping them to overcome their economic problems.

3. If protectionist measures in the developed world were not discontinued, then the developing countries should concentrate on developing trade among themselves, despite all the well-known difficulties in the areas of market information and advertising, transport connections, financing and the like. UNCTAD should continue to study those difficulties, at both regional and global levels, and issue periodic reports on the subject.

4. The lack of financial facilities was another major problem for the developing countries, which in their efforts to accelerate their growth had to turn to private financing organizations in the developed countries. However, high interest rates and the inability to earn enough foreign exchange made it difficult for the developing countries to borrow the required capital. A more sympathetic attitude on the part of the developed countries was needed.

5. Technology played a decisive role in the process of development but, although the developing countries accounted for some 75 per cent of the world's population, they possessed less than 5 per cent of its scientific and technological potential. Moreover, nationals of the developing countries who were trained abroad often settled in the developed countries, for financial and other reasons. The time had thus come to increase the technological capacity of the developing countries so as to reduce their dependence on the limited transfer of technology from the developed countries.

6. Cyprus, like the other developing countries, had been hard hit by the world economic crisis and the recession in the international trade. That situation was compounded by the occupation since 1974 of 37 per cent of its territory, containing a high proportion of its economic resources. The country had, nevertheless, managed to survive and, through hard work and economic assistance from friendly countries, had reactivated its economy to a considerable extent.

7. His Government was dedicated to the idea of a new international economic order and thought that, given mutual understanding of the needs and difficulties of all countries, it would be possible to achieve a worldwide economic recovery and thus contribute to the happiness and prosperity of all.

Summary of statement made at the 175th plenary meeting, 8 June 1983, by Mr. Bohumil Urban, Minister for Foreign Trade of Czechoslovakia

1. Mr. URBAN (Czechoslovakia), said that the sixth session of the United Nations Conference on Trade and Development was meeting in a complicated international political and economic situation, which would inevitably influence the atmosphere and the results of the deliberations. The world was endangered by an expensive and dangerous arms race instigated by the reactionary circles of imperialism. It was therefore the task of the whole international community and hence also of the present representative international session to contribute, by joint efforts, to détente and to achieve progress on the road to solving the pressing problems of mankind. Peace and development were two inseparable and interdependent concepts. His country had been pleased that those ideas, which were part of the philosophy of the countries of the socialist community, had been adopted both by the countries participating in the Seventh Conference of Heads of State or Government of Non-Aligned Countries and in the Fifth Ministerial Meeting of the Group of 77.

2. The international situation served to emphasize doubts about the validity of the present system of international economic relations. The period of the 1970s and the beginning of the 1980s had been characterized by economic stagnation of the developed market-economy countries and by a crisis in the mechanism of international economic relations governed by them. Since those countries held a decisive share of international trade, the general decline in the development of their economies had also affected other countries. That oppressive situation had become evident in the indebtedness of a considerable part of the developing world. The total volume of debt exceeded $600 billion and almost the same amount was annually spent by mankind on armaments. Those facts called for immediate steps to be taken towards a democratization of the whole system of international economic relations, for the development of economic co-operation among nations on the basis of equality and for the establishment of a new international economic order, which was fully supported by Czechoslovakia together with other socialist countries.

3. Despite the problems existing in the world economy, Czechoslovakia had continuously tried to ex-

pand its trade with other countries, since foreign trade constituted a significant factor in its national economy. Economic plan-based co-operation with other socialist countries formed a solid and reliable basis for its external economic relations. Czechoslovakia was naturally also interested in expanding trade with developed market-economy countries. Yet, owing to a number of unilateral restrictive measures taken by those countries, access of its goods to their markets had been made more difficult and its exports did not match its economic possibilities.

4. Czechoslovakia considered economic and trade co-operation with the developing countries to be one of the main spheres of co-operation with other countries. By means of a number of trade and political instruments and by a system of preferential duties for the developing countries, it had succeeded in maintaining a positive trend in that sphere. Its imports of their manufactures had increased in the 1978-1981 period by more than half; by the end of 1981 it had built a total of 529 large complete plants in developing countries, including 48 in the least developed ones, and another 50 were under construction. Czechoslovakia had co-operated with a number of developing countries in the restructuring of their national economies, not only by building industrial plants but also by training experts. It intended to continue to develop that form of co-operation in the future.

5. Czechoslovakia was interested in stabilizing international trade in commodities. The Integrated Programme for Commodities had shown very limited results so far, and existing agreements on commodities were not operating in the desired way. In addition, incorporation of those agreements in the Common Fund appeared to be a problem. As to the concrete proposals in the field of international trade in commodities, his country supported the equitable demands of the developing countries for a change in the existing system of trade. First, the developing countries must acquire full sovereignty over their own natural resources and be able to dispose freely of commodities extracted from their territories, as called for in the relevant provision of the Programme of Action on the Establishment of a New International Economic Order.

6. Protectionism was an important element in the present unfavourable trend in world trade. Protectionist tendencies in developed market-economy countries were increasing, and open or latent discriminatory policies were being introduced, particularly in relation to the socialist countries. Those measures ran counter to the existing rules of international trade and constituted dangerous precedents for its open system, undermining the very basis of international co-operation. The problems of protectionism had recently been discussed, without much success, in GATT. States should adopt a commitment not to introduce new protectionist measures and not to extend existing quantitative trade restrictions but to try to eliminate them gradually, especially those of a discriminatory nature without economic motivation. If the proposals on protectionism submitted by the developing countries related to the socialist countries as well, that would create the possibility of a joint platform.

7. One important sphere of UNCTAD activities was to create conditions for the development of trade and other economic relations between countries with different social and economic systems. Czechoslovakia attached considerable importance to that point and considered that at the present session negotiations on the relevant resolution should be finalized.

8. As to monetary and financial issues, he pointed out that the growing burden of indebtedness of developing countries resulted from the present crisis of the capitalist world economy, and the socialist countries could clearly bear no responsibility for the development. Nevertheless, Czechoslovakia had been granting economic assistance to developing countries, *inter alia*, in the form of governmental credits at advantageous interest rates and on long instalment terms. In addition, technical assistance was a significant part of Czechoslovakia's co-operation with developing countries. In 1982 Czechoslovakia had granted developing countries total assistance of 3.6 billion Czechoslovak koruny, representing 0.74 per cent of its national income in that year.

9. The Conference had to adopt concrete measures, and in that connection his delegation would join those prepared to assess objectively the situation in individual spheres and to seek ways to develop international economic co-operation. One of the basic prerequisites for the development of such co-operation was the question of mutual confidence and peaceful coexistence between States regardless of their economic or social system. If some developed market-economy countries continued to concentrate on escalating the arms race, it would be unrealistic to hope for improvement in the world's political or economic situation or for increased assistance for development. One of the conclusions of the Conference should, in his view, reflect that link.

Summary of statement made at the 182nd plenary meeting, 13 June 1983, by Mr. Khieu Samphân, Vice-President in charge of Foreign Affairs of Democratic Kampuchea

1. Mr. SAMPHAN (Democratic Kampuchea) said that no country personified better than Yugoslavia the aspirations and interests of countries whose progress and development largely depended on dialogue, co-operation and consensus between developed and developing countries. It was to be hoped, therefore, that the declaration to be issued at the end of the sixth session of the Conference would mark a significant step in the renewal of the North-South dialogue and the establishment of a new international economic order. His country's realization of the importance of the current session had made it determined to attend it and thus show its solidarity and desire to co-operate, even though it was engaged in a war of resistance against foreign occupation.

2. Many speakers had drawn attention to the seriousness and persistence of the world economic crisis,

which had started in developed countries and had spread to every country and group of countries. It was the result of an outdated international economic structure. The first uncertain signs of a lessening of stagnation in some developed countries could not conceal the persistence of the crisis, which continued to affect the countries of the third world more and more seriously and to hamper their development, which in turn would prevent the recovery of the world economy.

3. His delegation supported the other developing countries in their call to the developed countries to take due account, during the current negotiations, of the Buenos Aires Message for Dialogue and Consensus. The Conference must agree on a set of policies, including both immediate measures in matters of critical importance to the developing countries and a fundamental restructuring of the world economy with a view to the establishment of a new international economic order. That set of policies was essential both to put the world economy back on its feet and to ensure continuous development in the developing countries. In that connection, his delegation was particularly in favour of the implementation of the Substantial New Programme of Action for the 1980s for the Least Developed Countries.

4. Most speakers had rightly emphasized that the current session of the Conference was being held not only in a context of very serious economic problems but also in an atmosphere of grave political tension which made its task all the more difficult. The flagrant aggression perpetrated against his own and many other countries showed that respect for the sovereignty of each country as well as for other fundamental principles of the Charter of the United Nations was far from universal. However, the determined struggle of the peoples that were direct victims of aggression and the support given by the international community to that struggle were becoming increasingly important in ensuring respect for those sacred principles.

5. Kampuchea, which had been devastated by war, would at its liberation be the least developed of all the developing countries. More than any other country, it placed its hopes in international assistance and cooperation as well as in the restructuring of the world economy and the establishment of a more equitable new international economic order.

Summary of statement made at the 183rd plenary meeting, 13 June 1983, by Mr. Kim Myon Re, Vice-Minister for Foreign Trade of the Democratic People's Republic of Korea

1. Mr. KIM MYON RE (Democratic People's Republic of Korea) said it was significant that the sixth session of the Conference should be the first to be held in a socialist country; the interest it had aroused among the peoples of the new-born countries and the world's progressive peoples was all the greater for that fact. Through fruitful discussion of the issues on the agenda, that session would certainly contribute to the abolition of the old economic order that allowed plunder and exploitation by imperialists and colonialists, and to its replacement by a new international economic order. The 1960s and 1980s had already witnessed great changes in the world political situation. Many nations had cast off the shackles of subordination to form an independent world.

2. At present, however, as President Kim Il Sung of the Democratic People's Republic of Korea had said, "the non-aligned and developing countries should strive to defend the permanent ownership of their domestic resources and economic arteries and reorganize the unfair trade relations and the one-sided system of division of labour whereby they have to sell raw materials at low prices and buy manufactured goods at exorbitant prices". Unfortunately, the imperialists and colonialists were craftly endeavouring to intensify their economic exploitation and as a result many developing countries were facing serious economic difficulties.

3. Within UNCTAD and other international forums, many negotiations had been held and many proposals had been made in order to modify the present unjust economic structure, but the obstinate stand of the developed countries remained a great obstacle. The monopolies in those countries were appropriating the natural resources and work of developing countries and were reaping exorbitant profits through the export of their capital. In that situation, the export earnings of the developing countries had fallen by about $200 billion during the past two years, and their foreign debt had risen to more than $700 billion. Most Western countries did not consider it their duty to attain the goal of 0.7 per cent of GNP for assistance to developing countries. Furthermore, protectionism was impeding the development of the industry and foreign trade of the developing countries. Nowadays the imperialists and colonialists were trying to shift the burden of their economic crisis by intensifying their exploitation and stimulating the arms race.

4. The declaration and resolutions adopted at the Fifth Ministerial Meeting of the Group of 77 deserved to be supported. His country wished to see full implementation of the Integrated Programme for Commodities and other measures to stabilize commodity markets. All restrictive measures and economic sanctions applied to developing countries by the imperialists should be immediately abolished. Concrete measures must also be taken to eliminate protectionism, to ensure the non-discriminatory implementation of GSP schemes and to prepare multilateral trade negotiations on the basis of the principle of defending the interests of the developing countries. The sixth session should also envisage longer-term action to bring about a fundamental reform of trade, finance and shipping in favour of the developing countries.

5. The developing countries had the advantage of possessing most of the world's raw materials and labour; they already possessed no small experience and technology. In order to benefit from those assets, they should undertake joint ventures, strengthen regional

economic co-operation organizations and expand their co-operation in industrial and agricultural production, science and technology. For that purpose, they should hold discussions on South-South co-operation at the highest possible level. For its part, his country would co-operate with the countries of Asia, Africa and Latin America on the basis of independence, equality and mutual benefit.

6. His country was now successfully carrying out its second seven-year plan, which included the following long-term production targets: 100 billion kWh of electricity, 120 million tonnes of coal, 15 million tonnes of steel, 1.5 million tonnes of non-ferrous metals, 5 million tonnes of machinery, 20 million tonnes of cement, 7 million tonnes of chemical fertilizer and 15 million tonnes of cereals. The attainment of those targets would contribute not only to the country's prosperity but also to the expansion of its economic and technical co-operation with the developing countries.

7. He wished to express gratitude to the peoples of the socialist countries, new-born countries and the world's progressive countries for their active support in his country's struggle against the machinations of United States imperialism and in its efforts to achieve peaceful reunification of the country. He expressed his country's solidarity with the national liberation movements of the Palestinian, Arab, Namibian and South African peoples, and with the peoples of Central America and the Caribbean. In conclusion, he wished to assure the Conference that his delegation would make an active contribution to the success of the historic mission of the sixth session.

Summary of statement made at the 184th plenary meeting, 14 June 1983, by Mr. Ahmed Obaid Fadhli, Minister for Trade and Supply of Democratic Yemen

1. Mr. FADHLI (Democratic Yemen) said that the serious economic crisis that was affecting the international economy and stifling the potentialities for development and growth in developing countries in particular had its roots in the structural imbalance of international economic relations and was aggravated by the policies of some countries which controlled the international economy and world financial institutions. Developing countries, and in particular the least developed among them, were victims of the prevalent inflation and depression and the continued rise in the prices of their imports, as well as the burden of rising debts and exorbitant debt servicing and currency fluctuations. At a time when the value of their currencies was declining and the prices of their exports falling, export opportunities were impeded as a result of protectionist policies and other restrictions, and resource flows and financial assistance were curtailed. In addition, they sometimes faced pressures, discriminatory policies and political blackmail.

2. Those negative developments had adverse effects not only on the interests of developing countries and the legitimate aspirations of their peoples but also on the economies of the developed countries themselves and on the world economy as a whole. Such conditions were certainly not conducive to the promotion of peace and stability in the world. Paradoxically, military expenditure was many times greater than development assistance, threatening international peace and security und undermining the foundations of peaceful coexistence and the policy of détente in international relations. Halting the arms race and adopting effective disarmament measures would release large resources for development and create a climate more favourable to international co-operation.

3. The solutions proposed for those problems were not new. However, without political will on the part of capitalist countries to implement those proposals, the international community would continue to be confined in a vicious circle of debate and controversy. To focus on selfish interests alone and on immediate, short-sighted policies would in no way solve the problem. In tackling interdependent issues, due account should be taken of the need to adopt an integrated approach.

4. His delegation regarded the Buenos Aires Platform, an extension and affirmation of the recommendations of the seventh summit conference of non-aligned countries, as a positive approach which might provide solutions to the problems currently facing the world. The Group of 77 had shown great flexibility and reasonableness and had emphasized the need for two parallel actions: the adoption and implementation of a programme of immediate action in areas crucially important for developing countries and the restructuring of the world economic system with a view to establishment of a new international economic order. His delegation welcomed dialogue and the creation of an appropriate climate for consensus decisions acceptable to all, and particularly to States capable of changing the *status quo*. However, that should not serve as an excuse for inaction or procrastination. What was necessary was the will to change and to sacrifice selfish interests for the common good.

5. Despite claims that there was an upturn in the economies of some capitalist countries, the critical economic situation of the developing countries was constantly deteriorating, their development process had been undermined and even halted in many countries, and their rate of growth, particularly in the least developed countries, had been negative in recent years. Such a situation called for practical, immediate action. Unfortunately, since the fifth session of the Conference, there had been little fulfilment of commitments, which cast doubts on the prospects for dialogue and negotiation.

6. The least developed countries in particular lacked the basic infrastructure necessary for development and growth owing to a weak export base. They must have immediate assistance to supplement their limited potential in order to add to their basic economic structures. The Substantial New Programme of Action for the

1980s for the Least Developed Countries should benefit all least developed countries within a framework of multilateral co-operation, which was in urgent need of a new impetus to overcome its stagnation and paralysis. The Conference should devise rapid practical means of providing those countries with financial and technical assistance to enable them to develop their material and human resources.

7. Democratic Yemen was working with the help of friendly socialist and other countries and international organizations to implement its economic and social development plans, to raise the standard of living of its people and to sustain its independence and sovereignty. It noted that many developing countries, including least developed countries, were making tremendous efforts to supply the costs of development projects by drawing on domestic savings and were themselves providing many of the basic requirements of their peoples. Owing to their low per capita income, however, they needed foreign capital to bridge the gap between domestic savings and the minimum investments necessary for development, in addition to countering external factors such as inflation and currency fluctuations. In spite of the privileges and facilities provided by national investment laws, the international response had been below the required level. Collective self-reliance and economic co-operation among developing countries could play an important role but was not a substitute for co-operation between developed and developing countries. It was important to alleviate the burden of debt accumulated by developing countries in general, to reschedule loans, to convert loans to the least developed countries into grants, and to accord those countries in particular concessional terms in financing and implementing their projects and programmes.

8. IMF had a role of great responsibility to play with respect to balance-of-payments deficits. It should review its procedures and lending terms so that the brunt of the adjustment process should not fall on the deficit countries alone. The conditionality of the Fund's facilities should be adapted so as to take into account the nature of the balance-of-payments deficits, on the understanding that the Fund's programme should be directed to solving the structural problems of the deficit. Financing on concessional terms of IDA and of regional development banks had become a necessity. The capitalist countries must increase their financial assistance and fulfil the objectives of the International Development Strategy and the Substantial New Programme of Action in terms of ODA. Economic need rather than political considerations should be the primary criterion in the Fund's assistance to developing countries.

9. The peoples still suffering from colonialism and occupation should not be forgotten. Man's freedom was the common aim and it was the responsibility of all countries to support the struggle of all peoples for their freedom, sovereignty and independence, whether in Palestine, Namibia or South Africa. The persistence of colonialist, racist, zionist and expansionist régimes threatened international peace, security and stability as well as the possibilities of global co-operation. The Palestinians should be given all forms of support in their struggle to achieve their inalienable national rights to self-determination, the establishment of an independent State on their own land and full sovereignty over their resources. The provision of assistance to national liberation movements and the combating of all types of threats and pressures against free peoples were an integral part of the struggle for the establishment of a new political, economic and social order.

10. Experience had shown that the international economic system was in need of comprehensive, radical reform so that it should become equitable and capable of adjustment and continuity. That reform should concern the world economy in general and the economies of the developing countries in particular and should not be directed merely to dealing with emergencies. The Conference must face up to the challenge confronting it and must not evade the opportunity for making positive decisions.

Summary of statement made at the 176th plenary meeting, 8 June 1983, by Mr. Otto E. Moeller, Secretary of State, Ministry of Foreign Affairs of Denmark

1. Mr. MOELLER (Denmark) said that the statement made by the Minister for Economic Affairs of the Federal Republic of Germany, President of the Council of the European Communities, on behalf of the States members of EEC covered in a general way the views of the Danish Government.

2. In recent years, most developed and developing countries alike had experienced an economic recession characterized by a stagnation in growth and an upsurge in unemployment. The distinct slow-down in growth had not prevented inflation from being widespread. Many countries, both developed and developing, had been faced with large current-account deficits in their balance of payments. The outcome was a lack of resources for development and increasing protectionist pressures.

3. In times of crisis, everyone looked eagerly for signs of recovery. Certain indications had surfaced, but the frail flower of recovery was still menaced by the late storms of winter. If the recovery was to grow stronger, all nations would have to co-operate in an effort to seek the way to world-wide non-inflationary growth and to give a new impetus to development. Over the past decade, the interdependence between North and South had been constantly affirmed. North-South relations were based on the reality of global interdependence. The North-South dialogue was a continuing search for common ground; in order to find such ground, however, all

nations must co-operate in a spirit of understanding and compromise. A number of the major economic aspects of the North-South dialogue were in fact included in the agenda for the sixth session of the Conference.

4. During the fourth session of the Conference at Nairobi, his delegation had strongly supported the Integrated Programme for Commodities. It had also played an active part in reaching, in 1980, the Agreement Establishing the Common Fund for Commodities. However, there was still need for constructive efforts to reactivate the Integrated Programme and to obtain greater stability in commodity prices. Consequently, his delegation urged those countries which had not yet ratified the Agreement to do so before the end of September 1983. If the Common Fund failed to become operational, international co-operation in commodities would be deprived of a vital centre-piece, a loss that might jeopardize all the other aspects of such co-operation.

5. In the hope that the developing countries would be able to play a greater part in the processing, marketing and distribution of their commodities, his delegation continued firmly to support the activities of the International Trade Centre UNCTAD/GATT. Future discussions on the cardinal question of the stabilization of export earnings from commodities should concentrate on ways and means of helping the poorest countries, particularly the least developed countries, which were the ones most dependent on such earnings.

6. An open multilateral trading system was a prerequisite for sustained economic growth in both developed and developing countries. Currently, however, the GATT system was exposed to protectionist pressures in many countries, pressures that must be fought. His delegation strongly supported, therefore, the Ministerial Declaration adopted on 29 November 1982 by the Contracting Parties to the General Agreement on Tariffs and Trade. It hoped that the basic principles of that text would be endorsed by the Conference and urged the developing countries to play a greater part in the existing international trading system.

7. As stressed in the Buenos Aires Platform, the financial situation of many developing countries was extremely difficult, largely because of their serious debt problems. Efforts would have to be made to solve those specific problems of the debtor countries on a case-by-case basis, with close co-operation between the countries concerned and the international financial and monetary institutions. His Government was willing to give favourable consideration to any request from a least developed country for debt relief in respect of official Danish loans due to be repaid within the next three or four years.

8. As for ODA, his Government remained committed to devoting 0.7 per cent of the country's GNP to that purpose and would continue, in fact, to maintain its assistance somewhat above that target within the time frame set out in the International Development Strategy. All donor countries should also endeavour to reach as rapidly as possible the target of 0.15 per cent of GNP for assistance to the least developed countries. His Government's assistance to that group of countries currently accounted for 0.26 per cent of the country's GNP. His delegation also hoped that other important elements of the Substantial New Programme of Action for the 1980s for the Least Developed Countries would be fully implemented.

9. It was imperative to expand the role of the international financing institutions so as to secure a better balance between commercial and official resource flows to the developing countries. In that connection, an agreement would have to be reached in the near future concerning the Seventh Replenishment of IDA, which should be maintained in real terms at least at the level of the Sixth Replenishment. His Government thought it equally necessary to increase the lending capacity of the World Bank, which was currently far too low. It welcomed the recent decision by IMF to enlarge the quotas of its member States but regretted that they had not been increased still further. His delegation was prepared to discuss at the Conference the workings of the international monetary system and thought that any such discussion should be based on the common interests of the developed and the developing countries. To ensure the proper functioning of the system, it was essential *inter alia* to achieve a much higher degree of exchange-rate stability. His delegation firmly believed that IMF was the appropriate forum for more specific discussions and decisions.

10. Since the first session of the Conference in 1964, UNCTAD had played an important role in the North-South dialogue, as witnessed by such important initiatives as the GSP and the Integrated Programme for Commodities. The sixth session provided an opportunity for leaders from all over the world to reason together, in an endeavour to produce a common analysis of the world's economic problems. On the basis of that analysis, the Conference should single out the ways in which UNCTAD itself could participate, within its terms of reference, in the concerted efforts to advance recovery and development at the global level.

11. In 1982, a report by a Commonwealth Group of Experts[20] on ways of making the North-South dialogue work had been published. The most important recommendations in that report had subsequently been endorsed by the Brandt Commission. They appealed to the North and to the South to broaden their perspectives and adopt a more down-to-earth negotiating strategy. His Government would like to express the hope that the Conference, inspired in part by those recommendations, would see the beginning of a dialogue based on the concept of global interdependence and that, in a spirit of common understanding and confidence, it would achieved some constructive results and thus enable UNCTAD to play its proper important role in support of recovery and development. His own delegation was prepared to participate whole-heartedly in the search for such results.

[20] *The North-South Dialogue: Making it Work* (London, Commonwealth Secretariat, 1982), distributed at the Conference under cover of document TD/L.201.

Summary of statement made at the 188th plenary meeting, 16 June 1983, by Mr. Mohamed Djama Elabe, Minister for National Education, Youth and Sport of Djibouti

1. Mr. DJAMA ELABE (Djibouti) said that the philosophy of UNCTAD had been built round the need to make available to the developing countries the external resources they needed for their growth and economic development. The developing countries' export earnings were currently, and would probably remain, inadequate to cover their requirements for the goods essential to their economic growth. The reasoning of UNCTAD was that the gap between the resources needed for imports and their export earnings needed to be made good by means of a set of trade and assistance measures, including the GSP.

2. However, that gap, far from diminishing, was constantly widening. The International Development Strategy for the Second United Nations Development Decade had failed, at a time when the industrialized countries were affluent. The per capita income of billions of people in the world's poorest areas was on the decline.

3. Since 1973, the developing countries had had to cope with a grave deterioration in their economies. That was the result of various factors, including galloping inflation, the high price of oil, a shortage of food products and other commodities, and a serious aggravation in the balance-of-payments situation coupled with ever worsening terms of trade.

4. The world was facing its most serious economic and social crisis since the 1930s. The primary concern of Governments in fighting inflation and unemployment was the achievement of a satisfactory growth rate and monetary equilibrium. International co-operation should therefore seek to establish fairer and more rational relationships between developed and developing countries in order to meet the essential requirements of the latter and ensure their economic and social progress.

5. Most of the non-oil-producing countries of Africa were currently undergoing great economic difficulties. The least developed countries had been the hardest hit by the current crisis, and the international community should make a serious attempt to find ways of seeking joint solutions to restore the situation and relaunch the development process. What was needed was a global strategy and collective action to redress the situation. That was the spirit in which his delegation viewed the establishment of a new international economic order.

6. An increase in the flows of capital and technology was needed, in order to place the developed and the developing countries on an equal footing in a world economic order having a new and fairer structure. It was the task of UNCTAD to determine the institutions and the machinery that would bring about an adequate and orderly transition and maximum prosperity for both North and South.

7. Djibouti had been included in the list of least developed countries by the General Assembly at its thirty-seventh session. The country had no natural resources and its economy was based on the tertiary sector, which accounted for more than 75 per cent of GDP, 41.5 per cent of which came from trade. Agriculture represented only 4.1 per cent and industry only 7.8 per cent of GDP. Djibouti was therefore completely dependent on international trade. It imported almost all its consumer goods and had practically nothing to export in exchange, which was a heavy burden. The international economic crisis had thus affected it very severely.

8. In order to cope with that situation, his Government had taken the initiative of convening a conference of donor countries to be held in Djibouti in November 1983. He invited all donor countries and international financial institutions to take part in that conference, which was of particular importance to his country.

Summary of statement made at the 187th plenary meeting, 15 June 1983, by Mr. José Augusto Vega Imbert, Secretary of State for External Relations of the Dominican Republic

1. Mr. VEGA IMBERT (Dominican Republic) regarded the choice of the city of Belgrade for the sixth session of the Conference as a tribute to the memory of Marshal Tito, a champion of peaceful coexistence and international co-operation, and an advocate of the creation of just and equitable international economic relations. It was in that spirit that his delegation wished to reaffirm its willingness to be fully associated with the efforts of the developing countries to bring about, through dialogue and negotiation, the establishment of the new international economic order.

2. The present economic crisis, the most serious the world had known for half a century, affected all groups of countries in varying degrees but was hitting the developing countries much harder, since those countries did not have the industrial and financial potential or level of social and technological development of the developed countries and were therefore more vulnerable. The alarming figures given in the documents on which the Buenos Aires Platform was based illustrated the extent of the economic disaster: net losses in foreign exchange amounting to about $200 billion, a total external debt of $630 billion, half of which was accounted for by Latin America, debt-service payments amounting to 25 per cent of foreign exchange earnings from exports, restrictions on international credit, a drastic fall in GNP and per capita income in many countries, budget deficits which were impossible to finance, galloping inflation and generalized unemployment. Protectionist measures, allied to the deterioration in the terms of trade, had led to a considerable fall in the

foreign exchange reserves of all the developing countries, even those which exported oil. However, the most serious consequence of the deterioration of the external situation had been the lowering of the payment capacity of many developing countries, a fact which made the debt problem especially important. Those financial difficulties, which were causing the postponement of many investment programmes, could, in the face of the growing needs of the population of the countries concerned, lead to social disturbances which might in turn create a climate of political and economic instability, whose repercussions would be felt in the developed countries.

3. On the one hand, the industrialized countries emphasized the necessity of ensuring freedom of international trade, but on the other, through their protectionist measures, they were causing the price of commodities from the developing countries to fall on international markets, thus jeopardizing the efforts to achieve solidarity which the developing countries were beginning to make as part of South-South co-operation. As far as his country was concerned, there had been a substantial fall in the price of the commodities which it produced and the price of its imports had risen. At the same time, it had been experiencing growing difficulties in obtaining the external financing which it had needed and had been obliged, in order to obtain the foreign exchange necessary for the repayment of its debt, to enforce adjustment policies leading to a reduction of domestic economic activity. That was not the way to consolidate the democratic system which it had set up in order to guarantee all public freedoms; not only did it require increased aid and solidarity, but also it must be able to rely on improved trading conditions.

4. The medium-term development of the developing countries was dependent on an increase in the price of their commodities, based on economic recovery in the major industrialized countries responsible for the original fall in prices. It was essential for producers and consumers to find a joint solution through dialogue and co-operation. The economy must be revived to enable the necessary structural adjustments to be made in international economic relations, failing which uncertainty concerning the viability of the world economy and the ability to put it back on the right road would continue to grow. The Latin American countries had not waited to seek solutions to the crisis. They had organized consultations, such as the Latin American Co-ordination Meeting at Ministerial Level held at Cartagena, Colombia, in February 1983. Attention should also be drawn to the proposal by the President of Ecuador, who had suggested that regional bodies, such as SELA and ECLA, should prepare an action programme aimed at developing the capacity of Latin America to react to the crisis and to consolidate the co-operation systems. A basic document had thus been prepared containing proposals to be analysed at a high-level meeting planned for August 1983 in the Dominican Republic. Similarly, in Buenos Aires, the representatives of the third world countries had proposed a series of recommendations for endorsement by the industrialized countries, which had not so far done enough for the establishment of the new international economic order. It was a paradox that the San José Agreement, for example, should have had more important effects than other initiatives emanating from industrialized countries.

5. His delegation wished to stress certain recommendations of the Buenos Aires Platform which it regarded as being particularly important: the increase in IMF quotas and greater flexibility in the conditions on which loans were granted; special arrangements for the benefit of the least developed countries; elimination of restrictive practices and implementation of measures enabling the developing countries to play a greater part in the marketing, transport and distribution of their commodity exports; ending the destabilizing economic policies of the developed countries. His delegation urged the elimination of protectionism, restrictive practices and domestic subsidies granted by the industrialized countries for goods which were produced under more favourable conditions in the developing countries. It also opposed the application of restrictive economic measures dictated by political considerations, as it had done on other occasions with all the Latin American countries.

6. His Government hoped that the forthcoming negotiations on a new international sugar agreement would lead to the drafting of an agreement whose major component would be international discipline leading to price stabilization and enabling sugar-producing developing countries to increase their export earnings. His Government, which was in favour of any initiative to strengthen stabilizing mechanisms for international trade, had authorized signature of the Agreement Establishing the Common Fund for Commodities and was participating actively in the negotiations on the establishment of a global system of trade preferences between developing countries. It was true that debtor countries must make domestic readjustments, but they could do so only within certain limits. In that connection, improvement of the world economy was more important than any difficult and painful measures they might be able to adopt. The required adjustments would, in the immediate future, cause intolerable upheavals in the economic life of the countries concerned; financing must therefore be found to enable them to carry out those adjustments smoothly. Economic recovery in the industrialized countries, combined with relaxation of protectionism, the lowering of interest rates and more flexible conditions for the granting of loans, would greatly help to improve the payment capacity of debtor countries and clarify their development prospects.

7. At their Williamsburg summit meeting, the leaders of the seven most industrialized countries had recognized that reality by agreeing to adopt monetary and financial policies designed to consolidate the international financial system, reduce interest rates and increase productive investment, and to make concerted efforts to bring about greater stability in exchange rates. They had also undertaken to reduce protectionism, to remove barriers as the economic recovery gained strength and to find ways of ensuring more substantial flows of resources, particularly within the ODA context. His delegation hoped that protectionist measures would be withdrawn as soon as possible, since that was the only way to boost international trade and, in particular, exports from the developing countries. All those

measures should be accompanied by an increase in the volume of development aid from the industrialized countries, especially for the least developed countries, which needed more aid, on easy terms, to be able to make essential adjustments in the field of supply.

8. In the firm conviction that the United Nations system was the best medium for preserving peace and the most appropriate for introducing joint global solutions to the economic crisis, his delegation appealed to the participants in the Conference to try to consolidate that system, and in particular its economic and political organs. World problems needed world solutions: unilateral measures and individualist solutions which entailed the danger of trade war must be terminated. The time had come for concerted and co-ordinated action and for international co-operation. Millions of human beings affected by the crisis had placed their hopes in the sixth session of the Conference, which must therefore distinguish itself by a marked sense of reality, leading to specific solutions and genuine progress. That session must serve as the starting-point for economic recovery and for a revival of international co-operation.

Summary of statement made at the 182nd plenary meeting, 13 June 1983, by Mr. José Augusto Bermeo, Minister for Industry, Trade and Integration of Ecuador

1. Mr. BERMEO (Ecuador) said that the international community meeting at the sixth session of the United Nations Conference on Trade and Development was facing a challenge unprecedented since the Second World War to seek ways of solving the economic crisis that had thrown the world into monetary, financial and commercial imbalance seriously affecting the countries of Latin America in particular and of the third world in general. The drastic reduction in economic activity in 1982 and 1983 had been the most serious in the last 50 years and was affecting all countries. High interest rates and restrictive monetary measures, protectionism and new forms of discrimination in the industrialized countries were seriously affecting the development plans of the developing countries, leading to a deterioration in their terms of trade and public finances. If such conditions continued, their chronic problems—underdevelopment of industry, persistent imbalance in current accounts, the fact that they are net importers of capital, and the high proportion of their population living in extreme poverty—would be impossible to solve. The situation called for a fundamental change in international relations, especially now that economic interdependence, which even in the recent past could be considered to have been a mere concept, had become an obvious consequence of the more direct participation of the developing countries in the world economy and of the complementary nature of productive factors among nations. That economic interdependence had been revealed even during the crisis itself. The changes that had taken place in the decade of the 1970s had profoundly modified world economic activity, demonstrating the inefficacy of the post-war mechanisms in the face of the new needs of a continually changing world.

2. Faced with the danger of an economic catastrophe, both developed and developing countries had an opportunity at the sixth session of the Conference to join together to seek solutions for restoring the world economy and re-establishing conditions for giving an new impulse to the development of the third world. It was no use asserting that the developing countries should settle their own economic problems, since all were aware that those problems were aggravated by external factors. There could be no justification for the conditions imposed by the international financial institutions, for protectionism, for the fluctuation of prices on international commodity markets or for the limits placed on the acquisition of the appropriate technology needed by the developing countries.

3. Despite the efforts made at the various sessions of the Conference to achieve a more balanced approach, the markets of the third world continued to import finished products from the industrialized countries on a one-way basis. Such unfair competition with the young industries of the developing countries prevented the institution of any mechanism for the transfer of technology, financial support and reciprocity in trade relations, which were necessary for the transformation of existing international economic relations.

4. Although the Government of Ecuador recognized its primary responsibility for its own development, its efforts were limited by circumstances outside its control: the high cost of borrowing on the international financial markets, protectionism, the fall in commodity prices. Urgent international measures were necessary, therefore, to enable it and others in the same position to escape from the economic impasse. The Common Fund, which was an indispensable support for the Integrated Programme for Commodities, should form the basis for the stabilization of commodity prices and export income. Ecuador was encouraged by the fact that several countries had announced their ratification of the Agreement Establishing the Common Fund for Commodities. Existing commodity agreements, however, had produced more disappointment than positive results, and some developed countries were even subsidizing their own agricultural products. It was therefore particularly important that greater efforts should be made in the field of the compensatory financing of shortfalls in export earnings from commodities and the international export credit guarantee facility.

5. The President of Ecuador had urged all the countries of Latin America to work together to achieve solutions to the crisis and had sought the assistance of important regional bodies such as SELA and ECLA in drawing up a programme of action for attacking their problems. That proposal had met with enthusiastic acceptance by the Governments of Latin American countries. President Hurtado had stressed that orthodox economic solutions were inadequate for meeting a new

situation which called for new thinking. In such thinking, and in the establishment of a new international economic order, all countries of Latin America and of the third world should play their full part. Moreover, the Buenos Aires Platform constituted an important basis on which to establish political understanding between developed and developing countries, and the sixth session of the Conference provided a decisive opportunity for all countries to join together in a search for solutions to set in motion economic recovery and the necessary structural changes that were needed for development.

Summary of statement made at the 191st plenary meeting, 17 June 1983, by Mr. José Luis Lovo Castelar, Permanent Representative of El Salvador to the United Nations Office at Geneva

1. Mr. LOVO CASTELAR (El Salvador) expressed appreciation for the quality of the documents prepared for the sixth session, particularly the report entitled "Development and recovery: the realities of the new interdependence",[21] in which the Secretary-General of UNCTAD had ably analysed the causes of the crisis and the way of overcoming it, with particular emphasis on growing interaction among the various groups of countries—developed, socialist and developing.

2. The document submitted by the Group of 77, known as the Buenos Aires Platform, reflected the anxieties of third world countries at the seriousness of the situation and put forward some concrete proposals that should facilitate the early initiation of negotiations with other groups. The document demonstrated the solidarity that existed among the countries of the Group of 77, despite the political, ideological, economic and other differences separating them. That cohesion enhanced the influence of the Group of 77.

3. The delegation of El Salvador had come to Belgrade in the hope of finding a positive response to the ideas championed by the Group of 77. It was disappointed to have encountered, on the contrary, an alarming rigidity, at a time when it was more important than ever to reach understanding so as to act in the collective interest. He therefore wished to recapitulate what the developing countries were demanding: adoption of a programme to revive and develop the world economy; measures to increase commodity prices; decisions for rapidly launching the operations of the Common Fund for Commodities; a halting of protectionism and expansion of export markets; the curbing of price increases for manufactures imported by the developing countries; reactivation of the financial system to help countries with balance-of-payments deficits; extension of financial resources and granting of greater credit facilities to countries on the verge of bankruptcy or with pressing payment problems; increased international liquidity to revive investment and stimulate paralysed economies; encouragement of foreign investment through such means as industrial co-operation agreements between enterprises in developed and developing countries; lowering of excessive interest rates and stabilization of foreign-exchange markets; and reduction in military expenditures, with reallocation of the amounts involved to co-operation for development.

4. His delegation hoped that sterile confrontation would give way to fruitful dialogue and that it would be realized that existing international economic relations were based on an outdated system, which must be modernized.

5. The international crisis must not, however, cause the internal problems affecting the economy of countries to be overlooked. El Salvador was confronting well-known external and internal difficulties that threatened its production structure. It had taken energetic steps to remedy the situation, including agrarian reform, nationalization of trade in its major export products and nationalization of the banking sector, but its efforts were being jeopardized by the effects of the international recession and by internal conflicts and terrorism, which had done immense damage to all sectors of its economy.

6. He wished to draw attention to a constructive factor in Central America, seldom referred to in the press. Despite the disparities between the various countries involved, the system of economic integration continued to function owing to the forces of unity that firmly cemented regional cohesion. They enabled the Central American States to co-ordinate their action at the present session of the Conference and to participate as a regional entity in the negotiations on the global system of trade preferences among developing countries.

7. El Salvador, which was an ardent supporter of peace in the region, considered that coexistence must be based on mutual respect and pluralism.

8. It sincerely hoped that the Conference would reach the necessary consensus to give effect to the measures and proposals set forth in the Buenos Aires Platform and in secretariat documents.

[21] TD/271, reproduced in volume III. The report was also issued separately (United Nations publication, Sales No. E.84.II.D.4).

Summary of statement made at the 178th plenary meeting, 9 June 1983, by Mr. Wollie Checkol, Minister for Foreign Trade of Ethiopia

1. Mr. CHECKOL (Ethiopia) said that the non-oil-exporting developing countries, and particularly the least developed among them, had been especially hard hit by the world crisis and, in particular, by the collapse of commodity prices; on top of that, there had been a slow-down in development assistance and an increase in protectionism in the developed countries. Unless corrective measures were taken immediately, many developing countries would find themselves on the brink of economic collapse, with far-reaching consequences on a global scale.

2. The GSP negotiated within UNCTAD had been a promising initiative by the developed countries for encouraging exports from the third world, but the restrictions on its application—for example, the exclusion of certain products—had rendered it much less effective. The discrimination against certain countries for non-economic reasons was a subject of particular concern.

3. He regretted that the Common Fund in support of the Integrated Programme for Commodities had not yet been ratified by the requisite number of countries. It was, however, essential for the Fund to become operational soon, in order to stabilize commodity markets and to ensure enhanced participation by developing countries in the marketing and processing of their commodities.

4. He also regretted that the ODA contributions by industrialized countries, which were already well below target levels, were declining. The developed countries, except the Nordic countries and a few others, were obviously reluctant to fulfil their commitments. Moreover, some of the major creditor countries had not yet converted into grants all the loans made under ODA, although the Trade and Development Board at its 1977 session and the United Nations Conference on the Least Developed Countries in 1981 had agreed that that should be done.

5. The third world's difficulties were further aggravated by the fact that it was practically excluded from the formulation of the rules governing the monetary and financial system, with the result that its interests in that area were often neglected. The application of the compensatory financing facility of IMF and the utilization of SDRs were unsatisfactory; the link between SDRs and development financing was non-existent; the replenishment of IDA resources was uncertain. IMF and World Bank credits had become more restricted, at a time when there was an increasing need for liquidity. The machinery of the Fund and the Bank must therefore be recast in order to ensure the satisfactory functioning of the international monetary and financial system and to enable those two bodies to be truly effective.

6. In view of the steadily growing interdependence between developed and developing countries, agreement between the two groups of countries was absolutely essential. It would be quite wrong to imagine that the developed countries alone had the power to solve the world's problems; moreover, the exclusion of developing countries from the decision-making process was partly responsible for the crisis. In fact, that crisis in the world economy was not a transient phenomenon; it was, on the contrary, a manifestation of serious disequilibrium due to profound structural defects. To initiate lasting recovery, systematic and well-designed policies must be drawn up, with the aim of reforming the world economy and establishing a new international economic order.

7. It would, of course, be necessary to act on all fronts, taking into account the close relations existing between the various sectors of the economy and not remaining content with fragmentary solutions. The action to be taken should relate to the whole spectrum of world commodity prices, the monetary and financial system, and development. Thanks to such restructuring, the developing countries would benefit from price stability for their products through the entry into operation of the Common Fund for Commodities, the abolition of protectionism, increased availability of liquidity, and more complete ODA, in accordance with the International Development Strategy and the decisions of the United Nations Conference on the Least Developed Countries. Industrial restructuring in the developed countries should not be carried out to the detriment of industry in the developing countries.

8. In view of the particularly serious effects of the crisis on the least developed countries, the Substantial New Programme of Action for the 1980s for the Least Developed Countries should be put into effect without delay; the international financial institutions and other donors should meet their commitments to those countries. The third world countries were fully conscious of their responsibilities for development, as was testified by the Manila Declaration adopted at the Third Ministerial Meeting of the Group of 77 in 1967[22] and by several other declarations and programmes of action on economic co-operation among developing countries. It was for those countries to strengthen that sense of solidarity in their quest for fair economic and trade relations with the industrialized countries.

[22] See *Proceedings..., Fourth Session*, vol. I, *Report and Annexes*, annex V.

Summary of statement made at the 177th plenary meeting, 9 June 1983, by Mr. Jermu Laine, Minister for Foreign Trade of Finland

1. Mr. LAINE (Finland) said that while there was currently a sharper awareness than ever before of economic interdependence and, in particular, of the intensified economic and financial interrelationships between industrialized and developing countries, the multilateral method of approaching those interrelationships seemed to be undergoing a crisis of confidence. The Conference would be able to judge the preparedness of Governments to join in a global analysis of the world economy and to arrive at agreed conclusions on the need for acti n in specific areas of international economic relations.

2. During the 20 years of the existence of UNCTAD, there seemed to have been a gradual shift from controversies over substantive issues as such to controversies over the competence of different forums to deal with them. That development reflected a move away from generalities to specifics. Although UNCTAD was a universal organization with a broad mandate to deal with trade and development, its particular role in providing a forum for considering global issues of trade and development might not always have been adequately recognized. That was not due to its global composition but rather to its working methods, which could sometimes cause an artificial polarization of views. It was encouraging to note that that was being increasingly realized in all groups of countries and that remedies were being actively considered. The strength of UNCTAD lay in its global composition. For that asset to be fully utilized, the views and experiences of all the individual members must be made known.

3. As several speakers had pointed out, the sixth session of the Conference was taking place at a time of severe difficulties as well as guarded optimism in the world economy. There were signs that a change in the business cycle was on its way and an upswing might come later in the year. Although it was unclear how high or how durable that upward turn would be, it would bring some economic relief for all countries and, more importantly, a breathing space in which to address the structural causes of the current difficulties. That breathing space should be carefully used to the fullest extent possible. For that purpose the sixth session of the Conference, the major North-South economic event in 1983, was ideally timed. A successful outcome might contribute towards improving the general climate of the global economic debate and revive the North-South dialogue.

4. The decade since the beginning of the North-South dialogue had provided a number of lessons, perhaps the most important of which was that quick and radical structure change in the global economy could not be achieved through intergovernmental negotiations. Thus, the only way left open was a flexible and pragmatic response to the new demands of the situation. In changing the rules of the game, in devising mechanisms to ensure their observance or in fine-tuning them to correspond to changing circumstances, the pluralistic nature of the world economy and its dynamic character, which defied any dogmatic explanations or prescriptions, should be borne in mind. That would help to avoid solutions which ignored the laws of the market mechanism, since it could not be in the long-term interest of any country to create artificial demand and supply patterns. On the other hand, the market mechanism should not be accepted as the only point of reference in all situations. The economic history of the past decade was full of warning examples, not the least of which was the debt situation of many developing countries. The means should be available to keep the market under constant surveillance and, in cases of real necessity, to intervene.

5. While the current session presented an opportunity for action, it was clear from experience that the options available to it had been considerably narrowed down.

6. His Government was in agreement with the Group of 77 on the urgent necessity to implement the Integrated Programme for Commodities and in particular to bring into force as soon as possible the Agreement Establishing the Common Fund for Commodities. Finland had demonstrated, both in respect of the Common Fund and in individual commodity negotiations, its preparedness for further progress in that area. It appealed to other countries in all geographical groups to speed up the ratification of the Agreement and to act in the spirit of resolution Conference 93 (IV) on new and existing international commodity agreements. It also recognized the importance of the stabilization of the export earnings of developing countries, particularly the poorest among them and those most dependent on commodity exports for their foreign-exchange revenue. It was prepared to move into the next phase of the process begun at the fifth session of the Conference in resolution 125 (V) and to examine all alternative solutions to the problem of export income stabilization.

7. In the area of international trade, the maintenance of the free and open multilateral trading system must remain the primary, overall objective. Admittedly, the present system was not perfect, and the economic difficulties of past years had brought it under serious strain. Nevertheless, it was based on essentially sound principles and had generally performed well. As a small open economy, Finland was in a particularly good position to understand the dangerous effects protectionist measures could have, and he therefore wanted to stress the importance of upholding the agreed rules of trade and of resisting pressures for action that was in contradiction with or fell outside those rules. The Conference should as its contribution in that specific area endorse and encourage the work undertaken in GATT in connection with the work programme adopted at its ministerial session in November 1982. That was not to underestimate the importance of the work of UNCTAD in the field of trade; on the contrary, UNCTAD within its general mandate had an important task to perform as a forum for discussions, consultations and negotiations in several areas of international trade.

8. UNCTAD might also play a significant role in reviewing structural adjustment in global production and trade and in providing a forum for debate on that subject. Structural adjustment at the international level was, however, an organic process taking place over prolonged periods of time, not amenable to active policy measures by Governments. The enterprises and other economic units in a small but dynamic economy such as that of Finland must adjust constantly and it was of great importance that no obstacles should impede that process. A normative and regulatory approach to structural adjustment at the international level could in itself become such an obstacle. On the other hand, in certain situations, specific efforts by Governments to encourage adjustment with positive measures might be desirable or even necessary. The primary role of Governments should, however, be the maintenance of healthy economic conditions by suitable general policy measures, including a liberal trade policy.

9. Nowhere had the interdependence between economies of the North and the South been manifested more clearly in recent times than in the area of money and finance. Through close co-operation between the debtor countries, international institutions, central banks and the international banking community, the impact of the international debt crisis had been kept within tolerable limits. The situation was, however, still precarious. Without a sustaining upswing of economic activity in the industrialized countries and consequent improvement in the export outlook of the developing countries, it would not be possible to solve the latter's debt problems.

10. Experience supported the view that the existing international financial mechanisms could respond rapidly and effectively when necessary and when the necessary political will existed. International institutions like IMF and the World Bank had provided ample proof of the valuable role they played. Therefore, it was necessary continuously to support their resource bases. The action decided upon some months earlier to strengthen IMF was an important step in the right direction, even though the Finnish Government was among those which could have supported an even more significant increase in IMF resources. More than ever before, there was now a need for a strong IMF, governed by members fully assuming their responsibilities towards the international community.

11. However, the only long-term solution to the debt problem of the developing countries lay in the adjustment of their economies. Such adjustments, even in favourable circumstances, would take several years. That process would be greatly facilitated by sustained recovery and growth in industrialized countries. Determined efforts to that effect were thus called for in the interest of the smooth functioning of the world economy.

12. There still remained many poorer countries for which recovery in industrialized countries alone would not provide any immediate relief. Substantial external resource flows were needed. The multilateral development programmes and financial institutions had traditionally focused their action on those countries. They must be assured of adequate resources to fulfil their central role in the international development effort. He was glad to reconfirm his Government's intention to reach the overall 0.7 per cent target during the second half of the current decade. Over the past few years it had doubled its ODA/GNP ratio. It was also its firm intention to implement the commitments undertaken in the framework of the Substantial New Programme of Action for the 1980s for the Least Developed Countries.

13. There could be no across-the-board solution to the debt problems of all the developing countries. Nor was the Conference a forum where the cases of individual countries could be studied. The issue could, however, be examined in the light of past positive experience. In 1978, UNCTAD had played a major role in catalysing debt relief for the least developed countries, an action the Finnish Government had fully supported and implemented. The subsequent needs of some of the main recipients had made it necessary to accord them some new official development credits. He was authorized to inform the Conference that in response to the request by the Group of 77, his Government had decided, subject to parliamentary approval, to convert into grants all outstanding official development credits to the least developed countries, a total of 60 million markkaa.

14. The immediate task ahead was to improve the climate of the global economic debate and to restore confidence in the ability of the multilateral process to serve Governments in their endeavours to build a better future. Ultimately that would be possible only if it was accepted that interdependence must be a partnership based on solidarity. As a first step, countries might cease to prescribe political change to each other while pretending that their own political constraints had no bearing on the situation. If that could be managed, a long step would been taken towards a world where economic relations were not based on sheer force but on a sense of brotherhood, strong enough to transcend the fearsome challenge of the future.

Summary of statement made at the 178th plenary meeting, 9 June 1983, by Mr. Jacques Delors, Minister for Economic Affairs, Finance and Budget of France

1. Mr. DELORS (France) said he wished to inform the Conference of the way in which the French Government approached the work of the sixth session, within the framework of the common guidelines for the European countries which the Minister for Economic Affairs of the Federal Republic of Germany, President of the Council of the European Communities, had presented at the 174th plenary meeting.

2. The crisis was far from over. After several meetings at the highest level—the non-aligned conference in New Delhi, the ministerial meeting of the

Group of 77 in Buenos Aires, the OECD ministerial meeting and the Williamsburg summit meeting of seven industrialized countries, the sixth session of the Conference in Belgrade must therefore be approached in an open spirit but with the realism essential for the common search for means to achieve the progress desired by all.

3. North-South relations were at the heart of the changes in the world, changes that were characterized by their rapidity, scope and global character. That accounted for the emergence of extremely tense situations which, for lack of sufficient co-operation among peoples, and for lack of an adequate framework in the economic, financial and monetary fields, the international community was unable to control. It would be recalled that in the years of rapid growth it was the distribution of surpluses that had been a bone of contention. Today, however, hundreds of millions of persons in the poorest countries were in an often dramatic situation: in 1982, per capita GNP had declined in Africa and Latin America; the developing countries had accumulated a debt of over $600 billion and, for five consecutive years, had witnessed a drop in commodity prices; in the industrialized countries, human resources were being wasted, with more than 30 million unemployed.

4. In such a situation, the great danger was the adoption of an inward-looking policy and protectionism, which inevitably entailed a process of generalized deflation. An encouraging sign for the future was the fact that the industrialized countries as a whole had not yielded to the temptation of protectionism. However, it was necessary to go much further in order to ensure that interdependence was not a factor leading, as at present, to a deepening of the crisis, but was on the contrary the centre-piece of a new era of prosperity. There was today a potential for growth at the world level and all that was necessary was organization in order to pursue or resume the forward movement. Either countries should all give one another the means to predict and control the direction of such changes or they would suffer the effects of the changes passively, with all the risks which that entailed; that was what was at stake in the dialogue between nations.

5. The global project to be carried out would be born of a firm will and pragmatic advance wherever progress was possible. It was in that spirit that he wished to mention four points in particular: the strategic importance of ODA, the priority to be given to the least developed countries, the revival of world trade and the search for a new monetary order.

6. On the question of development assistance, the recovery of the world economy, whatever its intensity—and there was still room for doubt about its durability—would not be sufficient to resolve all the difficulties of the developing countries, in particular the 36 least developed countries. The situation of the majority of those countries required action by the international community. For that reason, further transfers of resources were necessary under conditions which effectively helped to strengthen the basic factors of development. As before, priority must be accorded to the training of personnel, maintenance, and the achievement of self-sufficiency in energy and food, all of which should be undertaken within the framework of a strategy tailored to the particular features of each developing country.

7. Several means should be used to that end. It was essential, first of all, to achieve the objectives set in the field of development assistance. His Government reaffirmed its determination to achieve by 1988 the target of 0.70 per cent of GNP for assistance to third world countries. Important steps had already been taken in that direction since, as a percentage of GNP, France's ODA had increased by more than one third in two years. The total transfer of public or private resources, on liberal terms or otherwise, from France to the developing world currently amounted to more than 2 per cent of its GNP. France hoped that all the other industrialized countries, in the East and West, would make a similar effort.

8. It was also necessary to strengthen the role of the multilateral development finance institutions. In that respect the World Bank Group had assumed an importance which France welcomed. His country would continue to give the Bank its full support and hoped that immediate steps would be taken to revise and adapt the Bank's programme of activities, which would probably require a general increase in its capital. France was concerned at the difficulties currently confronting IDA, difficulties which, like other countries, it had sought to alleviate by providing IDA with additional resources through the Special Fund set up in 1982. France advocated a substantial Seventh Replenishment of that organization's resources. It was also in favour of increasing the proportion—within the activities of the World Bank and, to an appropriate extent, of other multilateral institutions—of loans granted without reference to particular prospects. In addition, the establishment of closer links between short-term adjustment activities and structural development policies should be encouraged. He would revert to that question, which he considered to be fundamental, in the Development Assistance Committee of OECD and hoped that everything possible would be done to strengthen and improve the essential co-operation between IMF and the World Bank.

9. His second point was that, within that general framework, priority should be given to the most disadvantaged countries. The multilateral institutions, particularly IDA, had a duty substantially to increase their efforts in favour of those countries. France, for its part, reaffirmed its resolve to devote, as from 1985, 0.15 per cent of its GNP to aid for the least developed countries.

10. With regard to the least developed countries in Africa, the President of France had proposed on 9 May 1983, at the OECD ministerial meeting, the launching of an emergency plan for that continent. The French delegation would submit specific proposals on the subject at an appropriate time.

11. As to trade, greater account should be taken of the situation of the poorest countries in the determination of trade preference schemes. An interdependent world could surmount its difficulties only if rules adopted by common agreement supported and sometimes corrected the direct efforts of the market and

competition. That was why partnership between North and South was essential.

12. However—and that was his third point—those efforts would be in vain if the key to success, the growth of world trade, was lacking. The Secretary-General of UNCTAD had demonstrated the close link between recovery and development. It was on international trade and commodity prices that the effects of the recovery would be the greatest. If international trade did not expand in the very near future, adjustment difficulties and debt service problems would endanger the entire international financial system and, moreover, jeopardize the efforts made by the developing countries themselves to redress their domestic and external imbalances.

13. Commodities accounted for three fifths of the export earnings of the developing countries. If recovery was sustained, it should help to strengthen commodity prices, but an economic upturn would never be, and had never been, sufficient to solve the structural problems posed by the commodity markets. Substantial progress should therefore be made in the organization of those markets. After seven years, the implementation of the Integrated Programme for Commodities showed far from negligible results, but it was still very incomplete. Admittedly, the agreements on coffee, cocoa and tin had been renewed and agreements on rubber and jute had been concluded. It was important that countries which had not yet done so should accede to those agreements and that new impetus should be given to the conclusion of further commodity agreements. His Government considered that one of the most efficient ways of encouraging the signature of new agreements was the prompt establishment of the Common Fund. It therefore made a further urgent appeal to all those who had not yet ratified that instrument, which would occupy an essential place in the organization and security of markets.

14. Again in the commodity sector, progress must also be made in studies on compensation for export earnings shortfalls. The IMF compensatory financing facility should be further improved and, in particular, the current conditions for access by developing countries to that facility should be preserved by making such changes as were made necessary by the economic structure of certain countries. In the same spirit, he stressed the importance to developing countries of the Stabex scheme,[23] which was linked with the Lomé Convention and occupied an important place in the development assistance policy of EEC. Extending that scheme to all of the least developed countries would constitute an important step, which his Government was prepared to take. That measure had in fact been advocated at the United Nations Conference on the Least Developed Countries, held in Paris in 1981.

15. Once world trade had resumed a good rate of growth, it would be necessary to deal with remaining restrictions and adapt the safeguard measures. For their part, the developing countries could and should gradually accept the establishment of more transparent and predictable trade systems and adhere in stages to multilateral trade disciplines. It was also with a view to the harmonious development of trade that France expressed its support for the various means of co-operation between enterprises in the North and the South.

16. Turning to the fourth point, the need for a new monetary order, he said that since the developing countries had sought, at the cost of increasing external indebtedness, to defer to the greatest possible extent the effects of the world recession, they were now obliged to restore their economic and financial equilibrium. They had the backing of the international financing institutions. It had been possible to find solutions to the acute problems of indebtedness. Financial co-operation between banks and international bodies had, on the whole, functioned well. However, the aim had been to help certain countries and not to create a durable framework. To rebuild a stable system of international economic relations, the positive results obtained through the co-operation of countries within IMF and the Paris Club gave reason to believe that it would be appropriate to rely on existing institutions rather than to create new ones. Furthermore, a drop in real interest rates and a gradual return to a certain stability in monetary parity were essential conditions for a lasting recovery and the proper functioning of the international monetary system. It was in the light of those points that the President of France had suggested the holding, following careful and no doubt relatively lengthy preparations, of a high-level international monetary conference. At the Williamsburg summit meeting, the seven participating countries had expressed their will to work towards that end. France would propose guidelines and procedures which would make it possible to move towards such an international conference and would associate all countries within the framework of the Bretton Woods institutions.

17. It now remained to undertake a series of positive pragmatic measures. To that end, it was incumbent on the industrialized countries to ensure the recovery, which could not be initiated by all countries at once. If world trade had not deteriorated unduly following the second oil crisis it was because of the oil surpluses held by the producing countries and the enormous indebtedness of the developing countries. However, the industrialized countries, in particular those which had already made a substantial adjustment effort, had not played a decisive role on that occasion. At present, in view of the reduced borrowing capacity of developing countries and the decline in the surpluses held by the oil-producing countries, it was clear that recovery must originate in the industrialized countries. Failure to use to that end the room for manoeuvre existing in the various countries would lead to another recession. However, a resumption of economic growth was particularly essential in order to enable the developing countries to cope with the high level of real interest rates they were currently facing. Their debt impeded any release of surpluses sufficient to reactivate development.

18. In the meantime, the indebtedness of the developing countries was increasing. For the non-oil-producing developing countries, the total outstanding external debt had increased by 9.5 per cent in 1982 and amounted at the end of 1982 to 131 per cent of their

[23] See footnote 5.

total exports of goods and services. In view of that situation, the recovery of the economies of the North alone would not provide the solution to all problems. A drop in interest rates would substantially help the developing countries with regard to both debt servicing and the financing of new projects. Similarly, those countries could only benefit from a return to relative stability and to some predictability of exchange rates and markets.

19. Furthermore, *ad hoc* bodies, including the Paris Club, should continue and intensify their action in favour of countries whose situation made it necessary to restructure the external debt. He hoped that the Paris Club would continue to participate whenever necessary in the process involving all those concerned in the implementation of the structural measures required to ensure a lasting improvement in those countries' external accounts.

20. It was necessary not only to deal with indebtedness but also to consider the problem of international liquidities. Clearly, a great deal and probably too much was being asked of the dollar, which had an effect on the interest rates prevailing in the United States of America and on the dollar exchange rate. Moreover, to the international financing requirements should be added those engendered by the substantial budgetary deficit of the United States. The existence of other modes of payment would undoubtedly constitute a means of easing current constraints. Consideration might first be given to a new issue of SDRs, which should enable the developing countries to deal at least partially with the liquidity problems facing them. The meetings of IMF and the World Bank in the autumn should enable progress to be made in the right direction.

21. France intended to contribute to progress in the questions pending in the competent international bodies. The next sessions of the international financing institutions would be decisive with regard to testing the will of all concerned—beginning with the most powerful and the most prosperous—to assume their responsibilities. However, the institutions needed a new stimulus, namely, the expression of a common political will which no one must evade.

Summary of statement made at the 189th plenary meeting, 16 June 1983, by Mr. Mamadou Diop, Secretary of State to the Minister for Economic and Financial Affairs of Gabon

1. Mr. MAMADOU DIOP (Gabon) said that earlier sessions of the Conference had helped to create a collective awareness of the interdependence of economies, and enabled progress to be made within the structures inherited from the old international economic order. At present that order was unfortunately inadequate to prevent economic tensions causing recession, unemployment and inflation. The sixth session of the Conference was therefore being held at a crucial time. The international economy was sick, and it was the developing countries, particularly those in Africa, that were suffering most.

2. His country had taken part in the preparations for the session at various levels. At the African level, it had participated in the drafting of the Libreville Memorandum on Trade and Development, which was a diagnosis of the international situation and contained proposals for a series of measures, some of which related more especially to the African continent. The Memorandum had served as a basis, together with the Baghdad Declaration and the Cartagena Declaration, for the preparation of the Buenos Aires Platform, which the President of the Argentina had presented to the Conference.

3. The position adopted by participants should be based on the concept of interdependence. The session must not be a forum bringing together more or less generous donors and more or less eager applicants, but rather a meeting for co-operation and dialogue, which at the worst should lead to a marriage of reason, divorce being impossible. At the Fifth Ministerial Meeting of the Group of 77 in Buenos Aires, the Secretary-General of UNCTAD had analysed the changing character of interdependence, emphasizing in particular that at present it was impossible to conceive of a healthy global economy if the development process in three continents continued to deteriorate.

4. The theme of the sixth session, "Recovery and development", was particularly well chosen. In certain developed countries there was hope of recovery on the horizon, but even if that trend should continue, it was unlikely that the economies of the countries that had suffered most would benefit from it speedily. To relieve the distress of the third world, emergency measures should be adopted, together with the structural measures proposed in the Buenos Aires Platform. In particular, there should be rapid stabilization of commodity prices, primarily through the initiation of the Common Fund operations.

5. Economic revival could produce truly positive effects only within the framework of an international monetary system better adapted to the just aspirations of the developing countries. The present system had shown that it no longer met the requirements of a world where much more consideration needed to be given to interests other than those of the parties to the Bretton Woods agreements. The most recent GATT session left a feeling of scepticism as to the elimination of the protectionist measures that were impeding the access of developing country products to Western markets.

6. Generally speaking, the world economy must be restarted on a new basis in order to prevent the world from being plunged into an even deeper crisis. With that in mind, his country, under the leadership of President Bongo, was applying a policy founded on the principles of dialogue, tolerance and peace. For that reason it was participating actively in all meetings that might enable

the international community to preserve peace and security. Unfortunately, although those meetings might lead to certain specific decisions, it was always at the cost of interminable negotiations, while vital interests of the greater part of mankind were at stake. In the meantime, colossal sums were being spent on the arms race, which, on top of economic egoism, was leading the world to disaster.

7. In that context, it was a cause for satisfaction that the sixth session was being held in a good atmosphere, and it was to be hoped that mutual interest would lead to just solutions. With the faith characteristic of peoples of the third world and in a spirit of human solidarity, the Belgrade session should enable the foundations to be laid for a fairer system of international economic relations.

Summary of statement made at the 181st plenary meeting, 10 June 1983, by Mr. Horst Soelle, Minister for Foreign Trade of the German Democratic Republic

1. Mr. SOELLE (German Democratic Republic) said that the sixth session of the Conference was being held at a time when the future peace of mankind was being threatened. The responsibility for that situation lay with those who sought confrontation, not only on Earth but also in space, and who even allowed for the possibility of nuclear holocaust in their calculations. That attitude and the persistent crisis of capitalism were producing damaging effects, particularly on the developing countries. However, economic development and international trade required peace. His country worked unceasingly for the maintenance of peace and for the development of trade and economic relations on a basis of equality.

2. From the outset, his Government had supported the idea of global negotiations on world economic issues. Like the other members of the Warsaw Treaty Organization, it hoped that those negotiations would begin as soon as possible, in accordance with the decisions adopted by consensus at the United Nations General Assembly. He also welcomed the declarations adopted at the Seventh Conference of Heads of State or Government of Non-Aligned Countries, held in New Delhi, and at the Fifth Ministerial Meeting of the Group of 77, held in Buenos Aires. His delegation was among those which expected the current session to produce constructive guidelines for international trade and economic development, together with a more speedy solution of the acute problems to be dealt with. In his view, the Conference should also give consideration to the trade and economic aspects of disarmament and work with the Committee on Disarmament, in Geneva, in drawing up a world disarmament programme.

3. The Conference must also endeavour to ensure the implementation of the resolutions adopted by the General Assembly at its sixth special session on the establishment of a new international economic order, and of the Charter of Economic Rights and Duties of States. The non-implementation of the principles set forth in those texts was at the root of the unsatisfactory situation which the world was currently experiencing.

4. The socialist and developing countries faced similar problems. Both suffered from the protectionism of the industrialized capitalist countries, their refusal to grant loans, their policy of high interest rates, their failure to deliver high-technology items and their general trade discrimination. Nevertheless, recommending a full-scale trade war and using economic relations for political blackmail could only have negative effects and increase tensions. Such practices would, moreover, be incompatible with the Charter of the United Nations and with the Final Act of Helsinki.[24] Consequently, his delegation hoped that at the current session the Conference would adopt decisions opposing the use of force in international economic relations and all forms of economic warfare. He referred to what was said in that connection in the documentation for the session and, in particular, in the *Trade and Development Report, 1982*,[25] regarding the effects of the practices used by the industrialized capitalist countries against the socialist countries in the area of credit and trade restrictions.

5. There were few signs of the economic recovery announced by some Western Governments; in many cases there was in fact evidence of deterioration. In the *Trade and Development Report, 1982*, it was emphasized that the current crisis was neither a short-term nor a cylical phenomenon but rather was inherent in the existing system. His country had also been affected by the crises in the capitalist countries. Nevertheless, as Mr. Honecker, the General Secretary of the Central Committee of the Unified Socialist Party of the German Democratic Republic, had stated during a recent visit to the USSR, his country had achieved substantial economic growth in 1982. Its economic plans and its close co-operation with the USSR and with the other CMEA countries afforded excellent possibilities for economic progress.

6. In considering agenda item 8, it would be necessary to examine current major trade and economic issues, as well as their origins and implications and, if possible, to agree on the future tasks of UNCTAD in that area. For its part, the German Democratic Republic was helping developing countries to strengthen their industrial, scientific and technological potential, to build up their agriculture and increase their food production, to develop their education and public health systems, to provide vocational training facilities and generally to improve the living conditions of their peoples. In 1982, the assistance which it had provided to developing countries and national liberation movements had amounted to a total of 1,587,700,000 marks, or 0.79 per cent of its national product. In that regard, he expressed the hope that the information communicated to the secretariat would be published as an official document of the Con-

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[24] *Conference on Security and Co-operation in Europe: Final Act*, Helsinki, 1975 (Lausanne, Imprimeries Réunies S.A., 1975).

[25] United Nations publication, Sales No. E.82.II.D.12.

ference. In 1982, the German Democratic Republic's trade with developing countries had again increased more rapidly than its foreign trade as a whole. Manufactures and semi-manufactures accounted for an ever-increasing share of that country's imports from developing countries. Its multilateral co-operation with those countries was expanding in particular in the area of construction of complete manufacturing plants. Since 1970, it had built hundreds of them, without conditions, without any transfer of profits and while avoiding the "brain drain" which occurred in respect of capitalist countries, since the specialists trained in the German Democratic Republic subsequently returned to their own countries.

7. The German Democratic Republic was highly dependent on imports of raw materials. Consequently, it supported initiatives aimed at stabilizing raw materials markets and the elaboration of international commodity agreements within the framework of UNCTAD, with a view to achieving the objectives of the Integrated Programme for Commodities. It was to be hoped that, at the current session, effective measures would be adopted to enable the developing countries to monitor the activities of transnational corporations in that sector. His Government had participated actively in the negotiations concerning the establishment of a Common Fund for Commodities. Unfortunately, a number of important tasks assigned to the Preparatory Commission had not yet been completed. It was essential to make progress in that regard in order to be able to arrive at final decisions.

8. It was also desirable for the Conference at the current session to give new impetus to trade relations between States with different economic and social systems. The work of Committee IV of the Conference, which dealt with that question, among others, was of great importance. No other organization was as competent as UNCTAD to deal with the matter.

9. His delegation was delighted at the inclusion of the question of assistance to national liberation movements in the agenda as a separate item. It was to be hoped that the current session would take a decision to expedite the implementation of resolutions already adopted by the Conference in connection with assistance to PLO, SWAPO and ANC, and that it would consider ways of enhancing the effectiveness of such assistance. It was also desirable to complete, as soon as possible, the international code of conduct on the transfer of technology, which had been the subject of negotiations for a number of years. His delegation also looked forward to the prompt implementation of General Assembly resolution 37/207 of 20 December 1982, concerning, among other things, the "brain drain" from developing countries to capitalist industrialized countries. The German Democratic Republic had ratified the Convention on a Code of Conduct for Liner Conferences.[26] He expressed the hope that all States which had not yet acceded to that important instrument would do so without delay. In conclusion, he gave the assurance that his country would strive to ensure that international economic relations were not jeopardized by sanctions, by protectionism or by a trade war, but that they followed the principles of peaceful coexistence, so that the pressing problems facing mankind could be overcome.

[26] See *United Nations Conference of Plenipotentiaries on a Code of Conduct for Liner Conferences*, vol. II, *Final Act (including the Convention and resolutions) and tonnage requirements* (United Nations publication, Sales No. E.75.II.D.12), annex I.

Summary of statement made at the 174th plenary meeting, 7 June 1983, by Otto Graf Lambsdorff, Federal Minister for Economic Affairs of the Federal Republic of Germany

1. Mr. LAMBSDORFF (Federal Republic of Germany), speaking on behalf of the European Economic Community and its member States, said that since the fifth session of the Conference the most severe and widespread economic recession of the post-war period had affected all countries; those with the fewest resources had been hardest hit. That situation presented a challenge to all countries, in particular the industrialized countries, including countries of Eastern Europe, and also the developing countries. The common objective must be to recreate sustained, non-inflationary growth in all countries, particularly the developing countries.

2. Recently the first signs of improvement had been noted at the meeting of the Council of OECD at the ministerial level and at the summit meeting in Williamsburg. The process was only beginning, and it was necessary to ensure that it became a lasting reality in all countries. EEC hoped that the Conference would give a strong impetus to the recovery process and ensure that it benefited both the developing and the industrialized countries. Recovery and development went hand in hand. There could be no lasting recovery without resumption of the development process and there could be no new impetus to the development process without genuine recovery.

3. Quite apart from those considerations, EEC remained convinced that the development process as such constituted a major objective of international co-operation. Interdependence bound countries together in such a way that no country or group of countries could remain unaffected by developments in the economic situation in other parts of the world, and the economic policies of the EEC countries could no longer be formulated in isolation. That was the general context in which the North-South dialogue should evolve and EEC was pleased to see that the Buenos Aires Message for Dialogue and Consensus embodied the same approach. It was in that spirit that the participants in the sixth session of the Conference should seek to reactivate the world economy and strengthen international economic co-operation.

4. International economic co-operation must aim to bring about improved integration of developing countries into the world economy. Providing economic strength to developing countries would also promote their stability and independence, as well as the genuine non-alignment of the third world. The success of the Conference would depend on the mutual acceptance of the independence of each country. All Governments must be free to pursue the policy they considered best without being subjected to pressure by any political, social or economic system. In that connection, the Buenos Aires Platform, even if somewhat ambitious, made a useful contribution to the Conference; apart from the fact that it had become available sufficiently early to help participants to prepare their own thoughts, it made it possible to gauge divergencies and to achieve rapprochement of views in as pragmatic and constructive a way as possible. Respect for the independence of each meant supporting the trend towards regional co-operation between developing countries. EEC offered a good example of the positive impulses which regional co-operation could bring. In addition, the countries of the North should—independent of their economic systems—all feel committed to assisting the developing countries. EEC and its member States had long since accepted that responsibility, as the Community was the largest trading partner of the developing countries and the biggest source of development assistance. Supporting development, however, was not a one-sided burden which the industrialized countries of the East and West alone could share. The concept of partnership required a joint responsibility, in which the developing countries themselves must play an active role.

5. Referring to some of the major issues on the agenda of the Conference, he first drew attention to the problem of commodities. The Community was aware of the dramatic consequences suffered by developing countries as the result of their unstable commodity export earnings. It held the opinion that the current session of the Conference should lead to the effective establishment of the Common Fund for Commodities; the members of EEC undertook to do their utmost to ratify the Agreement within the given period, that is, by 30 September 1983. All participants in the Conference should make their contribution to the establishment of the Fund, as some of the members of EEC had already done. The Community welcomed the undertaking given by the Ministers of the Group of 77 at the meeting in Buenos Aires.

6. The Community also wished to reaffirm the importance it attached to the Integrated Programme for Commodities. It was prepared to seek means of improving the operation of existing commodity agreements and to participate in any discussion of other products, in particular those that were covered by the Integrated Programme. That procedure seemed to be preferable to the idea of provisional agreements or temporary arrangements; in the Community's view, negotiations on interim agreements would run the risk of delaying rather than speeding up the implementation of agreements or arrangements in due form.

7. The raw-material producing countries of the Group of 77 rightly attached importance to stability of export earnings from such products. The Community had played a significant role in that area by setting up Stabex[27] which, despite certain difficulties, was one of the keystones of the Lomé Convention. The Conference would have to study the various possibilities of coping with that problem, and in particular, as the United Nations Conference on the Least Developed Countries had recommended, it must be attentive to the needs of the least developed countries affected by instability.

8. Turning to the question of trade, he said that the decline in trade experienced in 1982 was linked to the general recession, which was characterized by the stagnation of economies and an increase in protectionism. That trend must be reversed in order to speed up economic recovery. EEC remained committed to an outward-looking multilateral trade system and continued to reject protectionism. It was worth noting that the Community, despite the general recession, had managed to keep its market open to a high degree and to allow the developing countries' exports to grow. The Community would maintain and further develop its GSP scheme until 1990.

9. The Conference's deliberations should enable it to arrive at a joint analysis of the situation. The GATT ministerial session held in November 1982 had adopted an important trade development programme whose implementation called for a contribution by all countries and required a concerted effort by UNCTAD and GATT, whose activities necessarily complemented one another. The GATT system had continued to prove its strength and flexibility and the Community did not believe that the system needed to be restructured.

10. With regard to the evolution of trade, each country should carry its share of responsibility; in particular, those developing countries reaching a level of development that enabled them to become progressively integrated into the framework of the multilateral trade system in accordance with their economic capacity should play a more active part in the common effort. That would contribute to the further development of international trade. The State-trading countries must also increase and diversify their imports from the developing countries.

11. More intensive trade relations required continuing efforts in the field of structural adjustment. EEC and its member States had already achieved very good results in that regard.

12. Referring to monetary and financial problems, he said that their importance did not need to be underlined. Developing countries certainly needed sufficient finance to solve their balance-of-payments problems, but it would be a mistake to think that their present problems were entirely attributable to a lack of funds and that massive transfers of extra funds would solve all their difficulties. With regard to the problem of indebtedness, the Community and its member States shared the concern of the Group of 77: the sixth session of the Conference must provide an opportunity for a thorough exchange of views on the subject, on the understanding that, in order to resolve that multifaceted problem, the co-operation of all parties con-

[27] See footnote 5.

cerned—debtor and creditor Governments, international financial institutions and commercial banks—was called for. The Community did not believe that general approaches should be sought to resolve situations of indebtedness, but considered that the existing institutions, in particular the Paris Club, were capable of dealing flexibly with each particular case. The Community was willing to study, case by case, the desirability of particular measures concerning the public external indebtedness of the least developed countries. The Conference should also provide an occasion to consider the conditions under which the international monetary and financial system could contribute to sustained, non-inflationary world economic recovery. The institutions created at Bretton Woods had shown a great capacity for adapting to the new facets of the world economy and their field of competence and autonomy must be preserved.

13. In the opinion of EEC, the current session of the Conference shoud lead to a restatement of the targets of ODA, including those of the Substantial New Programme of Action for the 1980s for the Least Developed Countries. Sustained ODA flows were a crucial element in development, especially for the poorest countries, but better use could be made of that assistance. Some sectors, such as the development of human resources, energy and food production, could be given a higher priority, depending on the local situation. The Conference should emphasize the need to strengthen the international financial institutions for development. For their part, the States members of EEC were willing to participate in the Seventh Replenishment of IDA to an adequate level, taking into consideration the specific needs of the beneficiary countries. Furthermore, the Community believed that the Conference could examine the conditions for increasing the flow of private resources of all types into the developing countries. The right combination of all types of capital inflow should be encouraged and it was important that there should be mutual back-up between capital inflow from abroad and the domestic policy measures adopted by the developing countries.

14. Speaking in his capacity as Minister for Economic Affairs of the Federal Republic of Germany, he said that since the beginning of 1983 economic recovery had been under way in his country; his Government therefore fully supported the Williamsburg message of hope and trust. The countries which had met at Williamsburg were willing to encourage growth and development, not only in their own economies but in a global context. In particular, his Government supported the efforts to stabilize exchange rates and the international monetary system through sound economic policies of non-inflationary and sustained growth. It was prepared to strengthen IMF through the planned increase of its financial resources and opposed proposals to weaken the Fund's lending policy.

15. In the field of international trade, his Government considered that it was its foremost duty to halt protectionism and, as recovery proceeded, to dismantle trade barriers. With particular emphasis on expanding trade between developed and developing countries, further trade liberalization negotiations should be envisaged. During such negotiations the industrialized countries should offer further preferences to the developing countries and should not always insist on strict reciprocity. His Government also considered that the Conference should find a better scheme for the stabilization of commodity export earnings, particularly for exporters of raw materials. On the occasion of the Conference, he wished to draw the attention of all participants to the necessity of improved world-wide environmental protection. That universal task must be accepted as a common objective of all the States members of UNCTAD.

16. In conclusion, he observed that the resolutions which had been adopted by majority vote at Manila at the fifth session of the Conference had not yielded practical results, whereas the resolutions which had been adopted by consensus had generally produced results. The conclusion to be drawn was that economic issues could not be resolved by majority vote. His delegation would do its best to assist the President in avoiding confrontation.

Summary of statement made at the 191st plenary meeting, 17 June 1983, by Mr. Kenneth K. S. Dadzie, High Commissioner of Ghana in the United Kingdom of Great Britain and Northern Ireland

1. Mr. DADZIE (Ghana) observed that the sixth session of the Conference was taking place at a time when the world economy was undergoing its most pervasive crisis since the Depression of the 1930s. Moreover, the crisis had deepened since 1980 and nearly all countries were now caught in the vicious spiral of falling production, employment and trade. Although certain current economic indicators in some industrialized countries were encouraging, it was by no means clear that a sustained and durable recovery was under way. On the contrary, the world economy in many respects displayed symptoms of a slide into global depression.

2. While the crisis had its origins in the developed market-economy countries, its most devastating effects had been felt by the developing countries. Prices of commodities, on which the majority of developing countries, notably those in Africa, still depended, had plummeted in real terms to their lowest level in 50 years; their balance-of-payments deficit and external debt burden had assumed crippling proportions. In many of them, per capita income had declined over the past two years, and the development prospects of all of them for the years to come had been blighted. The crisis was not simply a cyclical phenomenon. It was rooted in fundamental structural imbalances and in the inequities of

the international economic system. From the very outset the trade, monetary and financial systems had not been designed to serve other than the interests of the developed market-economy countries. Their underlying concepts called for overhaul and their functioning and modes of action for restructuring. Yet the efforts made by the developing countries to that end had met with little response. Countries having economic leverage frequently intruded political considerations unrelated to development or had recourse to discriminatory economic measures. It was also observed that multilateralism was increasingly giving way to bilateralism. In short, the fabric of the existing international economic order was in tatters.

3. The question was what were the lessons for the functioning of the world economy to be learnt from the crisis. The crisis unquestionably showed, first of all, that interdependence had become more pronounced than ever. Because of the close interactions between problems in different sectors and markets, it would be useless to try to solve them in isolation. Similarly, major policy initiatives would have no lasting impact unless they took account of the structural problems of the world economy as a whole; and because of the interlinkages among national economies, no country or group of countries, however powerful, could singlehandedly put back the world economy on the course of enduring recovery, growth and development.

4. All those considerations pointed to the need for a two-pronged approach aimed at the reactivation of the world economy and the accelerated development of the developing countries. That approach should include, first, a programme to re-establish the momentum of growth in all groups of countries, including in particular a set of immediate measures in areas of critical importance to the developing countries. The second prong would be simultaneously to reshape the structural and institutional aspects of international economic relations to sustain the growth process. Since any recovery of the industrialized countries would be aborted without interrelated measures to promote development, immediate steps must be taken to sustain the import capacity of developing countries at levels enabling them to return to the path of growth. The best means of doing so was to expand their export earnings, and part of the programme must therefore be actions to bolster commodity prices and to combat protectionism.

5. In the area of commodities, steps must be taken to make the Integrated Programme effective and to end the delay in the establishment of the Common Fund; speedier and more effective approaches must be developed in the negotiation and conclusion of commodity price stabilization agreements; compensatory financing facilities must be improved and enlarged; and, lastly, vigorous steps must be taken to associate developing countries with the processing, marketing, transportation and distribution of their commodity exports.

6. In the field of trade, it had long been accepted that the international trade system should be open and non-discriminatory and that developing countries should receive preferential treatment. There was also widespread recognition that the revitalization of the world economy would be stillborn unless something was done to curb mounting protectionism. It was not enough to advocate the *status quo*: it must be upheld in practice, and new initiations must also be launched to dismantle existing barriers.

7. Time would be needed to negotiate and implement those policy approaches in the areas of commodities and trade. Meanwhile, in order to improve the import capacity of developing countries, quick and urgent action was desperately needed to provide those countries with financial resources on a substantial scale. Since it was unlikely, in the immediate future, that ODA and private capital flows would increase to the requisite extent, recourse would have to be had to the international financial institutions, including the regional development banks. That meant, in the case of the World Bank, that IDA resources would have to be replenished and the Bank's ability to borrow substantially expanded. For IMF, the need was for a further increase in quotas and for direct borrowing from the private capital market as well as for a revision of the concept of conditionality. But the central element must be a special and substantial allocation of the Fund's SDRs to developing countries. Such an operation could be carried out rapidly and would impose no budgetary burden on members of the Fund.

8. Special attention must also immediately be given to speeding up the implementation of the Substantial New Programme of Action for the 1980s for the Least Developed Countries, whose economic situation had recently deteriorated sharply. Unless that was done there was a risk of economic collapse and social unrest in those countries with consequences for regional security.

9. The longer-term prospects for growth and for development would be determined fundamentally by how well the systems underpinning international economic relations were regeared to cope with change. They would have to be adjusted to the likelihood of slower growth in the developed market-economy countries than that enjoyed in the 1960s. Those systems would also have to be adapted to the enormous potential for expansion in the developing countries, which could not be realized unless a number of measures and processes were made the object both of national policy and of co-ordinated international action. In that connection, of special importance were the pace of structural adjustment in the industrialized countries, the development of stronger linkages with socialist countries, and greater co-operation among the developing countries themselves. More than that, the existing framework of international economic relations would have to be refashioned, notably to provide for a more comprehensive, open and non-discriminatory trading system. Another objective was a monetary and financial system that was more responsive to the requirements of the developing countries, with greater stability in exchange rates and complementarity in the adjustment processes of national economies.

10. Those longer-term economic perspectives were inseparable from the search for international peace and

stability. Global economic development ultimately depended on a world-wide relaxation of tensions, the halting of the arms race, and the application of effective disarmament measures, while mutually beneficial co-operation among States required the cessation of all forms of colonialism, neo-colonialism, alien domination, racial discrimination and *apartheid*. In particular, all possible assistance must be extended to the oppressed peoples of Namibia and South Africa in their struggle to exercise their right to self-determination.

11. In conclusion, he said that the task of the Conference was not merely to acknowledge that the world economy was in crisis, that remedial measures were required and that there were mutual benefits to be gained from economic revival and the accelerated development of third world countries. Those were matters on which everyone agreed. The challenge was to translate that diagnosis of the situation into agreed policies, concrete measures and substantive initiatives. Otherwise, world peace and stability would themselves be at risk.

Summary of statement made at the 175th plenary meeting, 8 June 1983, by Mr. Gerassimos Arsenis, Minister for National Economy of Greece

1. Mr. ARSENIS (Greece) said that the continuing world economic crisis had undoubtedly placed under stress the system of international economic co-operation built up since the Second World War. The need to strengthen North-South co-operation had been given less than top priority. But it was at such difficult times that joint approaches to common problems were most needed: no country could cope with the present crisis on its own, and national efforts for economic restructuring and development would fail without an improvement of the international economic climate. The sixth session of the Conference, coming in the wake of other major international gatherings, offered a unique opportunity to end the prevailing climate of gloom and lay the foundations for a new start in international economic co-operation.

2. The theme of "Recovery and development" served to remind member States that sustainable recovery had to be underpinned by structural changes that would release forces for development. There would be no lasting recovery in the industrialized countries if developing countries were not given the means to shake off the present suffocating deflationary environment and to make use of their enormous development potential. International measures to support the development of developing countries were in themselves elements of a strategy for the recovery of the industrialized countries.

3. Although there was broad consensus that the economies of major industrialized countries were recovering, that recovery had not been accompanied by satisfactory increases in investment. There were several factors related to the Conference's agenda that accounted for the lack of dynamism on the investment front. With expectations for few increases in demand at national level and continued uncertainties about export markets, it was not surprising that investment was unsatisfactory. The situation would change radically, however, if the Conference could reach international consensus on concerted programmes to deal with the problems of unemployment in the North and to relieve the constrained financial position of developing countries, and if Governments expressed a firm commitment to development, full employment and a dynamic and open trading system.

4. Real interest rates in capital markets were likely to remain high as long as the policy mix in the major economies continued. Key currencies remained overvalued. High interest rates tended to depress investment, while overvalued reserve currencies made it difficult to set up a development-oriented adjustment process in small and open economies. The volatility of interest and foreign-exchange rates tended to depress production and trade and in general to create uncertainties which made investment planning difficult.

5. Recovery was still uncertain, and the question of development could not be considered as a separate matter. In order to ensure lasting recovery, special attention should be given to the need for national and international measures to ensure lower interest rates, greater stability in foreign-exchange and interest rates, a policy pattern at national level that distributed the burden of adjustment equitably at the international level and led to realistic foreign-exchange rates for reserve currencies, and the maintenance of an open and dynamic trading system.

6. Turning to the theme of development, he said that the Buenos Aires Platform had made an invaluable contribution to the work of the Conference. The Governments of developing countries had approached the question of revitalizing the North-South dialogue with realism and good will. He hoped that the Conference would respond positively to the developing countries' efforts to meet the industrialized countries in a fruitful dialogue.

7. Priority attention should be given to issues in the area of money and finance. Additional financial resources of the order indicated in the secretariat studies would greatly help to activate development in developing countries, sustain world recovery and enhance international trade. Priority attention should also be given to the more flexible use of SDRs. His delegation favoured an increase in SDR allocations and the establishment of a link between SDRs and development assistance. It agreed in principle with the establishment of an interest subsidy account, a multinational investment insurance scheme and an export credit guarantee facility. The Conference should endorse methods that would deal effectively with the debt problems of developing countries in a development context.

8. As far as trade was concerned, Greece believed that the issue of protectionism must be considered in a much broader framework than that of mere commercial policy. It was essential to take into account as well

already existing barriers to trade, the fact that protectionism was often introduced by means of fiscal or monetary policies in major economies, and the link between development strategies for new sectors in the context of a development plan and an appropriate commercial policy. Greece would be in favour of an UNCTAD initiative to examine those problems in their full dimensions.

9. As to commodities, the Greek Parliament was expected to ratify the Agreement Establishing the Common Fund for Commodities shortly. He hoped that the Conference could give impetus to the establishment and operation of the Common Fund without further delay. Greece was in favour of a process to expedite negotiations on individual commodity agreements in an integrated framework, with a view to protecting developing countries' export earnings. Stabilization of real export earnings was essential since developing countries with insufficient diversification of production had been particularly hard hit recently, and the enlargement of the compensatory financing facility of IMF could play a very useful role in that context. Early implementation of all other aspects of the Integrated Programme for Commodities was desirable and, in general, the access of developing countries' products must be facilitated to achieve a more balanced and sustainable development process.

10. In conclusion, he pledged his country's support for all efforts to promote the cause of development and strengthen international co-operation and peace. The spirit of Belgrade would, he was sure, make a significant contribution towards overcoming the problems confronting all countries and peoples.

Summary of statement made at the 191st plenary meeting, 17 June 1983, by Mr. Arturo Fajardo Maldonado, Permanent Representative of Guatemala to the United Nations Office at Geneva

1. Mr. FAJARDO MALDONADO (Guatemala), after noting that the present economic crisis was the worst the world had known for half a century and that its characteristics were evidence of structural maladjustments in the functioning of the world economic system, said that the sixth session of the Conference was being held in a very different context from that of previous sessions. The developing countries were conscious of the gravity of the situation and had adopted a responsible and constructive attitude, as reflected in the proposals of the Buenos Aires Platform. It was to be hoped that the developed countries would make an appropriate response to those proposals.

2. Guatemala was a member of the Central American Common Market, which continued to operate despite the upheavals suffered by the region. Those upheavals, however, had caused the Guatemala Government and the other Governments concerned profound concern for the maintenance of a lasting peace.

3. The results of the present session should help to initiate a new historic stage in North-South relations. The developed countries should take steps to encourage the exports of the developing countries and at least refrain from imposing new restraints. They should also refrain from taking further protectionist measures, eliminate existing ones and expand the GSP.

4. Another important question to be settled at the current session was the entry into force of the Agreement Establishing the Common Fund for Commodities, which Guatemala had signed on 1 June 1983. He had noted with satisfaction the offer of financial assistance by Norway to facilitate the admission to the Common Fund of five developing countries which did not appear on the list of countries beneficiaries of the OPEC offer. It was to be hoped that other developed countries would offer financial resources for the same purpose. With regard to the international financial and monetary system, he drew attention to the possibilities for reform set forth in the Buenos Aires Platform.

5. Guatemala had a tradition of co-operation with the other developing countries; it had, for example, always favoured the creation of machinery to strengthen the process of regional integration. It therefore supported the proposals put forward on that subject in the Buenos Aires Platform. In conclusion, he emphasized that the present session offered an opportunity for preparing a common strategy to overcome the present economic crisis.

Summary of statement made at the 191st plenary meeting, 17 June 1983, by Mr. Mamouna Touré, Minister for Foreign Trade of Guinea

1. Mr. TOURÉ (Guinea), after reading out a message[28] from the President of the Revolutionary People's Republic of Guinea, observed that the choice of Belgrade as the venue for the sixth session of the United Nations Conference on Trade and Development was no accident, since Yugoslavia was the country of Marshal Tito, the pioneer of non-alignment in the service of peace, freedom and progress of the peoples of the third world. Guinea had always maintained excellent relations of friendship and co-operation with the people and leaders of Yugoslavia.

2. The structural imbalance caused by the most acute crisis the world had known since the Great Depression of the 1930s endangered stability and

[28] Reproduced in volume I, annex V, section A.

darkened the prospects of affluent and developing countries alike. In reviewing the characteristics of the recession, he pointed out, *inter alia*, the fact that, for the first time in 40 years, the value of world trade had registered a decline of 6 per cent, which had seriously affected the economies of the developing countries. As a result of covert or overt protectionism, those countries had seen the markets of the industrialized countries being closed to their exports, with a resulting net loss in foreign-exchange earnings estimated at $200 billion between 1980 and 1982. That loss of earnings had added to their indebtedness, the amount of which was already excessive.

3. His delegation hoped that the sixth session of the Conference would help to lay the foundations for genuine world economic recovery—in commodities, trade, monetary and financial issues, development and the implementation of the Substantial New Programme of Action for the 1980s for the Least Developed Countries. As far as international commodity trade was concerned, the difficulties experienced by the developing countries in fixing their selling prices were seriously jeopardizing their process of development. Former colonies found it difficult to alter the unfair economic relations of the colonial era, since the old metropolitan countries maintained an economic stranglehold through their industrial or trading monopolies, whose profits substantially reduced the share of resources going to the producer countries. All countries must join in seeking concrete solutions for the economic crisis, which was endangering peace and security. It was essential for seller and buyer countries to abandon the exploitative relations that had prevailed hitherto and to strive to harmonize their interests.

4. Despite the implementation of the Integrated Programme for Commodities and the decision to create the Common Fund, nothing had been done to prevent excessive fluctuations in commodity prices, which had reached the lowest level ever recorded. It was therefore necessary to speed up the implementation of the Agreement Establishing the Common Fund for Commodities and reactivate the negotiations on international commodity agreements with a view to increasing producer countries' participation in the marketing, processing, transport and distribution of their commodities and giving them surer access to markets. The adoption of concrete measures to stabilize the export earnings of developing countries was equally urgent. The extension of the Stabex scheme[29] to exports of the least developed countries would help greatly to support the fragile economies of those countries. Commodities were crucially important, since in 15 African countries one commodity alone accounted for at least 50 per cent of export earnings and for 80 per cent in at least three of them. Guinea's bauxite was an example of the unjust relationship between the purchase price of the raw material and the selling price of the processed product. His delegation called for the establishment of an equitable system. Guinea had already signed and ratified the Agreement Establishing the Common Fund for Commodities, and appealed to all the countries which had not yet done so to take the steps needed to activate the Fund by September 1983 at the latest.

5. No country had escaped the deep world economic crisis, despite some signs of recovery in certain developed countries. The developing countries considered any hope of recovery jeopardized by the crisis, which was being fuelled by excessive interest rates, inflation in the developed countries and unfair exchange rates. His delegation proposed that equitable and realistic decisions should be taken at once for rescheduling the developing countries' heavy debts and converting at least the official debt of the least developed countries into grants. But those would be only short-term expedients, for the basic solution was a more effective participation by the poorer countries in the decision-making of the international monetary and financial institutions. The proposal to convene an international conference for reforming the international monetary and financial institutions should be followed up.

6. With reference to the situation of the least developed countries, which called for special attention, donor countries which had not yet done so should reach the ODA target of 0.15 per cent of GNP established at the United Nations Conference on the Least Developed Countries. His delegation expressed the fervent hope that, with the political will of all concerned, the sixth session of the Conference would mark an important stage in global North-South negotiations. The countries of the South must strengthen and diversify co-operation among themselves and must seize the present opportunity to take concrete measures, regionally and subregionally, based on the principle of collective self-reliance and respect for mutual interests.

7. The delegation of Guinea appealed for the unconditional and whole-hearted support of the international community for the courageous struggle of the Namibian people, under the leadership of SWAPO, for the defence of their inalienable rights.

[29] See footnote 5.

Summary of statement made at the 192nd plenary meeting, 18 June 1983, by Mr. Carlos Correia, Minister for Trade and Handicrafts of Guinea-Bissau

1. Mr. CORREIA (Guinea-Bissau) said that there was much concern in the international community at the deterioration in the North-South and East-West dialogues and the deepening of the global economic crisis, particularly in the developing countries. According to GATT, the growth rate of the overall production of the oil-importing developing countries had been under 2 per cent in 1981/82, its lowest level since the end of the Second World War. World trade was also declining, while inflation continued to worsen the terms of trade.

2. Commodity prices had declined by 13 per cent in 1981 and by a further 17 per cent in the first three

quarters of 1982, involving a vast loss of export earnings for the developing countries, which were largely dependent on their commodity exports. Although the developing countries' share of the world manufactures market had increased from 6.9 per cent to 10.4 per cent between 1973 and 1981, developed market-economy countries had received 79 per cent of the increase in value of export earnings from manufactures over that period as against 12 per cent for the developing countries. The figures showed that, if there were any growth at all in the exports of the developing countries, the rate was so extremely low that they had no hope of catching up with the developed countries in the foreseeable future.

3. In view of the interdependence of the economic problems and the fact that no country was able to overcome the crisis on its own, all the countries of the world should join together to make the necessary adjustments less painful at both the global and national levels. That would entail the developed countries agreeing to a very serious review of the current international order. Otherwise, a continuation of the recession could not but lead to social and political upheavals whose consequences were unforeseeable.

4. The balance-of-payments problems of the developing countries had become very much worse between 1976 and 1981. Indeed, even the positive balance of the oil-exporting developing countries had declined from $115 billion in 1980 to under $20 billion in 1982. Over the same period, the positive balance of payments of the industrialized countries had increased from $4.45 billion in 1980 to over $10 billion in 1982. Those figures indicated just how serious the economic situation of the developing countries had become.

5. Contrary to traditional economic theory, adjustments of such imbalances at the world level did not occur automatically, because they involved social and political costs of an unacceptable magnitude. The developing countries most affected by the crisis would have to deploy every effort to find, in conjunction with the industrialized countries of the North, solutions for the developing countries' deficits. Global negotiations needed to be launched and machinery established to examine in an integrated way all the basic problems of the world economy and ensure that the measures taken by the various States were co-ordinated and mutually supportive.

6. In the commodities sector, the problems were connected with world hunger and with the deterioration in the terms of trade. Food self-sufficiency was a top priority for the developing countries in which, by and large, the situation continued to deteriorate. In over 60 countries, food production was not keeping up with the growth in population. He appealed to the Conference to increase its contribution in that field, in accordance with its resolution 105 (V) on international food trade.

7. In view of the adverse effects of natural phenomena on the production of commodities and the downward trend in their prices, even when commodity agreements existed, prompt action should be taken to bring the Common Fund into operation and to ensure the conclusion of a large number of international commodity agreements that included price stabilization arrangements. Existing compensatory financing machinery, such as the Stabex scheme,[30] should be expanded and liberalized. In short, the purchasing power of the developing countries had to be maintained to ensure their development. Even if that purchasing power were maintained, however, it should be supplemented by increased efforts to process the commodities in the developing countries themselves. That would be the best way, in the current economic climate, of offsetting the deterioration in the terms of trade, provided that such efforts were accompanied by a determined struggle against protectionism, substantial capital flows and a genuine transfer of technology.

8. It was generally agreed that protectionism was only making the crisis worse by reducing global productivity. It hindered, *inter alia*, both investment and the processing of raw materials in the developing countries. A new type of international economic relations had thus to be instituted. The developed countries, and those developing countries that were in a position to do so, should provide the financial resources necessary not only for agricultural development aimed at food self-sufficiency but also for the processing of raw materials in the producer countries themselves. Unless substantial official and private, bilateral and multilateral financial flows were available, the developing countries would be constrained to reduce their development programmes to an extent incompatible with social stability and even with world peace. Such a massive influx of capital was not impossible. If a small fraction of the astronomical sums being spent on armaments was devoted to development in the third world, hunger, poverty and backwardness would become nothing more than unpleasant memories. Unfortunately, however, ODA was tending to decrease and a recourse to private capital was becoming prohibitively expensive because of high interest rates.

9. It was necessary to mobilize all available technological knowledge in the service of development, but negotiations on a code of conduct for the transfer of technology had not yet led to agreement, despite the efforts made by the developing countries. However, discussions should continue within the framework of the proposals that had been put forward by the Interim Committee of the Board of Governors of IMF on the International Monetary System.

10. As to trade among the developing countries themselves, they had already adopted, in implementation of the Caracas Programme of Action, a system of preferential treatment of other developing countries and established a mechanism for co-operation between State trading organizations. For further progress to be made in that direction, the assistance of UNCTAD and GATT was needed.

11. In the case of shipping, ratification of the Convention on a Code of Conduct for Liner Conferences[31] should be speeded up and legislative and regulatory measures introduced to apply the Code and implement cargo allotment schemes. Bulk cargo agreements should

[30] See footnote 5.

[31] See footnote 26.

be renegotiated so as to allow greater participation in the carrying trade by the developing countries.

12. As for the problems afflicting his own country, participants were well aware that Guinea-Bissau was one of the least developed countries and had not been spared the negative impact of the economic crisis. His Government had prepared a development strategy aimed at revitalizing every sector, particularly agriculture, and at promoting diversification in production for the purpose of reaching self-sufficiency in food. It was, however, facing an adverse balance of payments, an increase in its indebtedness, high inflation rates, due to the high prices of manufactured goods and of fuel, and a fall in the export price of its commodities. It was thus increasingly dependent on foreign aid. In the face of those problems, it had drawn up a programme of economic and financial stabilization and hoped to hold a conference of donors in November 1983 to gain their assistance in carrying it out.

13. In conclusion, he appealed for the understanding and solidarity of the international community. The Conference should take the appropriate decisions, aware of the fact that the peoples of the world were awaiting the birth of a new international economic order.

Summary of statement made at the 181st plenary meeting, 10 June 1983, by Mr. Winston Shripal Murray, Head of the Department of International Economic Co-operation, Ministry of Economic Planning and Finance of Guyana

1. Mr. MURRAY (Guyana) said that the current situation was paradoxical in that, while the major economies were showing signs of improvement, the negative trends in developing countries were worsening. There was some doubt as to whether a sustained recovery which would be of even marginal benefit to the developing countries would actually take place. On the other hand, the creation of conditions conducive to growth in the developing countries was a pre-condition for a healthy and sustained global recovery. In his view, the creation of a favourable environment in the areas of commodities, trade and finance was at least an indispensable ingredient of such a recovery. Over the longer term, however, the maintenance of such a favourable environment would call for structural changes.

2. The issues before the current session demanded positive and concrete action. In that context, his delegation hoped that the realistic proposals set out in the Buenos Aires Platform would be accepted at the current session. The Conference should, among other things, take the decisions which would give effect to the Integrated Programme for Commodities. In the short term, it was of course necessary to make the Common Fund operational. That would help to bring about the commodity stability that was essential to enable developing countries to increase their exports. It was precisely because of the decline in their export revenues that those countries found it difficult to service their debts. Consequently, positive action on commodities would also be helpful in the areas of trade and money and finance.

3. With regard to trade, the protectionist trends that were discouraging exports from the developing world to the developed countries must absolutely be reversed. Significant improvements must be made to preference schemes by broadening their scope and their product coverage. The proposals contained in the Buenos Aires Platform regarding monetary and financial issues should also be given serious consideration, with a view to bringing about an early improvement. In general, agreement must be reached at the current session on a set of immediate measures in each of the areas in question, to enable the developing countries to participate actively in the economic recovery.

4. While seeking the co-operation of the developed countries, it was necessary to maximize co-operation among the developing countries. In that connection, the support which the United Nations system had given to the elaboration of programmes for economic co-operation among developing countries should be maintained. The UNCTAD work programme on economic co-operation among developing countries was of particular importance in that regard, as were the negotiations on the global system of trade preferences among developing countries.

5. His delegation paid tribute to UNCTAD for its untiring efforts in all those areas and hoped that it would continue to play a catalytic role in trade and development issues. In conclusion, he said that there was an inescapable link between economic development and political stability. From that point of view, the decisions taken at the current session could make a positive contribution to political stability in an interdependent world.

Summary of statement made at the 191st plenary meeting, 17 June 1983, by Mr. Jean-Robert Estime, Minister for Foreign Affairs and Worship of Haiti

1. Mr. ESTIME (Haiti) said that between the fifth and sixth sessions of the Conference, international economic relations had deteriorated alarmingly and the time had come to draw certain conclusions on what could be regarded as the failure of the North-South dialogue. In Africa, Asia and Latin America the countries of the third world were seeing their development slowed and sometimes bogged down. The fall in commodity prices and the resulting reduction in export earnings, the acceleration of indebtedness and the slowdown in official flows had brought about a tragic situation involving a substantial reduction in government investment and in people's living standards. Between 1981 and 1982, for the first time since the 1930s, Latin America had experienced a fall of about 2 per cent in average per capita income. At the present session, therefore, it was necessary to ponder the real causes of the crisis, analyse its mechanisms and draw the relevant lessons. For its part, Haiti had already drawn a number of conclusions.

2. First, the rich countries bore a heavy responsibility, since in their economic options and financial management they had not been as strict as they often required others to be. They sacrificed investment opportunities to dangerous and sterile expenditure on arms and unproductive speculation. Moreover, in attempting to remedy the crisis by stopping inflation, the industrialized countries had provoked a vast recession through a global contraction of demand and a substantial reduction of investment, penalizing the countries of the third world for mistakes not of their making. The sacrifices thus imposed brought into question the value of the theories behind the decisions of the main decision-makers in world affairs. Secondly, it was obvious that the privileged countries lacked the political will to enter into a genuine dialogue and to make the adjustments needed for the establishment of a new international economic order. And thirdly, it was clear that the countries of the third world must depend primarily on their own strength and concentrate on concerted action aimed at achieving collective self-reliance, through effective co-operation between developing countries. Those were the guidelines in the Quito document prepared by ECLA and SELA.

3. It was true that there were signs of recovery in some of the market-economy countries, but that offered no prospect for a lasting solution to the problem of the world crisis. What was needed was a progressive and methodical restructuring of the present system. For that reason Haiti whole-heartedly supported the Buenos Aires Platform, particularly the need for an expansion in trade that excluded any form of protectionism incompatible with international commitments. It was also essential for the Common Fund for Commodities to start operating without delay so as to help stabilize raw material markets.

4. As to financial and monetary issues, it was urgent for the appeals of the Group of 77 to be listened to if the international community was to acquire the necessary liquidity for the development of the world economy and world trade. Above all, measures should be taken without delay to increase the supply of SDRs and to strengthen and render more flexible the compensatory financing facilities. Concurrently, the agreed ODA targets must be reached and the international organizations given the necessary resources to carry out the tasks assigned to them. In that connection, he recalled the appeal made by the Administrator of UNDP following the disturbing reduction in voluntary contributions by the richer countries.

5. It was the least developed countries which had suffered the most from the international crisis. In 1981 their GDP per capita had decreased by 0.6 per cent, their food production had fallen by almost 1 per cent and their global balance-of-payments deficit had reached the record figure of $8 billion. At Manila, in 1979, the donor countries had promised to double their ODA to the least developed countries as soon as possible; instead, that assistance had diminished. The Substantial New Programme of Action for the 1980s for the Least Developed Countries was marking time for lack of adequate means. The industrialized countries must be urged to change their attitude, so that a programme they had freely supported could be carried out. Happily, some delegations had confirmed their intention to achieve the target of 0.15 per cent of GNP fixed for ODA to the least developed countries. The statements of the French Minister for Economic Affairs, Finance and Budget concerning the extension of the Stabex scheme to all the least developed countries were also encouraging. He trusted that the least developed countries would also have access to other development machinery established by EEC, for example, under the Lomé Convention. He also appealed to the countries of North America to give favourable consideration to all measures for supporting the export earnings of the least developed countries.

6. The present particularly delicate state of the economy called for rapid and mutually supportive action, particularly in strengthening co-operation among developing countries. At the same time, public opinion in the rich countries must be mobilized and made to understand that effective solidarity with the poor nations was both a moral imperative and an irreplaceable factor of world economic growth. As his country's President had solemnly stated on a number of occasions, Haiti was prepared to contribute to beneficial adjustments which would ensure a sustained rate of growth and, in particular, meet the legitimate aspirations of the peoples of the fourth world.

Summary of statement made at the 185th plenary meeting, 14 June 1983, by Monsignor Edoardo Rovida, Apostolic Nuncio, Permanent Observer of the Holy See to the United Nations Office at Geneva

1. Monsignor ROVIDA (Holy See) said that one clear consequence of the crisis affecting both developed and third world countries had been the realization of the interdependence of rich and poor countries. That interdependence, however, was unfortunately distorted, and the more economically powerful countries dominated in a variety of ways nations that were industrially and technologically less developed. What was required, as Pope John Paul II had maintained in his message to the Secretary-General of UNCTAD, was to renew and give a new quality to interdependence. Pope Paul VI, in his encyclical *Populorum Progressio*, had already drawn attention to the fact that the unequal terms of trade in the exchange between manufactured goods, on the one hand, and agricultural commodities and raw materials, on the other, distorted interdependence. The statistics available to UNCTAD had brought out the continuous deterioration in the exchange value of those two sets of products since that analysis of the situation, especially in the last two years. Moreover, that structural weakness had only been further aggravated by the policy of protectionism adopted by the more economically powerful countries to counter increasing costs of living and to safeguard their agricultural sectors. The results had been calamitous for the export earnings of the poor countries, and had brought lower production levels, growing unemployment and crippling debt obligations.

2. The observations made by the delegation of the Holy See in respect of that situation stemmed from the basis conception of the absolute and primal importance of man and his dignity as a person. The encyclical *Populorum Progressio* provided guiding principles which were still as valid as they had been 20 years earlier in stating that development could not be limited to mere economic growth; that it must imply the simultaneous development of all humanity in the spirit of solidarity; that, in the area of trade, two systems of weights and measures could not be applied; in short, that development was the new name for peace.

3. The United Nations Conference on Trade and Development had attempted to find remedies to the imbalances. In particular, it had resolved to establish a Common Fund in order to stabilize the prices of commodities, particularly food commodities, in accordance with the concept of solidarity and international cooperation systematically recommended by his delegation. It was greatly regretted that the implementation of the Fund's operation had been so long delayed by the slow process of ratification and financing.

4. It was not possible to trust entirely in the theory of comparative advantage to establish an equilibrium that would benefit all the partner nations equitably. Developing countries should take advantage of their enormous potential through preferential treatment among themselves. The internal structures of the peripheral countries called for urgent transformations, especially for the development of their agriculture sectors, the more so in countries where agriculture was the main source of livelihood for the vast majority of the population.

5. Another typical problem for developing countries was the fact that the use of the latest technological innovations yielded high rewards that were unequally distributed. The capital thus accumulated should be used for truly productive purposes, and not for luxury goods, armaments or bureaucratic expenditures.

6. The monetary crisis also stressed the interdependence between nations and the need to remedy the shortage of liquidity. The international debt problems of developing countries were the more alarming because of scepticism as to the ability of some of them to repay their debts. To a large extent the debt repayment should be based on increased exports and lower international interest rates. However, an increase in the export earnings of the developing countries would imply a revision, by the industrially developed countries, of their "defensive" policies of protectionism.

7. His delegation felt that it was of the utmost importance to design a more equitable system of international economic relations that could be combined with the transformation of the international institutional framework and thus work much more efficiently.

8. For that purpose, it was necessary for the fundamental needs of the poor countries to be guaranteed by the earliest possible preparation and ratification of international commodity agreements to safeguard the real value of their exports; by greatly expanding the volume of aid for truly productive purposes; by reducing substantially the existing barriers to the trade of developing countries, which retarded the process of structural change; to achieve a common agreement on liquidity control or liquidity expansion, as required, which would take into account, not only national interests, but also, and in particular, the international equlibrium, and, finally, flexibility in the application of the rules regulating economic relations between developed and developing countries.

9. In conclusion, he said that the establishment of a new qualitative interdependence among all nations would enable them to share far more equitably in whatever growing prosperity might be brought about by the advance of technology. At the same time, top priority must be given to immediate action to halt, or even reverse, the arms race. World peace thus became a necessary ingredient in the process of establishing a just society.

Summary of statement made at the 188th plenary meeting, 16 June 1983, by Mr. Iván Romero Martínez, Permanent Representative of Honduras to the United Nations Office at Geneva

1. Mr. ROMERO MARTÍNEZ (Honduras) said that the sixth session of the Conference provided an opportunity for countries to agree together and show greater political will to develop new international economic relations. His delegation had come to the Conference prepared to play its part, in solidarity with the developing countries. The Buenos Aires Platform provided a serious and responsible basis for solutions to the important items on the agenda of the Conference. Implementation of the measures proposed therein would lay the foundations for a fairer world economy, based on recognition of mutual interdependence, which would further development in equitable conditions for all. The current international economic crisis called for a serious attempt towards recovery and the political will to prevent further deterioration.

2. The serious recession which had paralysed growth, the collapse of commodity prices, the increase in unemployment, high interest rates, persistent inflation, the ever-increasing indebtedness of the developing countries and the lack of structural adjustment on the part of the developed countries were seriously compromising the legitimate hopes of the developing countries.

3. The latter should show solidarity in the search for a common objective and to that end should seek the conclusion of commodity agreements. By promoting trade among themselves they would give an impulse to integration and open up new possibilities for co-operative development. On the other hand, they should make efforts to secure more favourable terms of trade and should compaign for the abolition of tariff and non-tariff barriers imposed by the industrialized countries on their manufactured and semi-manufactured products. Honduras had been disappointed by the recent intensification of protectionist measures and by the fact that the North-South dialogue had not yet obtained the desired results.

4. The developing countries would like to see measures adopted by the developed countries to promote the transfer of production factors in those sectors in which some developing countries possessed comparative advantages. They would also like to see the implementation of measures to enable technological capacity to expand for the purpose of increasing the participation of the developing countries in world trade in manufactures.

5. With respect to financing, the developed countries should show greater interest in establishing a facility for compensatory financing of shortfalls in the export earnings of developing countries, which would permit the establishment of national marketing and distribution organizations. In that connection, he was pleased to announce that his country would sign the Agreement Establishing the Common Fund for Commodities before the end of the session. His delegation was grateful to the Government of Norway for its agreement to pay the Common Fund dues of the five least developed countries which were not on the OPEC list.

6. In conclusion, he urged all the countries represented at the Conference to show understanding and good will in the search for solutions which would lead to the establishment of a fairer economic situation and better relations between the haves and the have-nots. He reaffirmed his Government's commitment to peace and its desire to find negotiated solutions to the problems afflicting its region.

Summary of statement made at the 177th plenary meeting, 9 June 1983, by Mr. Péter Veress, Minister for Foreign Trade of Hungary

1. Mr. VERESS (Hungary) said that the sixth session of the Conference was taking place in a particularly unfavourable political and economic situation. Since the open nature of the Hungarian economy exposed it to external shocks, it was of vital importance to Hungary that the rules of international trade should be fully observed, that international financial relations should operate without disruption and that there should be order and predictability in the world economy.

2. His delegation agreed with the Secretary-General of UNCTAD that all parties had to contribute to resolving the crisis. Several reciprocal demands had been made in connection with that contribution, some of which had been addressed directly or indirectly to his own country. Hungary's requirements were that it should not be subject to discrimination because it was a socialist country, that its agricultural exports should not be hampered either by limited access to markets or by artificial competition in third markets; and that its exports should not be subjected to unilateral protectionist measures. Unfortunately there had been no progress in those areas.

3. Hungary had had recourse to external resources for the structural adjustment of its economy. Servicing that debt was a considerable burden because of the real interest rates prevailing on credit markets. Discriminatory or protectionist measures affecting Hungary's exports made the situation worse because they limited access to the markets of those major creditors with which its trade balance was in chronic deficit, although it was only through increased export earnings that it could repay its debt. Nevertheless, Hungary was convinced that it could maintain and even gradually improve its position, for in addition to its own considerable efforts it had access to external markets in the socialist countries within CMEA, in which there was

no protectionism or discrimination and in which economic assistance was not an empty slogan but a reality.

4. Hungary was also concerned by the fact that certain Western powers were creating an unstable climate in East-West trade, as was shown by the recent Williamsburg Declaration on Economic Recovery. Clearly, economic development and recovery could only come about through co-operation between different groups of countries based solely on economic considerations. Hungary's contribution to international co-operation would of course depend on the re-establishment of normal East-West trade conditions. Such trade had to be based on most-favoured-nation treatment, non-discrimination and real observance of contractual obligations. Hungary was prepared to accept only resolutions in that area that referred unambiguously to such principles.

5. As to the question of transfer of 0.7 per cent of GNP, he observed that his country had not voted for the relevant resolution since it was not in agreement with that approach. Nevertheless Hungary was giving considerable economic assistance to the developing countries in a proportion of its national income that was higher than the average of the OECD countries. The only fair way of evaluating economic assistance to developing countries was to compare the volume of aid granted to those countries with the profits drawn from them.

6. Hungary attached great importance to economic co-operation with developing countries, to expand which it intended to strengthen inter-State relations, organize trade-promotion activities and send out delegations to survey markets. It was constantly improving its GSP scheme and granting full customs exemption to goods from the least developed countries. Those efforts had been successful. Hungary's imports from the developing countries had increased by 25 per cent since 1979, or by five times more than its total imports. Hungary had also increased its imports of finished and semi-finished products from the developing countries.

7. His country intended to introduce new forms of co-operation in production and marketing such as joint ventures and co-operation in the markets of third world countries. It sought to gear its economic assistance to national development plans and to concentrate on training key staff in the basic economic sectors and infrastructures. Hungarian assistance could be particularly effective in agriculture, the food industry, water supply, transport, energy and health.

8. Because of its efforts, Hungary felt authorized to ask its partners in development to do their utmost to eliminate obstacles to co-operation, and it attached particular importance to non-discrimination against its goods and services. Hungary would continue to play its part in international economic co-operation and would intensify its relations with the developing countries. It would judge the results of the Conference on the extent to which they contributed to improving the conditions of the world economy and to relieving the burdens imposed on the Hungarian economy.

Summary of statement made at the 182nd plenary meeting, 13 June 1983, by Mr. Vishwanath Pratap Singh, Minister for Commerce and Supply of India

1. Mr. SINGH (India) said that his delegation had come to Belgrade in a spirit of understanding and co-operation, not to score debating points but to find solutions to problems which had already taken a heavy toll. That the present crisis would be swept away by some inevitable cycle of economic recovery was at best speculation. The crisis was global and multisectoral, and had been aggravated by inadequate flows of resources, particularly of a concessional nature, inflation, high rates of interest, exchange-rate fluctuations and prolonged instability, stringent lending policies, the erosion of the multilateral trading system and impediments to the transfer of technology. Despite wide recognition of those facts, there had been no adequate translation of that recognition into concrete policy measures. The Group of 77 had rightly pointed out the need for an integrated approach towards all the relevant issues.

2. Since the growth and development of developing countries and the recovery of the world economy were essentially interlinked and mutually reinforcing, it was dangerous to assume that recovery of any single group of nations was adequate to restore the process of development and growth of developing countries. The latter could, on the other hand, provide a significant stimulus to world economic recovery and could also benefit from the impulses of recovery emanating from developed countries. Studies had shown that during the period 1973-1981, trade among developed market-economy countries had grown by only 13.4 per cent, whereas the exports of those countries to developing countries had increased by 20.6 per cent. The fact that, during the same period, the share in world trade of exports from developed market-economy countries to developing countries had increased from 12 per cent to 15.7 per cent, while the share of the reverse flow had increased from 14 per cent to 18.7 per cent, showed that were it not for the purchasing power and import capacity of developing countries, the recession in developed countries would have been much more severe. Moreover, developing countries had become an increasingly important factor in international financial markets. It would be tragic, indeed, if in the euphoria of an elusive recovery, the need for interdependence among nations were to be ignored.

3. The Economic Declaration adopted at the Seventh Conference of Heads of State or Government of Non-Aligned Countries at New Delhi as well as the Buenos Aires Platform had outlined a programme of specific action by the international community, im-

plementation of which should not be dependent on any possibility of recovery. The President of the World Bank, in his address to the Conference,[32] had made the point that the industrialized economies could not attain a strong and sustained recovery unless the developing countries also revived, and the Director-General of GATT had said that the international community could not wait for recovery before acting to roll back protectionist measures and take new steps to liberalize trade.

4. To stimulate recovery and sustained growth, the fullest attention had to be given to the three key interrelated sectors of commodities, trade, and money and finance. A fresh impetus was needed to the Integrated Programme for Commodities, particularly commodity arrangements, the Common Fund and price stabilization measures. The initiative taken at the fifth session of the Conference on the processing, marketing and distribution of commodities had to be given concrete form. He stressed the need for endorsement of the proposal of the Group of 77 for a negotiating conference on general frameworks of international co-operation in those fields.

5. The concept of world trade as an "engine of growth" underlined the linkage between trade and development, obscured in recent years. The slogan "trade, not aid" had led the developing countries to adopt export-oriented strategies. The hope that the process would increase income and import demand in developing countries, which would provide expanding markets for each other, had not materialized; world trade had contracted and the gain of one had had to be at the expense of another. The international trading system had tended increasingly to be inward-looking rather than liberal. Instead of bold, positive adjustment measures by industrialized countries, an attempt had been made to regulate trade in an *ad hoc* manner, by "tailor-made" protectionism and "managed" trade arrangements. If in any sector the economy of a developing country showed positive dynamism, it was chastised as "market-disruptive". The developing countries, without effective retaliatory power, were naturally handicapped. In many cases, even modest differential treatment for the exports of developing countries was now being progressively withdrawn because of alleged differences in levels of development or competitive strength among the developing countries. To draw fine distinctions between developing countries would be to distort priorities and would ignore the vast and growing gap between developing countries on the one hand and developed countries on the other.

6. In the present situation of serious decline in real resource flows to developing countries, they had necessarily to depend increasingly upon trade. The Buenos Aires Platform envisaged a programme calling essentially for the implementation of a standstill provision on protectionist measures, the elimination of all measures adversely affecting the trade of developing countries or those incompatible with the international commitments undertaken by the industrialized countries. It also called for specific programmes of structural adjustment in sectors where protectionist measures and subsidies had been applied over a long period of time. Simultaneously, certain positive actions for liberalization of trade in favour of developing countries were called for.

7. There had been reference to the so-called protectionism of developing countries and the need for the opening up of their markets. Such restrictions by developing countries were due to their serious balance-of-payments difficulties. Their position in that regard had been worsening, particularly because of limitations placed on their access to markets and of an inadequate flow of resources. It was unrealistic to expect developing countries to go on opening their markets while their export prospects diminished and current-account deficits remained at staggering levels. What was more, loss of import purchasing power in developing countries led in turn to further loss of exports and jobs in industrialized countries.

8. In the area of finance, the fall in export earnings, the burden of debt servicing, the contraction of private bank lending and the decline of ODA in real terms had resulted in severe liquidity problems for the developing countries, even affecting their political stability. The internationally accepted targets for the flow of ODA were still far from fulfilment in overall terms. The acute shortage of global liquidity needed to be remedied through several mechanisms, including substantial allocation of SDRs linked to development and an adequate increase in quotas. IDA should be enabled to provide for a considerable increase in lending in real terms to all recipients. The conditionality attached to resource flows through multilateral financial institutions needed to be adequately amended to suit the development and social priorities of developing countries. An overall approach to the crushing debt burden, which had brought many countries to the brink of collapse, was needed to prevent a recurrence of the situation and provide a lasting solution. While developing countries were starved of resources, the world's expenditure on arms—over $650 billion in 1982—was greater than the combined income of about one half of the world's population living in the 50 poorest countries. The Buenos Aires Platform had made a number of proposals in the finance and money sector to which serious attention should be given.

9. International economic systems and institutions had come under severe strain in recent years. Evolved to cope with the post-Second World War situation, they now had to tackle issues and problems of hitherto unimagined dimensions, and they urgently needed to be made more responsive to the development requirements of developing countries. The need for reform had been generally recognized, and he hoped that there would be a response in the near future to the call made by the non-aligned summit conference at New Delhi for an international conference on money and finance for development. The situation facing the least developed countries was particularly serious. The pace of implementation of the Substantial New Programme of Action for the 1980s for the Least Developed Countries had to be speeded up, and a sense of urgency should be instilled in that regard.

10. A global crisis called for a global response, and that was why the non-aligned summit conference had

[32] See section C below.

urged the heads of State or Government of all countries to attend the thirty-eighth session of the General Assembly so as to undertake a collective appraisal with a view to finding speedy and just solutions to some of the major problems of the world. It was not enough to recognize that a crisis existed and that action should be taken, or to adopt merely analytical conclusions. The Conference at its current session must not adopt general pronouncements and well-intentioned platitudes: it had to make an international commitment to specific and meaningful action programmes in the interrelated sectors of the world economy.

Summary of statement made at the 180th plenary meeting, 10 June 1983, by Mr. Ali Wardhana, Co-ordinating Minister for Economy, Finance and Industry and Development Supervision of Indonesia

1. Mr. WARDHANA (Indonesia) said that the sixth session of the Conference was being held under the most adverse international political conditions and at a time when the world economy was faced with a crisis of unprecedented proportion. While that crisis had affected all countries, it had had a particularly debilitating impact on the developing countries. At the same time, it had further eroded the efficacy and viability of already inadequate structures of international economic relations, especially in the areas of trade, money and finance.

2. In many developing countries, per capita GDP had actually declined. The prices of their export commodities, in real terms, had plunged to the lowest point in the last 35 years. Access to developed countries' markets for their manufactured products was being increasingly curtailed. Their balance-of-payments deficits and their debt burden had reached alarming levels. While interest rates on their foreign loans had risen, financial flows to them had progressively decreased, with a corresponding reduction in their import capacity, thereby reducing the exports of developed countries to them and threatening a cumulative contraction in world economic activity. As a consequence, almost all the developing countries had had to curtail vital development activities and some were on the verge of economic collapse.

3. It was said that an economic upturn in some developed countries was becoming visible, and that its beneficial effects would spread to the developing countries. Indonesia would, of course, welcome such a recovery since, like all other developing countries, it had suffered the direct consequence of slack demand and depressed prices, increased protectionism and high interest rates in the developed economies. However, the recovery under way in certain industrial countries was still too fragile to assume with any degree of certainty that it would indeed lead towards sustained, global recovery. For recovery to gain momentum and to endure, it must be supplemented by determined efforts to revitalize the development process and especially to accelerate economic growth in the developing countries.

4. The Secretary-General of UNCTAD had rightly posed that twin-track approach as the central focus of the Conference and all countries should work together to translate that approach into specific measures and action programmes.

5. One of the significant facts of the present time was the greatly enlarged presence of the developing countries on the world economic scene. It was not possible to conceive of a healthy global economy without their active and equitable participation. They already played a significant role in world production as markets, as sources of essential materials and even as sources of finance. In the future, they would inevitably generate new centres of dynamic growth where intensified economic development would provide immense scope for further expansion in trade and industrial development.

6. In an increasingly interdependent world, the economic well-being and political stability of both developed and developing countries were becoming increasingly intertwined. An improvement in the economies of developed countries would create better growth prospects for developing countries. Conversely, progress in the developing countries would certainly help rejuvenate the stagnating economies of developed countries. Thus, rather than persist in preconceived notions and stereotyped responses, countries should, instead, marshal their collective capacity and the necessary political will to deal with the challenges and implications of global interdependence on the basis of mutual interest and mutual benefit. Global interdependence also manifested itself in the way in which the major problems currently besetting the world economy interrelated and interacted, in conditions of growing complexity and intensity. Hence, their solution could not be sought in piecemeal and *ad hoc* measures or by adopting inward-looking and self-centred policies. Neither could nor should there be a retreat from multilateralism.

7. The fact that certain developed countries still appeared to be insensitive to the idea of global negotiations did not in the least detract from the objective validity of such an approach. Only within that framework was it possible to deal effectively with the more basic problems of structural and systematic reform, thus securing the essential conditions for the longer-term stability and prosperity of all nations and peoples.

8. In preparation for the sixth session of the Conference, the developing countries had worked diligently and conscientiously to formulate their common position and concrete proposals regarding the issues on the agenda. Those views and proposals had been set out in the Economic Declaration which had emanated from the Seventh Conference of Heads of State or Government of Non-Aligned Countries and in the Buenos Aires Platform, adopted by the Fifth Ministerial Meeting of

the Group of 77. They reflected both the conceptual and the practical approaches with which the developing countries intended to face the twin challenges of global recovery and the accelerated development of their economies, as well as the spirit of understanding and co-operation which they hoped to see reciprocated by the developed countries at the Conference.

9. His country attached special importance to some key issues. With respect to commodities, Indonesia, as a major producer and exporting country, was deeply concerned about the nearly catastrophic situation currently prevailing in the world commodity markets. Concerted international action speedily to overcome the current crisis should continue to focus primary attention on remunerating price stabilization measures. In that connection, the ratification and entry into force of the Agreement Establishing the Common Fund for Commodities brooked no further delay. Negotiating conferences for the early conclusion of international agreements or arrangements on the remaining commodities on the list of the Integrated Programme for Commodities should be convened at an early date and the general pace of preparatory work stepped up.

10. The next priority concern would be that of ensuring greater participation by developing countries in matters relating to their commodities, through measures and frameworks of international co-operation with respect to processing, marketing, transportation and distribution. Indonesia was also vitally interested in accelerating efforts to establish a complementary facility for commodity-related shortfalls in export earnings.

11. As to money and finance, the acute crisis in the balance of payments of the developing countries could be seen to be largely the result of the sharp deterioration of their external environment. The Buenos Aires Platform proposed immediate and mutually supportive measures to arrest and reverse the downward momentum by bringing about a rapid and substantial enlargement of the liquidity and financing at the disposal of developing countries. They included provision for swift relief from rigidities imposed by high debt-servicing commitments and a substantial improvement in the conditions attached to payments assistance. Among the measures proposed, his delegation hoped that special consideration would be given to the proposal for the issue of an adequate amount of new allocations of SDRs. Mechanisms should be sought whereby developed countries would give up a portion of their share of those SDR allocations to the developing countries.

12. Action on such lines would be mutually supportive, inasmuch as enlarging the availability of liquidity and financing to developing countries would help in the fight against recession, while improvement in the trading environment and the growth of markets would significantly contribute to bringing about adjustment in the developing countries. However, his delegation also believed that, notwithstanding the urgency of the short-term programme of measures, the international community should also set in motion a longer-term process of reform to correct the structural deficiencies in the international monetary and financial systems.

13. Turning to the subject of international trade, he noted that there had been a continuing erosion of the fundamental principles and contractual obligations within which international trade relations were conducted. Mounting protectionism, intensification of trade barriers against exports of developing countries, often in the nature of resort to unilateral and bilateral solutions to trade problems, were becoming a general rule and the remedies required would have to address all of those problems. First and foremost, there should be agreement to halt the protectionist trend and to bring down progressively the barriers in question. Measures should then be adopted at the international and national levels to improve and strengthen the international trading system, and to devise and implement positive structural adjustment policies in order to provide improved market access. A deliberate programme should be initiated in the developed countries to improve the market access of products from the developing countries which were manifesting an increasingly comparative advantage. In the absence of structural adjustment, trade liberalization in favour of developing countries would continue to be hard to achieve.

14. While attention should be concentrated on the main issues before the Conference, other items, especially those pertaining to the acute problems faced by the least developed countries, should not be lost sight of. The contraction of multilateral concessional flows as a consequence of the current economic crisis had had a particularly damaging effect on those countries, and the threat to their very survival was real. Despite global recognition of their desperate plight, as manifested, *inter alia*, in the Substantial New Programme of Action for the 1980s for the Least Developed Countries adopted in Paris in 1981, progress in the implementation of the Programme was far from satisfactory. The Conference should endeavour to secure its implementation without further delay.

15. The plight of the land-locked and island developing countries should also not be forgotten. Because of their geographically disadvantaged situation, the economies of those countries had been particularly vulnerable to the adverse effects of the present economic crisis and their overall capability to cope with the mounting difficulties they faced correspondingly reduced.

16. The present international economic situation underscored the importance of further enhancing economic and technical co-operation among developing countries which, as a key vehicle towards the establishment of new and expanded trade, financial, industrial and other co-operative relations among developing countries, would in turn provide additional stimuli to the process of development of the world economy as a whole. It was encouraging to note that various schemes to implement the Arusha Programme for Collective Self-Reliance were being planned within the framework of UNCTAD. His delegation hoped that at the current session a decision would be reached to ensure the full implementation of Conference resolution 127 (V), thus making it possible for the secretariat of UNCTAD and other competent international organizations to provide much-needed technical, administrative and financial

support to the developing countries' joint endeavours in that field.

17. Representatives of the developed countries had repeatedly stated that developing countries should assume primary responsibility for their own development, the implication being that if only those countries would manage their economic development in a more efficient and responsible manner they would not have been in such dire straits. The protracted world economic crisis, however, had amply shown that such a simplistic view was increasingly untenable. Many developing countries, despite having pursued consistently responsible and effective development policies and while recording continuous growth even under increasingly adverse world conditions, were now getting into serious difficulties because of the hostile external environment from which they could not escape and over which they had little control.

18. The progress of development in Indonesia was a case in point. Over the past decade, the Indonesian economy had shown an encouraging performance, achieving an average 7 per cent real growth rate during the past five years and meeting almost all its Development Plan targets. Investments in infrastructure and basic industries, increasingly funded from national savings, had also kept up with targets. Indonesia had adopted a prudent and restrained monetary and budgetary policy, even at times of affluence resulting from the oil income, thus enabling it to withstand for a considerable time the onslaught of the prolonged external crisis. Now, however, the hostile international economic conditions created by global recession and contraction had brought about a sharp deterioration in Indonesia's external financial position. A steep decline in earnings from its major non-oil commodity exports and a sizable fall in net income from oil, coupled with a continuing growth in essential imports, had contributed to substantial deficits both in its current account and in its overall balance of payments. His Government had taken prompt and decisive action to reverse that negative development. Subsidies for certain food items, oil products and fertilizers had been reduced or eliminated; an austere budget had been introduced, a 28 per cent currency devaluation instituted, the implementation of a number of large development projects rephased, and monetary and fiscal measures adopted to increase domestic savings.

19. The fact remained, however, that Indonesia's ability to maintain development at a rate that would ensure continued improvement in the living standards of its people did not depend entirely on the national policies of its Government but on unrestricted access to the markets of its trading partners and on the continued availability of external finance. Apart from anything else, the example of Indonesia's development experience clearly showed the validity of the adage that, in the interdependent world of today, sustained economic progress nationally could only be secured if it could be assured globally as well.

20. The present economic crisis had demonstrated the growing inadequacy of the existing international economic system to cope with the problems of global development. It was thus not only a crisis in terms of the intractable problems it produced in all countries, but a crisis in the structures and modalities of multilateral economic co-operation too. Great adversity always posed a threat, but at the same time it also offered the opportunity to effect fundamental change. It was the sincere hope of his delegation that participants in the Conference would have the necessary political vision to take advantage of the growing perception of mutual interest and interdependence and thereby turn the current crisis into an opportunity to construct a more equitable and viable international economic system, to the benefit of all countries. The sixth session of the Conference would then truly mark the beginning of a new and more promising phase in international co-operation for development.

Summary of statement made at the 187th plenary meeting, 15 June 1983, by Mr. Mohammad Nasser Sherafat, Minister Plenipotentiary of the Islamic Republic of Iran

1. Mr. SHERAFAT (Islamic Republic of Iran) said that the present crisis had a structural character in that it resulted from inequalities inherent in the international economic system. Those inequalities were especially apparent in the terms of trade, which entailed a deficit for the developing countries and a surplus for the developed countries. The arms race between East and West and regional conflicts were another source of imbalance, third world countries having to devote huge resources to their defence, to the detriment of economic and social development. In the monetary field, the indebtedness of those countries was increasing constantly, while the industrialized world was deliberately manipulating the foreign exchange and capital markets and placing restrictions on the flow of funds. The spread of Western modes of life and consumption patterns was leading the developing countries into ill-advised expenditure which promoted the production and exports of the industrialized countries. The third world should pay attention to that development, which was making them increasingly dependent upon the rich countries.

2. Western-type growth strategies had led to a split in the developing countries between the modern and traditional sectors, between urban and rural areas, and between rich and poor. The major Powers were exploiting the immense resources and vast market of those countries, thus aggravating poverty, ignorance and disease.

3. The transfer of technology, which had so often been considered in international forums, in fact amounted to the export of expensive products from the industrialized to the developing countries, which thus witnessed the disappearance of the traditional activities that had formed the essence of their culture.

4. In the industrial sector, the growth pattern of the developed countries did not necessarily conform to the needs of the developing countries and had led, in their case, to an increase in imports which had done nothing but add to their indebtedness.

5. The signs of economic recovery recently noted in some industrialized countries appeared to be rather uncertain and were mainly the result of events which in turn reflected an undesirable condition in the developing countries. The decrease in inflation in several developed countries was in part due to the fall in the price of the raw materials which they bought from the third world. The increase in the price of oil exported by the third world, to which all the troubles of the international economy were said to be due, had ended and prices had even been falling for a few years. The crisis, however, was continuing and its causes must therefore be sought elsewhere.

6. The time had come for the developing countries to assess the situation and to seek to rectify it themselves. Their financial and economic problems could not be solved by makeshift actions or temporary remedies, for example, by means of loans by industrialized countries or international financial institutions, whose only effect would be to postpone a collapse of the world economy.

7. A new international economic order must be established on the basis of the cultural and spiritual values of developing societies. The nations of the third world were not equipped to absorb the growth and consumption patterns of the materialistic societies of the East or West. They must therefore emancipate themselves and develop by uniting to exploit their natural resources, in the best interests of their peoples.

8. Furthermore, the countries of the third world must pay particular attention to the acquisition of technologies adapted to their needs and to co-operation among themselves, particularly in the field of vocational training.

9. In the light of those considerations, his delegation supported the desire of the Group of 77 for a reform of the structure of economic relations in the world. In its opinion, interdependence and the need for co-operation which characterized the current situation did not mean that might was right. The North-South dialogue should be a genuine consultation and should not be used by the industrialized countries to further their own interests with the sole aim of securing more lucrative markets.

10. Without wishing to deny that political problems had an economic origin, his delegation considered that until the advanced countries geared their political attitude towards greater justice, there would be no point in trying to solve the economic problems. It was from that illusion that the present powerlessness of the international organizations originated.

11. The Declaration and the Programme of Action on the Establishment of a New International Economic Order, like the Charter of Economic Rights and Duties of States, had remained practically a dead letter. Some international financial and monetary institutions were not suited by their nature to do anything whatever to reform the world economy in the direction desired by the developing countries. His delegation supported the appeal by the Group of 77 for a fundamental revision of the structure of those institutions to bring them closer into line with current political and economic realities. IMF and the World Bank had failed in their mission by serving political objectives alien to their primary vocation. Intended originally to serve the interests of the developed countries, they were responding essentially to the partisan political aspirations of those countries. They had, for example, granted loans to the racist régime in South Africa, thus contravening resolutions of the United Nations General Assembly. Since the victory of its revolution, his country had come up against a systematic policy of discrimination, obstruction and even military aggression. All those manoeuvres were caused by a materialistic ideology which, under cover of purely verbal differences between certain Powers, aimed in reality at annihilating in the third world any independence, whether of a moral or other nature, which those Powers considered to be contrary to their interests.

12. His delegation believed that the developing countries should play their true part in the world economy and called for a change in the rules governing international trade. Those countries must have a say in financial and monetary decisions at the international level, failing which action by the international institutions would remain fruitless.

13. His delegation welcomed UNCTAD activities in the area of assistance to liberation movements and the studies on the economic situation of the peoples of the occupied territories of Palestine, Namibia and South Africa. Those activities should be extended to other liberation movements in the world. Furthermore, his delegation attached great importance to economic co-operation among developing countries, which was a potential means of enabling them to achieve economic independence and prosperity.

14. Since the victory of the Islamic revolution, his country had endeavoured to establish closer economic and trade links with the developing countries, whereas under the former régime Iran's relations had been chiefly with the developed countries. It was willing to continue along that path and invited the developing countries to do likewise.

Summary of statement made at the 184th plenary meeting, 14 June 1983, by Mr. Hamed Alwan, Minister of State for Foreign Affairs of Iraq

1. Mr. ALWAN (Iraq) said that, 19 years after the first session of the United Nations Conference on Trade and Development, it must be admitted that its achievements had been few and had failed to meet the hopes of the developing countries. In the present world-wide economic crisis, the efforts of all should be concerted to overcome existing structural imbalances for the benefit of all groups in the world community. To that end, political will on the part of the developed countries was needed. The latter should realize that third world countries were important partners and deserved a larger share in international economic management.

2. The crisis in the international economic and monetary systems, which was neither of a short-term nor of a cyclical character but was rooted in fundamental structural imbalances and inequities, required a comprehensive programme for economic recovery covering all existing imbalances in the fields of international trade, commodities, and money and finance. The crisis had led to a reduction in economic activity and growth, a rising deficit in the balance of payments of the developing countries and a deterioration in their terms of trade, accompanied by a rise in rates of unemployment and in inflation, the adverse effects of high interest rates on external debt, the diminution of multilateral aid flows and a decrease in food security.

3. Protective tariff and non-tariff measures by developed countries against the exports of developing countries had reduced demand for those exports, resulting in a fall in revenues which impeded their ability to maintain the import of capital goods for their development plans and to repay and service their debts. Onerous and inappropriate conditions had been placed on the transfer of technology, causing a technological gap that was becoming more difficult to bridge. Iraq, therefore, attached great importance to the conclusion of an international agreement on a code of conduct for the transfer of technology, which would help to speed up the development process in the developing countries. In that connection, he stressed that technological innovations should be appropriate to the economic, social and political circumstances of each country.

4. In addition to the constraints he had mentioned, the price of raw materials was being manipulated in a manner adversely affecting the terms of trade of developing countries, while discriminatory practices were being introduced by industrialized countries in their trade with developing countries. All of those factors had impeded the efforts of the developing countries to service their external debts and satisfy their development requirements, while some of the poorest developing countries had been reduced to a mere struggle for survival.

5. It should be realized that the interests of all were interlinked and integrated and that no country or group of countries was in a position to pull the world economy out of the present crisis alone. The crisis was global and required global solutions.

6. The arbitrary conduct of some industrialized countries, along with their attempts to obstruct the aspirations of developing countries to establish equitable economic relations, had aggravated tension in international relations. That trend had been accompanied by a significant decline in the spirit of multilateral economic co-operation, since some industrialized countries were pursuing policies and practices incompatible with the objectives agreed upon in the Declaration and the Programme of Action on the Establishment of a New International Economic Order and in the International Development Strategy for the Third United Nations Development Decade.

7. The developing countries had come to the Conference in a constructive spirit after having adopted a new approach in the draft resolutions contained in the Buenos Aires Platform of the Group of 77. They hoped that the developed countries would tackle the situation in the same spirit. The Conference at its sixth session must therefore have two main objectives. First, it must formulate methods to deal with the immediate international economic crisis, and in that regard, the non-aligned summit conference at New Delhi had provided a framework through its adoption of a programme of immediate measures. Secondly, it must initiate efforts to restructure international economic relations in the long term so as to ensure the establishment of international economic relations on the basis of justice and equity among all nations.

8. The Conference agenda contained a number of fundamental and important items. In connection with commodity issues, the current negotiations concerning the conclusion of commodity agreements within the framework of the Integrated Programme for Commodities should be rapidly completed and all countries, particularly the industrialized countries, should adopt the urgent measures needed for the ratification of the Agreement Establishing the Common Fund for Commodities so that it could enter into force as soon as possible.

9. As to financial and monetary issues, emphasis should be placed on reform of the international monetary system in order to make it more responsive to the requirements of the developing countries. The industrialized countries should take effective measures to control the inflation generated within their economies, which constituted a heavy burden on the developing countries. Urgent solutions must also be found to the problem of the acute indebtedness that was jeopardizing the existing monetary system. In that connection, the decisions of the non-aligned summit conference at New Delhi and, especially, the call for the holding of an international conference on money and finance for development with universal participation were particularly important. There should be improvements in the lending terms of the World Bank and IMF, and

SDRs should be recognized as a primary reserve asset in the international monetary system. The industrialized countries should increase their ODA pursuant to the provisions of the International Development Strategy for the Third United Nations Development Decade.

10. The serious situation of the least developed countries, and of land-locked and island developing countries, would be helped by effective implementation of the Substantial New Programme of Action for the 1980s for the Least Developed Countries.

11. Iraq considered economic co-operation among developing countries as a corner-stone of its foreign policy and had translated that policy into concrete fact by extending large-scale financial assistance in the form of grants and concessional loans and at the same time by planning to diversify its own economy. In the present crucial economic circumstances, collective self-reliance must be a basic element of a comprehensive strategy for development and, therefore, the implementation of major schemes in priority areas for the economic cooperation among developing countries should be speeded up. Such activities would include the establishment of a global system of trade preferences among developing countries, co-operation among State-trading organizations of developing countries and the establishment of multinational marketing enterprises among developing countries. It should be emphasized, however, that economic co-operation among developing countries could not be a substitute for comprehensive economic co-operation between the industrialized and the developing countries.

12. In conclusion, he expressed the hope that the Conference would produce positive recommendations, resolutions and a programme of action which would form a basis for the establishment of the new international economic order.

Summary of statement made at the 181st plenary meeting, 10 June 1983, by Mr. James O'Keeffe, Minister of State, Department of Foreign Affairs of Ireland

1. Mr. O'KEEFFE (Ireland) said that he endorsed the statement made on behalf of the European Economic Community by the Minister for Economic Affairs of the Federal Republic of Germany. With respect to the national perspective of his own country regarding the range of problems facing the Conference, he recalled that Ireland had had relatively recent experience of the problems of underdevelopment and that that experience had helped it to a keen appreciation of the problems of the developing world. In the past 30 years, the international effort to help developing countries had been considerable, but the gap dividing the low-income countries from the developed world continued to widen.

2. As many previous speakers had pointed out, the world economy was passing through a crisis that affected all countries. As to the economic upturn, to which reference had also been made, there were uncertainties about its strength and whether it could be sustained. While there were also differences of opinion with regard to the analysis of the underlying economic factors, he took encouragement from the fact that all countries had come to the current session with a willingness to try to reach a common understanding of world economic problems.

3. Another encouraging element was that global interdependence was no longer simply a concept but was a reality affecting all spheres of economic activity, whether trade-related or developmental. Awareness of a mutual need for progress towards economic recovery could bring about a new era in North-South co-operation. His Government was prepared to make its contribution to the great effort that would be needed to cope with the problems of world dimensions, and it was to be hoped that the current session of the Conference would mark a turning-point in North-South relations.

4. It was in that context that he welcomed the suggestion by the Secretary-General of UNCTAD to link the themes of economic recovery and development. He firmly believed that there was need for international concerted action in both spheres, and that conditions must be created for non-inflationary and employment-creating growth and the continued transfer of resources to the developing world. All countries must benefit from the economic recovery currently under way, but it must be recognized that measures to support the development of developing countries were an essential element in any strategy for global recovery. It was his Government's conviction that direct action for development remained of particular importance if the gap between rich and poor was to be bridged, and that conviction determined its approach to each of the main themes of the Conference.

5. Reflecting briefly and generally on the main items of the agenda, he said that commodity questions were an area of international trade for which UNCTAD enjoyed specific competence and in which it had solid achievements to its credit. The approach enshrined in the Integrated Programme for Commodities remained entirely valid. His Government favoured the provision of technical assistance in support of increased participation by developing countries in the processing, marketing and distribution of their primary commodities, using to the full the existing organizations and programmes. At the national level, his country had contributed to the work of the International Trade Centre UNCTAD/GATT for a number of years and would continue that support. It believed, however, that the essential pre-condition for further progress was the early entry into force of the Common Fund for Commodities. His country's early ratification of the Agreement establishing the Fund was an earnest indication of the importance his Government attached to it. His Government also intended to make a voluntary contribution of $250,000 to the Second Account when the Common Fund came into force.

6. The Conference must also seriously address the problems created by fluctuations in receipts from the export of commodities, either in the framework of a specific instrument for that purpose, such as that operated by EEC within the Lomé Convention, or through the appropriate mechanism in IMF.

7. For a small, open economy like Ireland's, international economic interdependence assumed particular importance, and nowhere was that more evident than in the sphere of trade. The development of international trade was in the interest of the international community as a whole and essential to the process of recovery. It was, therefore, also vital to development in the developing countries. Despite the particular strains to which the open multilateral trading system was exposed, GATT had proved its effectiveness in adapting to the change in international circumstances, and its role should be consolidated and strengthened. While all countries should, according to their capacity, contribute to the efficient functioning of the open international trading system, it was self-evident that for the poorest, special and different treatment would continue to be needed for the foreseeable future. However, it seemed to his Government that a number of developing countries which had experienced high rates of growth during the past decade ought gradually to assume responsibilities in the system more commensurate with their economic weight. Equally, the developed market economies must seize the occasion of the economic recovery to overcome protectionist pressures. His country also supported the strengthening of trade relations among the developing countries themselves.

8. The current crisis in the world economy affected all countries. While the situation might seem difficult in the OECD countries, particularly because of unemployment, it was much more severe in the developing countries, which, because of various factors, were faced with unsustainable levels of indebtedness and the closing-off of financing for future development. The Conference provided an opportunity to discuss the conditions required to create, with the participation of all countries, a lasting and balanced recovery in which the international financing institutions had a particularly important role to play.

9. It was incontrovertible that, for the poorest countries and those most seriously affected by the current crisis, ODA would continue to be of fundamental importance. The quantitative targets for aid, including those of the Substantial New Programme of Action for the 1980s for the Least Developed Countries, were still valid and must be reaffirmed. His country, for its part, remained fully committed to those targets. Despite the difficulties created by the current recession, Ireland's ODA had grown substantially in both nominal and absolute terms since the United Nations Conference on the Least Developed Countries in 1981 and was concentrated heavily on the least developed countries. The bulk of such assistance continued to be disbursed through the various multilateral channels, including the World Bank and other specialized agencies of the United Nations, and his Goverment considered that the role of those bodies and institutions should be consolidated and, where possible, enhanced.

10. In preparing for the Conference, his delegation had been greatly encouraged by the Buenos Aires Message and, imbued with a spirit of understanding and co-operation, hoped that it would be possible to move towards the greater shared perception of the problems that was required in order to find mutually acceptable solutions.

11. Since it met at four-yearly intervals, the Conference must, almost by definition, give fresh impetus to the activity of its permanent machinery. However, the sixth session of the Conference, meeting at a particularly critical juncture, must also help restore confidence in the joint capacity of all countries to tackle the problems of the global economy and provide a much-needed impetus to the North-South dialogue.

12. In addition to economic recovery and development, another area of particular importance was that of interdependence. The statements of the preceding speakers and the deliberations of the Conference in the past few days had persuaded him that the sixth session would not ignore the primordial importance of interdependence, or miss the unique opportunity for international consultation on the very viability of the international economic system.

Summary of statement made at the 184th plenary meeting, 14 June 1983, by Mr. Mayer Gabay, Director-General of the Ministry of Justice of Israel

1. Mr. GABAY (Israel) said that since the fifth session of the Conference, balance-of-payments problems for oil-importing countries had become acute, largely owing to factors beyond their control which had brought about a decline in demand for their exports and continued high prices for many of their imports, particularly energy. To cope with those problems, many developing countries had contracted short-term loans which the commercial banks, with ample petrodollars available, were most willing to make. Many such countries now found themselves hard pressed and were seeking aid from IMF as well as the rescheduling of their loans from commercial banks. The Fund should endeavour to be more forthcoming towards developing countries, particularly where social factors were closely integrated with economic factors. Commercial banks would have to avoid excessively high interest rates for rescheduling if developing countries were to be able to restore reasonable growth rates.

2. Under current conditions, there was a need to expand the flow of public and private resources to developing countries, but such flows were increasing very slowly in real terms. Israel had already submitted to UNCTAD three main proposals to augment them. One, the Horowitz proposal, aimed at increasing the amount of concessionary loans available by means of large-scale interest subsidization. In modified form, it

had been introduced into the World Bank as the "third window" and was now operating on a small scale also in the Inter-American Development Bank as the "intermediate financing facility". The Horowitz proposal might warrant renewed consideration under present circumstances. The second proposal related to expanded co-financing, that is, with private capital in association with the World Bank and regional development banks. Seven years previously, Israel had suggested that the World Bank should create a "fourth window" to "sell" to commercial banks development projects which it had prepared and which it would supervise and partially finance. The proposal had yet to be implemented but it was currently under consideration by the World Bank and one of the regional development banks.

3. The third proposal, for the creation of an export credit guarantee facility, had been submitted by his delegation at the third session of the Conference. A group of distinguished experts had now reported favourably on the proposal's financial viability, and in particular its relatively modest capital requirements. His delegation called on the Conference to adopt their report[33] and to decide that such a facility—which might be called the "Belgrade facility"—should be established forthwith.

4. The development prospects of the least developed countries were currently particularly bleak, but their plight was only touched upon within the wider framework of development issues, owing to a "monolithic" tendency to underestimate the wide gap between the least developed countries and other developing countries. In connection with agenda item 12, that was a field in which the Conference could contribute not only ideas but action, and not only by developed but also by developing countries.

5. Although there was a growing potential for economic development through economic co-operation among developing countries, the results so far achieved within UNCTAD were meagre. That was not the fault of UNCTAD, which was based on the principles of universality and non-discrimination and must uphold those principles. In an effort to contribute positively to economic co-operation among developing countries within the field of economic planning, Israel had presented to interested nations and international organizations, both within and outside the United Nations system, an outline of a development scheme through a "transitional economy". The strategy attempted to combine a comprehensive intersectoral development process with pragmatic decentralized planning, programming and implementation, which took into account prevailing constraints. It called for programmes covering a limited number of projects associated with the most acute socio-economic issues and employing a level of complexity compatible with the existing capacities of development institutions and the target populations. The strategy should be applied mainly to the rural sectors of developing countries, with emphasis on agro-industry and increased food production.

6. In those areas, Israel was one of the countries capable of transferring know-how to developing countries. Over the period 1958-1981, over 8,000 Israeli experts had served in developing countries and more than 25,000 persons had received training in Israel, mainly in agriculture, irrigation in arid zones, co-operatives and labour, marketing, community development and medicine. In 1981, over 200 trainees had come from African countries. Because of its co-operative agricultural institutions, Israel had a reservoir of skilled personnel, experienced in methods appropriate to developing countries.

7. One of the main obstacles to world trade was protectionism. It ultimately hurt everyone but there was no question that developing countries were most severely hit. Ways and means must be sought to increase the liberalization of international trading practices, and in particular to give developing countries better access to the markets of developed countries. Limitations on international trade must be avoided, whether they originated from political or economic motives or the desire to protect local industries.

8. There was general agreement that the Conference should address itself to the problem of the low prices of commodities. His delegation reaffirmed its support of the Integrated Programme and of the Common Fund for Commodities. The Common Fund could bring stability and strength to the markets of some primary products and should be of interest both to producers and consumers. It should therefore receive the full support of all countries. At the same time the interests of developing countries lacking natural resources should be protected by appropriate remedial measures. As a complementary step, he reiterated his delegation's suggestion that the idea of indirect indexation for industrial products, originally put forward at the seventh session of the General Assembly, should be examined in depth.

9. An additional element, which could be considered within the framework of the Integrated Programme for Commodities, related to crop insurance in developing countries, an idea that had for many years interested Governments and international organizations, mainly as a supplementary device to promote agricultural development. The World Bank and UNDP should be encouraged to increase their support for such activities.

10. Two elements which had greatly contributed to the indebtedness of developing countries were the problems of energy and technology. The current situation, in which an excessive proportion of the product of the economic system was directed to purchasing the energy to run it, must be reversed. A concerted international effort was needed to reduce significantly dependence on oil as a major source of energy. Rapid transition to new and renewable sources of energy was of the highest priority, but no one energy source could feasibly replace oil, and a range of sources of energy, some conventional and others new and renewable, would be needed to overcome the energy problem. Emphasis must be placed on indigenous sources, and international co-operation was required for the development of new and renewable energy sources for the mutual benefit of all nations.

[33] TD/B/C.3/183/Add.2 and Corr.1.

11. With regard to the transfer of technology, the main issue was how to restructure the existing relationship between suppliers and recipients of technology in such a way that developing countries received full access to all suitable technology on conditions which did not place them in a position of technological dependence. It was now generally accepted that a code of conduct on the transfer of technology, incorporating internationally agreed norms, would serve the interests both of recipients and suppliers, since the latter would benefit from more orderly and predictable methods of operating.

12. At the fifth session of the Conference, his delegation had suggested the establishment of a subsidy scheme run by an international financial institution which would subsidize wholly or partially the cost of technology to recipients in developing countries. The first step for successful transfer of technology would be to establish a data bank of all the technology available and the rights owned therein. The second step would be the provision of legal and fiscal mechanisms that would ensure the possibility of successful transfer of technology while rewarding the supplier adequately to encourage his participation in the development and adaptation of the technology concerned.

13. In concluding, he expressed regret that a number of participants had attempted to involve the Conference in political controversies by making false accusations against Israel and the Camp David accords, which made provision for negotiations on autonomy as a first step, with the full participation of the Palestinian Arab inhabitants of the West Bank and Gaza. He would not dwell on the false data presented at the previous meeting. Economically, the residents of the West Bank and Gaza had made more progress than the inhabitants of any other non-oil-producing Arab country. His delegation would present detailed information on the subject under agenda item 13 (*f*). At the current juncture, he would merely note that UNDP was currently engaged in a full-scale programme of economic assistance to the Palestinian Arab population, with the full co-operation of the Israeli Government.

14. Israel believed in negotiation to resolve the political controversies of the Middle East. It was in that spirit and for the sake of peace with Egypt that Israel had withdrawn from the Sinai, which, with its extensive oil and other resources, was several times larger and richer than the West Bank and Gaza. Since Israel looked forward to further peace negotiations with its neighbours and since it would not serve the purpose of the present Conference to engage in sterile political debate, he would refrain from replying in detail to baseless accusations.

15. The real interests of the peoples of the Middle East lay not in war and hostilities, but in friendly practical solutions which would improve their economic and social conditions through the development of industry, agriculture, water resources, health, tourism and other sectors. Israel was prepared to participate with all its neighbours in the pursuit of those aims. There were other places in the United Nations system where political issues could be debated; UNCTAD should devote itself wholly to questions of trade and development in an atmosphere of co-operation.

Summary of statement made at the 188th plenary meeting, 16 June 1983, by Mr. Emilio Colombo, Minister for Foreign Affairs of Italy

1. Mr. COLOMBO (Italy) said that he hoped the sixth session of the Conference would be remembered as the session that had provided convincing prospects of recovery. It was precisely for that reason that his delegation had come to Belgrade, determined to continue and develop a dialogue.

2. Recently, a great deal of attention had been paid to East-West relations. That was quite understandable, since on them depended international peace and security. However, the great problems between North and South should not be overlooked, since on their solution depended the future development of the world, its quality of life and its progress. His Government was endeavouring to make East-West relations less fragile. With perseverence and consistency it was working for peace, détente and disarmament. But it was also working—and not by words alone—to build a fruitful relationship between the North and the South, since it was convinced that development meant primarily the search for political, economic and social stability in strict observance of the sovereignty and independence of the developing countries.

3. The Italian concept of development was indissolubly linked with the idea of a fairer international economic order. It therefore rejected the prospect of political and strategic rivalry between the great Powers which would absorb energy and valuable resources to the detriment of the development of the peoples. The Italian aim was to create conditions which would enable the industrialized countries, in both West and East, to convert the arms race to a race to establish for everyone new prospects of balanced progress in stability and peace.

4. Never before had the peoples of the world been faced with such serious and lasting difficulties and never before had the nations and the groups composing them been so tempted to take refuge in self-centredness. The difficulties confronting the international community were the same as those each country had to face at the national level, relating to the production and distribution of wealth, employment, quality of life and the struggle against poverty and the elimination of injustice. It was possible that the shared difficulties tended to separate the international community rather than unite it. The resultant tensions had become a further reason for discord; boundaries had been drawn between the opposing camps. After five sessions of the Conference, it was observable that dialectic and sometimes polemics

had not brought understanding or even progress with regard to ideas and initiatives.

5. His delegation was entitled to make that observation since, at the eleventh special session of the General Assembly, on North-South relations and global negotiations, it had been among those which had opted for dialogue and co-responsibility in international relations. Interdependence was a fact, but it was only by co-operation that individual countries could assure and manage their independence. No economic order or system of international relations that was freely accepted by the majority of countries could ignore the principles of co-operation, mutual respect and responsible participation in the activities of international institutions.

6. There were a very large number of economic problems, but there were also signs of recovery. Those conflicting trends were mixed up together in a period of intellectual progress and technological development which made the search for ways to reconcile very different systems even more difficult.

7. Recent experience had taught that development was not just a material concept. It would be rash to overlook the social repercussions of economic measures and to forget that a people's development depended also on the satisfaction of its cultural pattern and its aspirations. There was no dearth of technical solutions. What was lacking was a coherent and rational awareness of the correlation between real problems and the financial aspects of development, between adjustments which both developed and developing countries must make on an equal footing and financial aid. To compose the differences that existed within the international community would require sacrifices. The citizens of each country of the community would be called on to accept the sacrifices necessary to right injustices and inequality. Those existing at the international level should not be treated differently from those existing at the national level. Clearly, the richer countries would have to sacrifice more. But no country or group of countries could hope to resolve or evade its problems by transferring them elsewhere or retiring into isolation. The path to true progress at the national level lay through international solutions. That was the meaning which his delegation attached to the concept of interdependence. In societies based on consensus, only a full awareness of the linkage between interdependence and the objectives deriving from a global approach could make citizens accept the sacrifices required for adjustment and the mobilization of financial resources for development. However, responsible men and women—particularly the young—were becoming increasingly aware of that linkage through their day-to-day existence.

8. The effects of the recession threatened to divide the international community. A concerted approach would encourage it to deal with certain immediate objectives without neglecting long-term aims. The current world situation encouraged pragmatism rather than grand global designs, but it was the latter that should inspire the daily decisions.

9. Dialogue had achieved some encouraging results, such as the United Nations Conference on the Least Developed Countries, the United Nations Conference on New and Renewable Sources of Energy and the constructive conclusions of the United Nations Non-Aligned Countries at New Delhi and the Fifth Ministerial Meeting of the Group of 77 at Buenos Aires. The theme of recovery and development had been at the centre of discussions in OECD and EEC and also had been a major item at the Williamsburg summit meeting. While the results had not been entirely satisfactory, it was a good augury that, at a time when there was a serious danger to the cohesion of the international community, the interdependence of development should be recognized as a priority subject. The Conference must no let slip the current opportunity of strengthening that awareness.

10. International institutions, particularly those operating in the monetary and financial sector, must play a part consonant with national and collective approaches. His delegation had long urged the need to increase their resources, but that did not mean there was no need for discipline and adjustment; indeed, in the current phase of widespread difficulties, such an increase would establish further definite constraints. Recently, concerted intervention had served to avert the risks arising out of indebtedness by providing credit on a large scale. The instruments employed had proved to be very efficient. Nevertheless, care should be taken to ensure that the banking system was not discouraged from playing its financing role in a period in which repayment problems continued to grow.

11. His Government was committed to a development policy that would widen the productive base of the poorest countries, whose earnings largely depended on the export of a few commodities. It was prepared to study ways and means either of stabilizing the earnings of such countries or of promoting vertical transfers and horizontal diversification processes. A priority target of its development policy was the encouragement of agricultural and food production in developing countries. However, experience had shown that balanced and self-sustaining development also required a development of human resources by training, education, improvement in health conditions and child protection.

12. His Government would continue to give priority to the development and exploitation of sources of energy; it was essential to implement the Nairobi Programme of Action for the Development and Utilization of New and Renewable Sources of Energy,[34] but Italy was also committed to further investment in conventional sources of energy.

13. In short, the main directions in which action was needed were: increasing the resources of IMF, the World Bank and IDA; achieving more effective co-ordination of international finance institutions in relation to development; making domestic adjustments which took account of international obligations; waging an effective and ongoing war against protectionist practices; observing a reliable safeguards system; bringing the Common Fund for Commodities into operation and

[34] See *Report of the United Nations Conference on New and Renewable Sources of Energy, Nairobi, 10-21 August 1981* (United Nations publication, Sales No. E.81.I.24), chap. I, sect. A.

speeding up the implementation of commodity agreements; taking more decisive action in the fight against world hunger by strengthening agriculture in the developing countries; and continuing to give priority attention to the energy sector.

14. As for ODA, his Government had committed itself in respect of both the target of the 0.7 per cent of GNP and the target of 0.15 per cent for the least developed countries. Budgetary allocations for co-operation with the developing countries had risen from $360 million in 1980 to $1.4 billion in 1983. During the next two years, those allocations would increase by an average rate of over 20 per cent. The least developed countries were currently receiving one third of the amounts allocated to development co-operation. Italy was also ready to make a practical contribution to whatever needed to be done to satisfy any requirements that emerged from the Conference.

Summary of statement made at the 180th plenary meeting, 10 June 1983, by Mr. Edjampan Thiémélé Amoakon, Minister for Trade of the Ivory Coast

1. Mr. AMOAKON (Ivory Coast) said that since the brave hopes expressed at Geneva in 1964, it was the first time that the Conference had met in the atmosphere of a persistent economic depression, which was having disastrous effects on the whole world. The crisis was all the more serious after 30 years of continuous world economic expansion. In the Western developed countries there were more than 30 millon unemployed; there was no national production growth, interest rates had attained extremely high levels and the exchange rates of the principal currencies were subject to excessive fluctuation. As a result, international trade had slowed down and protectionist tendencies had emerged in the developed countries.

2. The developing countries appeared as innocent victims whose fate was the concern of only themselves. Not only had their development been brought to a sudden stop by the all but total disappearance of the revenue they had obtained from commodity exports but also most of them were on the brink of bankruptcy owing to excessive indebtedness and a drastic deterioration in their terms of trade. Some were suffering from famine and drought, while even the existing infrastructures, which had been built up with the help of external loans, were disintegrating because even maintenance was too dear for their meagre resources. Apart from the threat of nuclear war, the most terrifying prospect was that the world economic system might collapse at any moment.

3. In the face of an unprecedented crisis, everyone was thinking of himself. The crisis itself had demonstrated the extent of the interdependence of economies. Yet instead of seeking joint solutions, each country was struggling to save itself. Worse still, the successive failures of the North-South meetings had discouraged the participants from inviting countries to a negotiating table, or rather to a table at which participants would join together to diagnose the disease and discover means of curing it. The North-South dialogue had reached a total impasse because it was in fact merely a succession of monologues by the rich countries, which hardly heard the demands of famished underdeveloped nations. There was no need to be a specialist in economic diseases to understand that all countries were suffering from the crisis and must be treated rapidly and effectively.

4. That was why the Conference at its current session was faced with a formidable challenge. It was essential that all countries, realizing at last their respective responsibilities, should forget their national interests and take advantage of the unique opportunity to establish solid bases for economic recovery—which in his view was being proclaimed too soon—and to draw up programmes of substantial reforms which were made necessary by the disorder in the current economic system.

5. That was why the Seventh Conference of Heads of State or Government of Non-Aligned Countries, fully realizing the disastrous consequences which the present economic process could have for international peace and security, had emphasized the importance of constructive interaction between the measures which must be taken urgently to put the world economy back on its feet and those designed to restructure international economic relations.

6. The Group of 77, at its Fifth Ministerial Meeting, had understood the message of the non-aligned movement and had worked out a joint programme to encourage economic recovery and development through a series of measures in the essential sectors of commodities, trade, monetary and financial questions, and development. In order to give the sixth session of the Conference the best chance of success based on true political will, confidence between partners and real negotiations, the Group of 77 had expressed those measures in the form of resolutions and proposals and had, in a spirit of co-operation and comprehension, issued a Message for Dialogue and Consensus to the representatives of the developed countries. His delegation, which had participated in the drafting of the Buenos Aires Platform, fully endorsed it and invited participants in the Conference to study it carefully in order that measures should be adopted at Belgrade in a spirit of dialogue and confidence to promote a real economic recovery.

7. Among those urgent measures, there were some to which his delegation attached particular importance. The first was commodities. Despite the efforts to implement the Integrated Programme for Commodities by the conclusion of various commodity agreements, the prices of those products had been subject to fluctuations

unprecedented over the preceding 20 years. Not only had the speculative basis of commodity markets not been eliminated but also clauses cancelling any efforts to achieve stabilization had been introduced into certain commodity agreements. The working of those agreements did not solve any of the problems encountered by the producing developing countries. When it was remembered that the consumer developed countries exercised no control over the markets of those products, which were in the hands of speculators, it was easy to understand the producing countries' difficulties. Only the Stabex system instituted by EEC in favour of the ACP countries had reduced those difficulties to a certain extent. It was high time that the international community adopted real stabilization measures, complemented by measures related to processing, marketing, transport and distribution, in order to provide some hope for the producers of commodities.

8. The urgency of adopting measures concerning money and finance in order to relieve the developing countries of the heavy burden of their indebtedness, to reduce interest rates and lessen foreign-exchange fluctuations was no longer questioned. Those measures, which should also concern the financing of balance-of-payments deficits and compensatory financing for loss of income, should not serve as an alibi for rejecting the essential restructuring of the international monetary system. Satisfaction of the additional liquidity needs of developing countries would ensure their full participation in the process of reviving the world economy.

9. In the light of the precarious economic situation of the least developed countries, his country hoped for rapid implementation of the commitments undertaken by the developed countries at the United Nations Conference on the Least Developed Countries in 1981. Moreover, without wishing to exaggerate the immediate effects, the developing countries as a whole must take seriously the challenge of economic co-operation among themselves (South-South dialogue) by implementing the Caracas Programme of Action, with the support of the whole international community.

10. While welcoming the commitment entered into at the Williamsburg summit meeting to put an end to protectionist trends, he laid stress on the need to remove all obstacles to trade and, in particular, those which hampered the exports of developing countries.

11. The sixth session of the Conference should provide the opportunity for intensifying the developing countries' peaceful struggle to establish a new, more just international shipping order. They welcomed the adoption of the Convention on a Code of Conduct for Liner Conferences,[35] which could enter into force as from April 1983, and also the signature of the new United Nations Convention on the Law of the Sea.[36] It was more than ever essential that the third world should pursue its crusade to obtain its legitimate rights with respect to shipping, not only with regard to regular lines but also in the vital sectors of dry and liquid goods, without prejudice to its effective sharing in the resources of the sea.

12. Joint action to devise measures to revive the world economy was essential to the presevation of international peace and security as well as the progress of society. Only realistic dialogue would make it possible to reach agreement before it was too late. The Ivory Coast was ready to make its modest contribution to that search for solutions through joint discussion and thus fulfil the hopes of peoples throughout the world.

[35] See footnote 26.

[36] Signed at Montego Bay, Jamaica, on 10 December 1982. For the text, see *Official Records of the Third United Nations Conference on the Law of the Sea*, vol. XVII (United Nations publication, Sales No. E.84.V.3).

Summary of statement made at the 178th plenary meeting, 9 June 1983, by Mr. Hugh Lawson Shearer, Deputy Prime Minister and Minister for Foreign Affairs of Jamaica

1. Mr. SHEARER (Jamaica) drew attention to the statistical evidence of the serious economic crisis that was affecting the whole world: since the fifth session of the Conference in 1979, the annual growth rate had fallen from 5.5 per cent to −0.7 per cent in the developing countries and from 4 per cent to −0.2 per cent in the developed countries. Those figures signified the enforced postponement of development plans in the developing countries, with all the negative effects that that could have—economic, social, psychological and, in the final analysis, political.

2. The crisis had clearly demonstrated the interdependence of the global economy and the role of the developing countries in that interdependence. The UNCTAD secretariat had estimated that the developed countries' surplus in their trade with the developing countries had increased from $38 billion in 1973 to $185 billion in 1981. There was no doubt that the inability of developing countries to maintain their imports of capital and consumer goods at projected levels was a significant factor in the decline in economic activity in the industrialized world. If developing countries could not proceed with their development programmes, the prospects for export growth in the developed countries would inevitably be limited. It was therefore essential for the developing countries to be able to contribute to the recovery of the global economy in the short term, and, through restimulation of their own development process, to play a part in sustaining generalized recovery in the longer term. The current state of their economies did not, however, permit the developing countries to play that role. Most of them were running large balance-of-payments deficits, partly because of the collapse of commodity prices and partly because of denial of access to developed country markets as a result of various protectionist measures. But the primary cause of those deficits was the cost of servicing the debt burden which the developing countries had been obliged to assume and which had increased from $270 billion in 1977 to

more than $600 billion by the end of 1982. Much of that debt had had to be contracted as short-term loans at very high interest rates. As they had increasing difficulty in obtaining capital from the public sector and because of the virtual drying-up of private credit, the developing countries were the victims of a liquidity crisis which was frustrating adjustment efforts and retarding development prospects. While there had been faint signs of recovery in the developed countries, there was nothing of that kind to be seen in the developing countries.

3. The sixth session of the Conference was the first major world conference on the economy to have been held since the onset of the crisis. His country considered that the Conference should focus its attention on the interrelated strategies of economic recovery and development and should agree on a programme of immediate measures relating to both questions. Such a programme should in particular devise means to resolve the critical liquidity problem facing developing countries. It should at the same time find ways of achieving levels of production and income higher than those forecast for the medium and long terms. If the growth rate in the industrialized countries was not above the figure of 3 per cent for the next few years, recovery would not be sufficiently sustained.

4. His delegation expected to participate fully in the consideration of all the items on the agenda, but considered that the Conference should devote particular attention to certain immediate measures advocated in the Buenos Aires Platform. In the first place, and most important, he proposed that the creditworthiness of the developing countries should be restored by restructuring part of their $600 billion debt on realistic terms. That single action would not only release significant export earnings for the purchase of goods and services but would also restore the confidence of the banking system, thus leading to a resumption of bank lending. Secondly, the multilateral financial institutions should adopt, especially with regard to the financing of balance-of-payments deficits, a policy which enabled Governments to achieve their social and economic objectives. Thirdly, there should be a substantial additional allocation of SDRs. That would be the quickest means of stimulating growth of liquidity in the international system, while avoiding inflationary effects.

5. With regard to commodities, specific immediate measures should be agreed upon to stabilize excessive fluctuations in prices and incomes. On the question of trade, the Conference should unequivocally restate its commitment to an open multilateral system. It should, however, go beyond the usual trade "pledges". It should agree to a halt to protectionist measures and a programme for their gradual elimination. That programme should fully reflect the trading interests of all countries and not jeopardize any of them, particularly the smaller trading countries. It would restore stability and predictability to the trading system and would encourage desirable structural adjustments within the various sectors of national economies and the world economy as a whole. In that regard, it was encouraging to note the commitment of certain Western industrialized countries to halt protectionism and dismantle trade barriers.

6. He was aware that the Conference would not be able to resolve the details of all the complex issues before it, but he hoped that the participants would not leave Belgrade without having agreed on a framework for action and having established the necessary follow-up machinery.

Summary of statement made at the 174th plenary meeting, 7 June 1983, by Mr. Shintaro Abe, Minister for Foreign Affairs of Japan

1. Mr. ABE (Japan) said it was very significant that the Conference was being held in Yugoslavia, where many ethnic groups were able to retain their own linguistic, cultural and historical identity and to develop their traditions, while working together for the development of the Republic as a whole. Through its policy of independence and non-alignment, Yugoslavia had greatly contributed to world peace and stability. He hoped that the present session of the Conference would further North-South co-operation which, as the representative of Yugoslavia had emphasized at the recent summit conference of non-aligned countries in new Delhi, was indispensable.

2. The Conference enabled nearly all the nations of the world to come together in order to think about international co-operation and, if the sixth session was to be a success, all the participants must engage in a constructive dialogue on the issues of economic recovery and development viewed in a global perspective.

3. In a world as interdependent as today's, difficulties could not be solved by a single country acting alone. The wiser for experience, the participants in the Conference should give preference to a pragmatic dialogue which would give the nations of the North and the South a clear idea of one another's position on every issue. Only when North and South no longer sought to attain the impossible would the way be open for an effective working agreement.

4. The recession which prevailed throughout the world had had serious consequences for all countries, industrialized and developing alike. For the latter, the outlook was particularly gloomy. In the heavily indebted countries the need to obtain capital to repay their debts had forced curtailment of productive investments, without which no development as possible. The primary task of the Conference was to give a new impetus to the development of the developing countries, so that they could overcome those difficulties, while achieving global economic recovery.

5. He was pleased to note that, at the recent OECD ministerial meeting and the Williamsburg summit meeting, the other participants had shared that outlook.

They had also recognized that, in spite of high unemployment and growing deficits, their great adjustment efforts in recent years had reduced inflation rates and interest rates, and that in some countries signs of recovery had appeared. He was also encouraged by the fact that there was a general expectation that those positive effects would spread to the other industrialized countries and the developing countries.

6. Both the industrialized and the developing countries had a part to play in ensuring that the upturn continued and allowing the vitality of the private sector to set in motion the gears of the world economy once again. The industrialized countries, which accounted for two thirds of the total world GNP, should apply three major principles. Firstly, they should seek to revitalize their domestic economies and to achieve sustained non-inflationary growth. To attain that goal, as enunciated in the Williamsburg Declaration on Economic Recovery, Japan was taking advantage of the decline in the inflation rate and in oil prices to expand domestic demand and to consolidate the coming recovery to the fullest extent possible.

7. Secondly, the industrialized countries should further open up their markets, to which the developing countries should have access not only in order to increase their ability to repay their heavy external debts but also to promote their development. Every possible effort should be made to contain protectionist pressures.

8. Conscious of its responsibilities as the source of one tenth of the total world GNP, Japan had worked hard, in spite of difficult domestic circumstances, to institute a series of market-opening measures which no other country had adopted. It had made special efforts to open its market still further to the developing countries by, inter alia, raising the GSP import ceiling on industrial products by approximately 50 per cent to about $5 billion for the following year, as a result of which there would be further growth in developing countries' exports to Japan. Japanese imports of manufactured goods from developing countries had grown more than elevenfold between 1971 and 1980, a rate of growth far greater than that of world trade during the same decade.

9. Thirdly, the industrialized countries should expand their ODA in support of the efforts which the developing countries were themselves making for their medium- and long-term economic and social development. The serious fiscal problems confronting the industrialized countries should not prevent them from increasing their bilateral ODA and co-operating with the World Bank, the regional development banks and other international development finance institutions.

10. In 1980, Japan had achieved with room to spare the minimum target it had set itself three years earlier to at least double its ODA, which in 1977 had totalled $1.4 billion. Its bilateral ODA had amounted to $2,370 billion in 1982, an increase of 4.7 per cent (in dollars) as compared with 1981. In the field of technical co-operation, Japan had given priority to the development of the human resources which were fundamental to nation-building.

11. Nor was Japan lagging with regard to multilateral assistance. In particular, it had responded positively to the Sixth Replenishment of IDA and had undertaken to provide the largest share of the special subscription for the 1984 fiscal year. Japan was also the largest contributor to the Asian Development Bank, having supplied 16 per cent of its ordinary capital and 43 per cent of the Asian Development Fund. It had supplied 14 per cent of the capital of the African Development Fund—the largest contribution, and it was the second largest extra-regional contributor to the African Development Bank. Furthermore, it was the third largest contributor to UNDP and IFAD. Japan intended to continue such co-operation.

12. For their part, the developing countries should not only implement integrated medium-term and long-term economic policies but should also endeavour to overcome the current economic difficulties, for example, by reviewing their development plans and improving their economic management and hence their balance of payments on current account, in accordance with strategies adapted to their circumstances and with the unwavering determination to destroy the barriers which had been blocking their development.

13. The policies which he had been advocating would be unlikely to work without co-operation in a new framework, suited to the increasing interdependence of nations. That framework, which could be called the "new co-operative approach", should be explored during the present session on the basis of three major principles. Firstly, the free-trade system should be maintained and strengthened and positive adjustment policies should be promoted; that required the commitment of both industrialized and developing countries. It was also important to enable market mechanisms to work as smoothly as possible for the efficient allocation of resources and the setting up of flexible industrial structures. The role of Governments was first to eliminate those very numerous structural barriers which impeded the working of market mechanisms and retarded industrial restructuring. That would be no easy task, but those barriers had such a harmful impact that a common search for solutions was imperative.

14. Wishing to take part in that task, his Government had implemented administrative reforms to eliminate excessive government intervention and to give free rein to the private sector. Thanks to structural transformations in industry, Japan had been able to preserve a highly dynamic industry and to maintain its free-trade system, even in the midst of a world recession. He hoped that the other countries would untertake the same industrial restructuring operations, without generating excessive friction or hardships. As UNCTAD had long been concerned about protectionism and structural adjustments, he had no doubt that his views on that subject would be taken into account.

15. The second principle was the stabilization of commodity prices, which was indispensable for the steady development of the world economy, and especially for the development of developing countries, whose exports consisted essentially of those commodities; indeed, the ability to repay their external debt and to obtain the capital needed for their development depended on the stabilization of commodity prices. The participants in the Conference should reaffirm their

commitment to the Integrated Programme for Commodities and their determination to work still harder for its implementation.

16. The first thing to be done in that area at the sixth session of the Conference was to endeavour to establish as soon as possible the Common Fund for Commodities, which, in addition to contributing to the stabilization of commodity prices, would constitute tangible evidence of the usefulness and importance of the work of UNCTAD, thus giving added impetus to all its activities. Japan had deposited its instrument of acceptance in June 1981 and had already pledged a voluntary contribution of $27 million to the Second Account, making it the largest single-nation donor to that account. He called on all countries which had not already done so to accept the Agreement Establishing the Common Fund for Commodities as soon as possible, especially those developing countries which had so much to gain from the Fund's establishment.

17. Conscious of the vital need for exporting and importing countries to hold broad-based consultations on each commodity, Japan was a party to virtually all the international commodity agreements; for instance, it had played an active part in bringing the negotiations on a natural rubber agreement to a successful conclusion and had been the first importing country to ratify the *International Agreement on Jute and Jute Products, 1982*.[37] Lastly, Japan was actively co-operating in the preparation of an agreement on tropical timber. Co-operation was also vital on those products for which no international agreement had yet been concluded.

18. Thirdly, in view of the seriousness of the problem of the external debts of developing countries for the world economy, a smooth supply of capital to those developing countries which were seriously trying to carry out economic adjustments was crucial. There was also a vital need to maintain co-operative arrangements between the member countries of IMF, the Governments of debtor and creditor countries, and the private banks. For their part, the industrialized countries should, in the interests of everyone, show their will to continue to supply productive capital to those countries which were working to solve their debt problems.

19. In view of the importance of IMF and the World Bank, it was extremely important that the agreement of the Eighth General Review of Quotas of IMF should be promptly implemented and that the Fund's financial foundations should be further strengthened. Japan welcomed the special action programme recently announced by the World Bank.

20. With regard to the need to promote long-term social and economic development and the fact that low-income countries did not benefit much from private-sector capital, ODA had a particularly important part to play. He hoped that the sixth session of the Conference would hear expressions of recognition of the need to make real progress in that respect, not only from the industrialized market economies but also from the industrialized socialist countries and from those developing countries in a position to do so. Multilateral soft loans were especially important, and he hoped that the Sixth Replenishment of IDA would be promptly completed and that negotiations on its Seventh Replenishment would soon be concluded.

21. The economies of the least developed countries were extremely vulnerable and many people in those countries were on the verge of starvation. The international community had an obligation to help those countries: for its part, Japan would faithfully implement the Substantial New Programme of Action for the 1980s for the Least Developed Countries adopted in 1981. Furthermore, Japan had adopted special measures of preferential tariff treatment for the least developed countries in April 1980. He announced that Japan's bilateral ODA to the least developed countries in 1982 had exceeded $400 million, that is, nearly 40 per cent more than in the previous year. Knowing that those countries had little hope of obtaining private capital, Japan would continue to supply a steadily increasing amount of ODA. In line with the resolution adopted at the ministerial session of the Trade and Development Board in March 1978,[38] Japan had taken action to convert all ODA debts of least developed countries into grants. In the context of international debt relief operations, Japan would pay special heed to the vulnerability of the least developed countries.

22. His delegation welcomed the recent statement by the Ministers of the Group of 77 that their delegations would attend the sixth session of the Conference in a spirit of understanding and co-operation. Having come to Belgrade in the same spirit, his delegation hoped that that spirit would prevail throughout the session, so that the new approach he had outlined would be adopted and thus greatly contribute to economic progress throughout the world.

[37] United Nations publication, Sales No. E.83.II.D.3.

[38] Trade and Development Board resolution 165 (S-IX) of 11 March 1978 (see *Official Records of the Trade and Development Board, Ninth Special Session, Supplement No. 1* (TD/B/701).

Summary of statement made at the 186th plenary meeting, 15 June 1983, by Mr. Walid Al-Saad Al-Bataynah, Ambassador of Jordan in Yugoslavia

1. Mr. AL-BATAYNAH (Jordan) noted that the agenda dealt with many important subjects which had already been discussed at length but to which no solutions had yet been found. It was essential to solve those matters before it became impossible to do so. For the developing countries, the path to development imposed great burdens, which had become even heavier because of the inflation that had been exported by the developed countries. Some had argued that the current crisis was the fault of the developing countries, but inflation was in fact the result of long-standing social and economic policies in the industrialized countries. Because that in-

flation affected all countries, rich and poor, as well as hundreds of millions of people, a stable and rational international economic system was essential, and that could only be attained by reasonable and objective dialogue.

2. It was regrettable that most developed countries had not really been willing to assume their responsibilities *vis-à-vis* the developing countries. The meetings at Rambouillet, San Juan, London, Bonn, Venice and Ottawa had not managed to solve the problems of exchange-rate fluctuations, inflation, protectionism and high interest rates. More recently the Williamsburg summit meeting had been hailed as a success, and he hoped that that optimism was not misplaced.

3. Jordan approved the initiative of the oil-producing countries in setting up a fund to help the developing countries. Those countries needed external support, but they also had to be self-reliant. The fact that the developing countries bore the primary responsibility for their own development had been stressed at the Fourth Conference of Heads of State or Government of Non-Aligned Countries, held at Algiers in 1973, which had pointed to the need for co-operation between developing countries so as to raise the potential of all of them. That Conference had led to good results, but recent increased protectionism and high interest rates had resulted in balance-of-payments deficits, huge foreign debts and debt-servicing burdens. All countries must co-operate in finding the bold solutions needed to cope with those problems. He hoped that the developing countries would be given a faire share of investment and development assistance so that they would be able to play their part in the world economy and not be a burden on the rest of the world. At the same time, the peoples of the third world were capable of investing considerable sums in their own development.

4. Economic co-operation required a just peace. His own country was constantly exposed to occupation and aggression, and development in the region was declining because of that situation. The Zionist occupation of the West Bank violated human rights and United Nations resolutions on the subject. Israel had driven its rightful occupants from their homeland and had also perpetrated the massacres at Sabra and Shatila. It was, moreover, an ally of the racist régime of South Africa. In that connection he expressed approval of UNCTAD assistance to liberation movements and hoped it would enable all countries to achieve national independence.

Summary of statement made at the 190th plenary meeting, 17 June 1983, by Mr. John Henry Okwanyo, Minister for Commerce of Kenya

1. Mr. OKWANYO (Kenya), recalling that his country had been privileged to host the fourth session of the United Nations Conference on Trade and Development in 1976 and that since then a session had been held at Manila, said that some of the issues discussed during those two sessions had been the continuous concern of the international community within UNCTAD and other international organizations. While negotiations on a number of them had been successfully completed, solutions to other issues, some of them of grave concern to his delegation and to the developing countries as a whole, continued to prove elusive.

2. The Conference was faced with the most devastating economic crisis ever to confront mankind. Unemployment, always intolerably high in the developing countries, had now reached alarming proportions in all but a few industrial countries. The developing countries were finding the demand for their exports of manufactured goods reduced and the political pressures for protectionism increased, while the prices of many of their key export commodities had fallen to their lowest levels for several decades. At the same time, such restrictions on the earning capacity of the third world had coincided with a rapid inflation of the cost of their imports of machinery and other products of vital importance to their development aims, creating debt burdens of such a magnitude as to threaten the complete collapse of the world economy. In order even to slow down, let alone reverse, the decline in the developing countries' share of the world economy, urgent action was needed to promote stabilization in commodity prices, to reverse the contraction in trade caused by protectionism, and to reorganize the world financial system so as to provide a more equitable solution to the debt problems of the third world.

3. Commodity issues had been a regular part of the programme of UNCTAD for many years. A large number of costly studies had underlined the need to stabilize commodity markets to the mutual benefit of developed and developing countries. They had been debated at each session of the Conference, yet the progress made had been imperceptible. Until the Common Fund for Commodities and the Integrated Programme for Commodities became fully operational, commodity prices would continue to fluctuate sharply, leading to severe disequilibrium in the balance of payments of countries like Kenya, which relied heavily on commodity exports.

4. The crucial role of the commodities sector in international trade generally, and in the economies of the developing countries in particular, needed to be restated with even greater emphasis. The recent collapse of commodity prices had all but destroyed the basis for planned growth in many developing countries, with the reduced importation of development goods accentuating the serious shortages of food, clothing and housing and reducing the exiguous provision for education and health. The contraction in the growth of the developing economies had severely limited their ability to operate regional trading organizations and to foster mutually beneficial economic and technical co-operation. The adverse effects on the world economy of that whole system of interlocking relationships served to

reinforce the demand by his own Government and many others for the replacement of short-term expedients for the solution of commodity problems by long-term, comprehensive stabilization measures, such as those outlined in the Buenos Aires Platform.

5. A frightening feature of the depressed state of the world economy was the rising tide of protectionism, which had already dealt a major blow to the economic aspirations of the developing countries and constituted the greatest threat to open trade for half a century. It had been painfully apparent that the GATT ministerial session held in November 1982 had lacked the liberal consensus of previous trade rounds. No longer were protectionist measures confined to the few traditional manufactures of the developing countries; they were increasingly being applied to every product those countries manufactured or processed for export. They thus presented a crippling impediment to progress towards economic transformation.

6. The upsurge in protectionism was clearly linked to the misguided attempts by many industrialized countries to prop up their aging, labour-intensive and uncompetitive industries instead of promoting suitable adjustments. Yet palliative protectionist measures could only delay the eventual demise of such industries in the face of shifts in demand and international competitiveness, thus inhibiting the development impact of those shifts on the emerging industries of the third world and vitiating much of their investment potential.

7. One positive development in the international economy of fundamental importance to the developing countries was the preferential treatment accorded to some products through the various GSP schemes sponsored by UNCTAD. Those schemes were valuable in providing greater market access, and it was to be hoped that they would not be withdrawn unilaterally under the pressure of protectionist forces. His country, however, would like to see a greater proportion of those preferences affecting products of vital importance to the third world and a smaller proportion affecting products of only marginal export interest.

8. The sharp fall in the export earnings of the developing countries, caused by factors over which they had little control, had not been matched by increased aid flows. The growth in bilateral aid had been sluggish and subject to ever-growing restrictions, while the flow of funds from IMF and the World Bank had clearly been inadequate to fill the gap. Indeed, the restrictions on lending imposed by those two bodies seemed to be penalizing the developing countries in that they paid inadequate attention to the social stresses encountered in the process of structural change.

9. The restrictions on aid flows, combined with the crying need for development finance resulting from reduced foreign currency earnings, had forced the third world to place greater and greater reliance on commercial financial markets. There, too, the developing countries had been disadvantaged by the highest interest rates seen for many years, as the industrialized countries bid up the price of money in a frantic attempt to limit the international circulation of speculative funds. The resulting situation of mounting debt in the developing countries, with concomitant fears of bank failures in many countries and alarming fluctuations of hitherto stable currencies, could not be allowed to continue.

10. Like all developing countries, Kenya accepted the primary responsibility for its economic development. It was, however, limited by its inability to overcome the enormous problems which had accumulated over the past decade, most of them imposed by external events, actions and decisions over which it had no control. It was asking not for mere favours and concessions but for greater social and economic justice in the world economic order.

11. Because of the global character of the current economic crisis, the interdependence of economic sectors and reciprocities in the world economy, his delegation was convinced that realistic and practical solutions to the problems confronting the world would be found only through global efforts by the international community. It approached the Conference in a spirit of understanding and co-operation, for only in that spirit would positive results be realized.

Summary of statement made at the 184th plenary meeting, 14 June 1983, by Mr. Maligna Saignavongs, Deputy Director, International Organizations Department Ministry of Foreign Affairs, of the Lao People's Democratic Republic

1. Mr. SAIGNAVONGS (Lao People's Democratic Republic) said that the sixth session of the Conference was of particular importance, as it was taking place at a time of international economic crisis unprecedented since the 1930s whose repercussions were being felt not only in the developing countries but also in the developed ones. The least developed countries were being most severely affected. Participants in the Conference must, therefore, work conscientiously and impartially to seek a cure for the ills that were undermining the international social and economic community.

2. The Lao People's Democratic Republic hoped that the present session of the Conference would show more satisfactory results than the fifth session. That would only be possible if all countries in partnership resolved to prepare a common programme of action incorporating short-term measures supplemented by medium- and long-term measures for revitalizing the economic system and development on a world scale.

3. The international economic crisis was not only cyclical but also structural. Thus, any measures to revitalize the world economy should be aimed at restructuring the system on which the present international economic, financial, monetary and trade relations were based. That system was unjust in that it had led to the impoverishment of some and the enrichment of others.

It had produced conflicts, tensions, and economic and social imbalances, leading finally to armed conflicts. Yet the disastrous effects of the international economic crisis might have been avoided to some extent if the objectives of the Third United Nations Development Decade had been attained.

4. As so trade, the restrictive measures taken by certain industrialized market-economy countries had resulted in serious balance-of-payments deficits in developing countries. The sharp fall in the prices of commodities, on which the export income of developing countries was chiefly dependent, and the currency manipulations by the richest developed countries had placed the majority of developing countries in a desperate position.

5. In order to remedy that sombre situation, his delegation supported the proposals of the recent summit conference of the non-aligned countries at New Delhi and the Buenos Aires Platform of the Group of 77. The measures they proposed in the areas of trade, commodities, money and finance, which were moreover intimately interconnected, had resulted from thorough analysis. If implemented, they would revitalize the world economy, promote the development process and give a new impetus to global negotiations leading to the establishment of a new international economic order on a more just and equitable basis.

6. Turning to the question of the least developed countries, he said that his country was grateful to the United Nations Conference on the Least Developed Countries for having adopted the Substantial New Programme of Action for the 1980s for the Least Developed Countries and to the round-table meeting recently held at Geneva under the auspices of UNDP where some of the least developed countries of Asia and the Pacific had met potential donors. His delegation hoped that donor countries that had not yet fulfilled the commitments undertaken in Paris would do their utmost to ensure that all the objectives of the Substantial New Programme of Action were fully achieved within the stipulated period.

7. His delegation agreed that the developing countries, and in particular the least developed among them, should adopt a policy of self-reliance to which external aid should merely serve as a supplement. That was the economic approach adopted by the Lao People's Democratic Republic since its foundation in 1975. But because of the scale of the world economic crisis and its own particular difficulties, his Government was launching a pressing appeal to the international community for the substantial financial and technical aid that was essential to carry out the economic and social development programme of its first five-year plan (1981-1985), as set out in the report submitted to the Geneva round-table meeting.

8. In order to give a vigorous impulse to its development process based on individual self-reliance, his Government was also continuing its policy of collective self-reliance. Its desire was to develop economic and trade relations with all countries at the subregional, regional and international levels regardless of their political and social system, but such relations had to be based on the five principles of peaceful coexistence. The concept of collective self-reliance, correctly and creatively applied, would enable the developing countries to reduce their vulnerability to the adverse affects of the present world economic crisis. That policy, a central element in the International Development Strategy, was one which the developed market-economy countries should openly accept.

9. Development and co-operation were dialectically linked with peace and disarmament, which were essential to the prosperity of mankind. International co-operation and development would remain empty words without peace, and peace would remain an illusion while the arms race continued at its present frantic pace. If only a modest part of the $650 billion spent on arms in 1982 could have been diverted to development, the indescribable misery of many millions could have been alleviated. All must therefore endeavour to change the condition of mankind in order to attain the noble objectives of peace, friendship, happiness and prosperity, to which all peoples so fervently aspired.

Summary of statement made at the 188th plenary meeting, 16 June 1983, by Mr. Yehia Mahmassani, Ambassador of Lebanon in Yugoslavia

1. Mr. MAHMASSANI (Lebanon) said that the world economy was facing the most serious and dangerous challenge since the depression of the 1930s. The deterioration of the economic situation had affected every country in varying degrees and had inflicted a heavy toll on international trade and the monetary and financial systems. The hardest hit were the developing countries, some of whose economies were severely crippled. Their exports of manufactured products were encountering difficulties in entering the markets of the developed countries and their balance-of-payments deficits and external debts had reached ominous proportions. At the same time, production in developed countries remained stagnant, unemployment was at a high level and protectionist measures had become the rule.

2. That crisis could not be resolved by mere speeches. It was a serious symptom of maladjustment in all fields of the economy. It had weakened the principles and rules of international economic co-operation established after the Second World War. Current institutions and modalities had proved inadequate to enhance development or to deal with the present crisis. Unless a drastic and accepted solution was effected soon, the consequence of the economic deterioration would be serious damage to the world economy, threatening peace and order and the well-being of future generations.

3. The crisis had brought out the interdependence of the world's economies, and there had been growing in-

teraction between global economic issues in the sectors of raw materials, energy, trade development, money and finance. Developing and developed countries must co-operate to help the world economy out of the crisis. Developed countries suffered when production capacity in developing countries was not fully utilized. Developing countries were also affected by stagnant production in developed countries. Their ability to service their external debt had become a very important element in stabilizing the international banking system.

4. In the attempt to reverse the deterioration in the world economy, a new approach was needed based on policies relating to all countries. The Conference must pledge itself to launch a concerted programme aimed at reactivating the world economy and accelerating development. Developing countries should be able to improve their capacity to contribute to the progress of the world economy and place their relationship with developed countries on a balanced footing.

5. For the past eight years, Lebanon had been the victim of a war not of its seeking, which had caused extensive damage to its economy. The Government and people of Lebanon were determined to rebuild the vital infrastructure of the economy. The current session of the Conference should endorse and support the resolution adopted by the ministerial meeting of the Asian Group of the Group of 77 in Baghdad which had appealed to the international community and the international institutions to provide liberal assistance to help reconstruct Lebanon's war-torn economy.

6. The sixth session of the Conference offered an important opportunity for all concerned to work vigorously towards overcoming the world economic crisis. He appealed to all participants to make a joint effort to build an equitable system of international economic co-operation in an atmosphere of mutual confidence and to translate the principles of co-operation into practical results. The danger of failure was too costly; the fruits of success were prosperity for all.

Summary of statement made at the 185th plenary meeting, 14 June 1983, by Mr. K. T. J. Rakhetla, Minister of Finance of Lesotho

1. Mr. RAKHETLA (Lesotho) recalled that the developing countries were those most severely affected by the world crisis. The collapse of prices of their primary commodities had caused them a heavy loss in foreign exchange, whereas the prices of the manufactured articles which they had to import continued to rise. A result of that was growing indebtedness, which had been made worse by the upheavals in the international monetary and financial system. Furthermore, it appeared from certain indications that financial assistance to the least developed countries in 1985 would not reach the amount laid down in the Substantial New Programme of Action for the 1980s for the Least Developed Countries, and that the results would be a deficit of $6 billion.

2. In order to solve the problem, there should be an increase in the financial resource flows to the developing countries, in particular, by giving effect to the recommendations contained in the second report of the Brandt Commission, drawn up at Bonn in February 1983, most of which were addressed to the World Bank and IMF. He was encouraged by the intention announced by the President of the World Bank to take action for the benefit of the poorest countries and he hoped that that initiative would be supported wholeheartedly by the Conference. The developing countries themselves had stated their position in the Buenos Aires Platform adopted by the Group of 77. It was now for the developed and the developing countries to harmonize and concretize their positions.

3. In fact, the simplest and quickest way to achieve that end would be to faithfully implement the provisions adopted by the Conference at its fifth session in 1979 and those of the International Development Strategy of 1980, to honour the commitments entered into in 1981 at the United Nations Conference on the Least Developed Countries and to give effect to the numerous resolutions adopted by the United Nations General Assembly since 1977. To do that, the Conference should reaffirm the relevance of the earlier resolutions and agreed recommendations regarding the persistence and worsening of the economic crisis and search for ways and means of implementing them.

4. The statements made by some developed countries regarding the Buenos Aires Platform left room for doubt as to their real willingness to enter into a genuine dialogue. The Group of 77 had recommended reshaping the financial and monetary system, and the Seventh Conference of Heads of State or Government of Non-Aligned Countries, held in New Delhi, had called for the convening of an international conference on the same subject with world-wide participation. The Prime Minister of New Zealand had also proposed the holding of an international conference to reform the monetary system, and similar calls had been made by leaders of other industrialized countries. There was no need to be discouraged by statements made by some groups of countries in other bodies, to the effect that IMF and the World Bank were continuing to respond appropriately to changing circumstances, so that reform of the monetary system would be unnecessary. Such was not the case. An international conference would, on the contrary, make it possible to correct the weaknesses of those two organizations and would provide them with the means for fulfilling their mission more satisfactorily.

5. While the negotiations for convening an international conference were going on, further serious consideration should be given to the possibility of creating a world development fund. That idea entailed, in particular, greater equality between North and South and universal membership, including representation of the

countries of Eastern Europe, as well as the restructuring of the various forms of credit. His delegation supported unreservedly the statement made at Geneva by the spokesman for the planned-economy countries, to the effect that the Conference had to take account, at its sixth session, of the existence of different social and economic systems in the world; setting up a world development fund would be a step in that direction.

6. In addition to the monetary and financial problems which were at the heart of the crisis, attention must be devoted to trade, particularly with regard to commodities and to protectionism. It was disappointing that the Common Fund for Commodities, the principle of which had been accepted at the highest political level, had so far received only about 50 ratifications. Fortunately, it would appear that the necessary number of ratifications might be obtained by 30 September 1983, which would enable the Fund to start operating by January 1984.

17. In the field of protectionism and trade relations, trade liberalization in favour of developing countries would continue on an *ad hoc* and temporary basis, unless accompanied by structural adjustments. That was why his delegation was in favour of the establishment, as a matter of priority, of machinery for consultation and co-ordination, with a view to systematic and comprehensive action.

8. He commended to the Conference the draft resolution on land-locked developing countries submitted by the Group of 77 in the Buenos Aires Platform. It was regrettable that the international conventions and arrangements on transit trade were not being implemented. He called on the international community to adopt the draft resolution and the action programme relating to land-locked developing countries. In support of that request, he quoted the example of the recent interference by South Africa with the movement of persons and goods bound for his country.

Summary of statement made at the 190th plenary meeting, 17 June 1983, by Mr. Ahmed Abdulhamid El-Atrash, Director of the Trade Office for Europe and the Americas of the Libyan Arab Jamahiriya in Milan, Italy

1. Mr. EL-ATRASH (Libyan Arab Jamahiriya) expressed his delegation's appreciation of the bilateral co-operation his country was receiving from Yugoslavia and its support for the views and proposals contained in the Buenos Aires Platform.

2. The sixth session of the Conference was taking place at a time when the world was confronted with a severe and complex crisis, when inter-State relations were characterized by tension and mistrust and the use or threat of force had become commonplace, and when there was even a threat of nuclear war. Consequently, it provided a unique opportunity for a dialogue, for adopting common positions and taking decisions that might help to ensure a bright future for all the countries of the world.

3. There were grounds for hope and optimism, since the session was being held after a series of top-level contacts and meetings during which various groups of countries, both developing and industrialized, had established and co-ordinated their views and positions in preparation for the Conference. The Economic Declaration of the Seventh Conference of Heads of State or Government of Non-Aligned Countries and the Buenos Aires Platform, which identified the ills afflicting the world economy, indicated perspectives and offered serious proposals for putting the economy back on the proper track, could provide the basis for efforts to establish a new international economic order which would ensure development and prosperity for all the countries of the world.

4. His country believed in the principle of interdependence. The further advancement of the countries of the North depended largely on lessening the difficulties which confronted the countries of the South and adversely affected their development and revival. Until the countries of the South could restore and expand their markets, they would not be able to absorb the goods and equipment of the industrialized States. Improving their economies would increase the ability of the developing countries to play an active part in the world economy and thereby generate favourable conditions for co-operation and the establishment of a new international economic order.

5. The restrictive policies of the highly industrialized States had reduced demand for the primary products of the developing countries. Their manufactures or semi-manufactures were encountering barriers which were preventing them from reaching the markets of the developed States. Consequently, the volume of their international trade had declined and production had dropped by a higher percentage than the average for international trade as a whole, resulting in an abrupt decline of the foreign exchange earnings they needed to finance development and to meet the essential needs of their peoples. Their revenues had dropped to such an extent that not only the development process was in jeopardy, but also order, peace and stability.

6. His own country, which relied on earnings from the sale of crude oil, had had to contend with manifold difficulties and had incurred immense losses due to reductions in the price of oil and the embargo on Libyan oil in individual markets. That had also affected its development plan and led to the cancellation of many necessary projects. The latest adjustments in oil prices suggested that an end to the crisis might be on the way. As a developing country, the Libyan Arab Jamahiriya expected an adequate reciprocal reduction in the prices of goods and equipment exported by the industrialized countries. Recent experience had shown, however, that a drop in the prices of the developing countries' exports had never been followed by a commensurate drop in the prices of those of the industrialized countries. In fact,

the steady upward trend in the prices of most industrial products had disrupted the trade balance to the detriment of the developing countries. In that context, his delegation proposed that the Conference should endorse positive recommendations and decisions with a view to linking the prices of the developing countries' exports and those of their imports from the industrialized countries in such a way as to ensure equality and justice and to serve the interests of development.

7. The existing monetary and financial institutions were demonstrably not capable of tackling or mitigating the consequences of the current economic crisis, nor had they from the outset been designed to deal with the problems of the developing countries, which by their nature and scope differed from those of the more developed countries where the institutions originated. Soaring interest rates, oscillating exchange rates and the reduction of international monetary liquidity had increased the developing countries' balance-of-payments deficits, and their external debts had become a source of concern and frustration for them, consuming a vast proportion of their export earnings.

8. Despite efforts by the financing institutions to help with the financial difficulties of some developing countries, no in-depth solutions were in sight. His delegation therefore supported the proposal of the seventh non-aligned summit conference for the convening of a world conference to examine the established monetary system and seek ways of revising it.

9. With regard to the inability of the monetary and financial system to tackle the economic crisis, he drew attention to the role played by the OPEC member States. In addition to their aid to the developing nations on a bilateral basis through their Special Fund, their oil surpluses constituted a significant source of international liquidity, despite a decrease due to the drop in oil prices. Arab capital had also had beneficial effects on many countries through joint and individual national Arab banks as well as through the stock exchange and credit institutions.

10. The economic crisis and the threat it represented had been aggravated by the failure of efforts to halt the unbridled arms race and to check the aggressive political behaviour of some States. The continuation of the arms race, the fear, anxiety and instability it provoked, the continuous increase in military expenditure, and the squandering of the financial, material and human potential of the nations involved clearly increased the danger of political tension and dispelled hopes that remedies would be found to the dramatic world economic situation.

11. The imperialist political behaviour and the aggressive interventionism to which some States were resorting, to the detriment of many countries, including his own, further aggravated the crisis. Everyone knew who was responsible for the current tensions in various parts of the world, including the Middle East and the Mediterranean, and who had transformed those areas from regions of security into regions of fear and instability.

12. As the air space, territory and territorial waters of his country had been exposed to frequent attacks and violations in the past few years, it was forced to spend part of its limited oil earnings on the purchase of arms with a view to repelling aggression, thus diverting for defence purposes funds it had intended to invest in economic and social development and in development aid to other developing countries. Development and stability could not be achieved under the ominous shadow of threats of aggression and war.

13. Naturally the problem lay outside the field of competence of the Conference, but the adverse trends in the international economy, and the international tension resulting from it, by which the developing countries were particularly hard hit, required that the Conference should devote some attention to the subject so that those problems might be settled comprehensively and international economic security consolidated. In that context, he drew attention to the brutal aggression against the people of Palestine and to the massacres and genocide during the ruthless Israeli attack against Lebanon and the refugee camps. His delegation called on the Conference to support and assist the Palestinian people in achieving freedom and independence. It also called on the Conference to support the people of Namibia in ridding itself of the hegemony and persecution of the South African racist authorities and attaining freedom and independence as provided for in the relevant United Nations resolutions.

14. The Libyan Arab Jamahiriya attached tremendous importance to the utilization of science and technology for development purposes. Any obstacles in the way of the transfer of technology and adaptation to local conditions and needs would only lead to the further widening of the technological gap between developed and developing States. Monopoly practices which deprived the developing nations of the benefits to be derived from technology should likewise be examined by the Conference.

15. Human thought and creativity should not be the exclusive property of a particular group of countries but must become the property of all the nations of the world, and their benefits must be placed at the service of mankind. He therefore called upon the Conference to devise a long-term strategy with a view to transferring technology to the developing countries.

16. He reaffirmed his country's readiness to support UNCTAD, to make a maximum contribution to the strengthening of international economic co-operation, and to redouble its efforts, together with all other countries, to achieve economic recovery and establish a new international economic order which would bring justice, peace and progress to all the nations of the world. It was to be hoped that at the current session the Conference would be able to make positive recommendations which would meet the expectations and hopes of the peoples of the world and contribute to the fulfilment of their aspirations to live in peace, harmony and prosperity.

Summary of statement made at the 189th plenary meeting, 16 June 1983, by Mr. Paul Helminger, Secretary of State for Foreign Affairs. Foreign Trade and Co-operation of Luxembourg

1. Mr. HELMINGER (Luxembourg) said that his Government wished, despite the serious economic difficulties which it was currently experiencing, to reaffirm its commitment to increase its ODA to 0.7 per cent of GNP. At the same time, it had not forgotten that, at the United Nations Conference on the Least Developed Countries in Paris in 1981, the share of ODA to be granted to the least developed countries had been set at 0.15 per cent of GNP. At the multilateral level, his country's development effort was for the most part bound up with the actions of EEC, which acted as a privileged spokesman with the developing countries.

2. His country was determined to help maintain the commitment capacity of IDA, and it had made an advance contribution to the special account in January 1983. It hoped that the current negotiations for the Seventh Replenishment of that body's resources would be speedily concluded. His country would also, of course, make its voluntary contribution to other development bodies such as UNDP, WFP, FAO and IFAD.

3. In recent years his country had increasingly developed its bilateral aid, in an effort to secure a better balance between multilateral and bilateral aid. Because of its limited human and financial resources, his Government had deemed it preferable to concentrate its efforts on certain countries and on specific sectors (hospital, social, food and agriculture sectors). Thanks to a continuing dialogue, its aid was adapted to the priorities and national development plans of the beneficiary countries. Recently, his Government had enacted a new law conferring legal status on persons wishing to render service, through their human qualities and intellectual skills, to countries which were in the greatest need of them. His Government fully endorsed the statement made by the spokesman for EEC on all questions concerning relations between the developed and the developing world.

4. The economic crisis, whose existence had been noted at the fifth session of the Conference, was still continuing four years later and affected all countries or groups of countries. EEC had been hard hit, but it was the developing countries, and especially the least developed of those countries, that were suffering most. On account of that crisis it had so far been impossible to initiate global negotiations for the establishment of a new international economic order, negotiations which his country had consistently supported and continued to support. It was essential to pursue the dialogue and the search for a solution, whether it was a global one or involved several partial stages.

5. The interdependence of nations, which had grown considerably as a result of the rapid growth of economic exchanges, trade and movements of capital, made it essential to continue the dialogue, as it implied that all countries were jointly responsible for the economic and social progress of each one. Economic interdependence was no longer a matter for argument because a fairly large number of the developing countries—not only the oil-exporting countries—were now occupying a larger place in the world economy and constituted a new dynamic element in economic growth, and also because consideration of a number of problems had clearly highlighted the reality of interdependence. States had come together again to try to find consensus solutions to the problems facing them.

6. Turning to the question of commodities, he said that, while the problem was not a new one, it had been aggravated by the world recession which had led to a decline in prices. Regardless of the crisis, however, the commodities sector was experiencing its own difficulties, which had led the international community to set up multilateral machinery to regularize and improve the functioning of international trade, with, as a matter of primary concern, the elimination of excessive fluctuations in prices. In 1976, the Conference had adopted the Integrated Programme for Commodities, the specific aim of which had been the conclusion of multilateral agreements or arrangements intended to regularize the market for about 20 commodities of great importance for exports. A number of agreements had been concluded and others were in the process of negotiation or renegotiation. His country was prepared to review the methods of operation of those which were not giving complete satisfaction.

7. His Government, which was anxious that the Integrated Programme for Commodities should be put into effect rapidly, hoped that the work of the sixth session of the Conference would lead to the creation of a favourable climate for the resumption of the Programme's activities. On that point it welcomed the conclusion, in June 1980, of the Agreement Establishing the Common Fund for Commodities, which would be the corner-stone of the international agreements and the central financing body. Despite its concern about the principle of a uniformly based contribution, his country was prepared to try to complete the process of ratification of the Agreement as early as possible. Furthermore, his delegation was prepared to study, at the present session of the Conference, possible solutions to the serious problem of stabilizing commodity export earnings, especially for the least developed countries.

8. The very serious economic crisis which the world was experiencing at present, with all its characteristics—unemployment, inflation, very low growth rates, erratic currency fluctuations and high public indebtedness—had necessarily had repercussions on world trade, which was stagnating, whereas it had grown steadily in volume and in value up to the beginning of the decade. Many countries, whether industrialized or not, had been obliged to implement measures of a protectionist character or to obtain better markets by recourse to massive export subsidies, which distorted free competition. Those policies, which had made it possible to cushion the shock, were harmful in the long run for both the countries themselves and the international trading system. Despite grave difficulties, and

despite 12 million unemployed in particular, EEC had remained the trading entity most accessible to exports from the developing countries; the Community had consistently affirmed its attachment to the preservation of an open multilateral trading system and its rejection of protectionism.

9. Luxembourg, which was a small country heavily dependent on foreign trade, greatly feared the growth of protectionist pressures and the spread of restrictive practices which hampered the freedom of foreign trade and competition between countries of different sizes. For that reason it was in favour of an open multilateral trading system, based on GATT rules. Even if there had been some relaxation in that discipline, mainly as a result of protectionist pressures due to the crisis, GATT had remained a sufficiently flexible instrument to respond to the new needs of international trade. His country and the others in the Community were committed to active participation in work on the implementation of the programme defined at the GATT ministerial session in November 1982. He did not wish in any way to detract from the value of the work of UNCTAD on trade matters by speaking about GATT; in his opinion, however, the two bodies complemented each other.

10. With regard to monetary and financial questions, there was no denying the relations existing between trade problems and economic development problems, on the one hand, and the operation of the international monetary and financial system, on the other. The sixth session of the Conference must therefore try to reach a convergence of views on the conditions under which the monetary and financial system could help bring about a lasting and non-inflationary recovery in the developed countries as in the developing countries. The international financial institutions had shown in many, often extremely difficult, circumstances their ability to deal with problems in a flexible and efficient manner. Thus IMF played a central role and his Government intended to ratify, before the end of 1983, the agreement on the increase of IMF quotas, to which his own country made a proportionately greater contribution than many others. It was also prepared to take an active part, along with the other EEC countries, in the next review of the operation of the IMF compensatory financing facility. It was likewise ready to study the advisability of a new SDR allotment and, if there was a broad consensus within IMF in favour of a new account for crediting interest, to take part in it. His country was also in favour of accelerating the loan programmes of the World Bank; for that purpose there should be a moderate increase in the Bank's coefficient of indebtedness and also a selective increase in its capital in relation to the rise in IMF quotas.

11. The very serious problem of the indebtedness of a number of developing countries could be largely explained by well-known external factors, but it was also due to internal causes, in particular, inadequate policies. The search for solutions should take into account the actual situation in each country, and those problems should therefore continue to be dealt with on a case-by-case basis within the appropriate bodies, in particular the Paris Club.

12. There had been far-reaching changes in the world economic situation since the first session of the Conference; the objective sought today was no longer to get the developing countries to participate in the rapid expansion of the economies of the industrialized countries, but to attempt to overcome the worldwide recession and to find means of contributing to a lasting and non-inflationaly recovery in order to find better solutions to the major problems of the developing countries. To that end, his delegation had come to the Conference with the firm intention to make progress and to achieve tangible results.

Summary of statement made at the 188th plenary meeting, 16 June 1983, by Mr. Abdul Kadir Haji Sheikh Fadzir, Deputy Minister for Foreign Affairs of Malaysia

1. Mr. FADZIR (Malaysia) said that the sixth session of the Conference was particularly significant because it was being convened at a time when the world economy was facing a severe recession, the impact of which had been most felt in the developing economies. The crisis had emphasized the interdependence of economies and the need for an integrated approach to the interrelated issues of commodities, trade, money and finance. The economic crisis could not be solved by individual nations, however developed they might be, acting in isolation. Such attempts would be detrimental to all.

2. The global recession had brought a decline in overall world trade and the standard approach had been to resort to inward-looking, selfish policies. Such measures were meant to prevent market disruption for certain domestic industries, but in fact they only nurtured further inefficiency in sectors which could no longer remain competitive. The failure to restructure, therefore, perpetuated protectionism. His delegation hoped that the Conference would work out positive solutions to help the world economy out of that vicious circle. The encouraging signs of recovery must be carefully nursed to help the world economy along the road to recovery and development. That called for the necessary political will to reverse the trend to protectionism.

3. As a major producer of important commodities, Malaysia had long suffered stoically from the vagaries of price fluctuations caused mainly by the selfish policies of developed countries. The repeated undertakings to remedy the situation had resulted only in further fluctuation and more depressed prices. It was with great interest and expectations, therefore, that his country had watched the awakening in the early 1970s of many other countries bent on making a concerted effort to find an international solution to the perennial problem of ensuring remunerative and equitable prices for commodities, the life-blood of so many developing countries. It had always been in favour of price stabilization

through healthy co-operation between producers and consumers. The Integrated Programme for Commodities had given new hope to the developing countries that they might finally stabilize their economies. Malaysia had been one of the early signatories of the Agreement Establishing the Common Fund for Commodities and had officially pledged $1 million to the Fund's Second Account.

4. However, some of the more powerful developed countries were again placing obstacles in the way of the developing countries' efforts to bring into force the various commodity agreements and were again showing a total lack of political will to make the small sacrifice which in the long run would benefit them as much as, and possibly more than, the poor countries. His delegation, therefore, made another fervent plea to the developed countries to support sincerely the Integrated Programme for Commodities.

5. In view of the slow progress on the multilateral front, it was increasingly apparent that developing countries would have to adopt a self-help approach if they were ever to stabilize their economies, obtain a more equitable share of the benefits of processing their commodities within their own countries or be allowed greater participation in marketing and distributing them. With that in mind, producers should co-operate closely to establish producers' associations to undertake vital functions such as research and development and co-operation in marketing. Those functional areas received little or no coverage in existing commodity agreements. Greater emphasis on those areas was all the more important if producers were to remain competitive in an era of rapid technological change and increasing competition from synthetics and substitutes. Moreover, the industrialized countries should appreciate the need for commodity producers to organize themselves into producers' associations, which could complement the international commodity agreements in achieving price stability and ensuring long-term security of supply. The tin-producing countries, for example, had approved the text of the agreement establishing the Association of Tin Producing Countries and were determined to establish it as soon as possible. It was also noteworthy that over 100 countries attending the seventh non-aligned summit conference had unanimously agreed that such associations of producing countries were a legitimate means of promoting and protecting their interests.

6. What was more, even the few agreements already established and implemented under the Programme should be reviewed and improved in the light of present realities and probable future developments. While price stabilization should continue to be the central feature of international efforts to help commodity-producing economies, international commodity agreements designed for price and income stabilization should be viable, effective and equitable. Malaysia therefore urged consumer parties to such agreements to demonstrate the political will needed to ensure that they attained their desired goals. They should be ready to improve those agreements whenever there was evident need. For instance, the tendency towards substantial over-supply for a wide range of commodities exported by developing countries called for the implementation of concerted supply-management policies which were essentially complementary to stocking arrangements. The experience of the recession demonstrated the pressing need for supply management to be included in commodity agreements.

7. The prolonged recession and the resultant balance-of-payments crises faced by many traditional exporters of commodities had emphasized the need for international action in another crucial area, namely, to offset shortfalls in the commodity export earnings of individual developing countries. The immediate expansion and liberalization of compensatory financing facilities was a feasible and effective step towards the longer-range goal of a global system of commodity earnings stabilization.

8. Efforts to put the international economy on a positive and sustained growth trend must also take into account measures in the field of international finance. In recent years, the flow of concessional and non-concessional financial assistance to developing countries had slowed significantly. The ensuing difficulties had been exacerbated by low growth and balance-of-payments difficulties, leading to large current-account deficits for those countries—expected to remain at around $90 billion throughout 1983. To finance those deficits, countries had resorted to external borrowing, and owing to the poor demand and low prices for their commodities many of them were unable to finance their debts.

9. There was thus a need for a greater flow of aid and concessional loans to developing countries, especially those with limited access to private-acapital markets. In that regard, financial resource availabilities from international financial institutions must correspond to the needs of developing countries. His delegation welcomed the recent increase in IMF quotas to $90 billion but noted that that represented only a 47.5 per cent increase instead of the 100 per cent advocated by developing countries. While that moderate increase should help to ease the strains in the international financial situation, obviously much more could and should be done. It also welcomed the recent initiative by the World Bank in its Special Assistance Program designed to meet the particular requirements of developing countries, and would encourage the Bank to look into ways to expand the lending programme further in future years.

10. Concessional aid flows to developing countries had decreased in recent years. The share of multilateral finance in the net flow of long-term financing to developing countries had remained unchanged at about 13 per cent between 1970 and 1981. Concessional flows should be augmented in view of the reluctance of the private banking sector to undertake increased lending to developing countries. The World Bank and other multilateral development institutions should play a greater role in that regard. His delegation would support an expanded and accelerated regular lending programme by the Bank and in particular by IDA. It regretted the delays in the contributions to the Sixth Replenishment of IDA and hoped that the Seventh Replenishment would not experience such difficulties.

11. Malaysia attached great importance to the problems of those peoples and countries still living

under colonial domination or foreign occupation. In that connection, it wished to express its appreciation for the valuable work done by UNCTAD and reiterated its support for the relevant draft resolution sponsored by the Group of 77. It called upon those countries which had reservations on the subject to reconsider them because there were compelling economic justifications for the role of UNCTAD in helping to bring about improvements in the economic well-being of the peoples of Palestine, Namibia and South Africa.

12. The current international economic situation had also emphasized the need for developing countries to work towards enhancing greater trade and economic co-operation among themselves. The spin-off effect of such co-operation would inevitably provide an impetus to the development of the world economy as a whole. His delegation was encouraged to see the progress made in that respect within UNCTAD and called upon the developed countries to take constructive action to ensure that the developing countries were given the necessary assistance and technical support by UNCTAD in their efforts to implement various projects under the programme of economic co-operation among developing countries. During the current period of economic difficulties, it was the least developed countries that had been the hardest hit. It was therefore vital for all to lend full support towards alleviating their problems.

13. In conclusion, he expressed the view that maximum use must be made of the unique occasion of the presence of so many delegations and organizations at the sixth session of the Conference to arrive at solutions to the current economic difficulties and to achieve the common objective.

Summary of statement made at the 188th plenary meeting, 16 June 1983, by Mr. Ahmed Mujuthaba, Minister of Transport and Shipping of Maldives

1. Mr. MUJUTHABA (Maldives), after reading out a message[39] from the President of the Republic of Maldives, said that his Government felt that the Conference was the best forum for explaining the peculiar problems of the least developed countries. Many such countries were either land-locked or sea-locked. Great distances separated centres of economic activity from their access points. In the case of land-locked countries, imported and exported products had to be transported by land through another country from and to the nearest port, which might be very far away, and were exposed to delay, damage and pilfering in countries outside their jurisdiction. Delayed outward shipments could mean the loss of markets and delayed inward shipments could also mean serious losses, including loss of life. In the case of small island nations, most inward and outward cargoes had to transit through a port in a third country, and cargoes faced the same dangers as those originating from or destined to land-locked countries.

2. Many tiny developing countries with populations of less than a quarter of a million were exposed to serious trade problems. The domestic market for any industrial goods they produced was limited and consequently they had to look for outside markets, where problems were aggravated by the imposition of tariff and non-tariff barriers. Quota systems based on the population of the producing country were unfair to tiny nations, which were invariably least developed countries with meagre natural resources and an extremely narrow economic base, clearly at a disadvantage when compared with other developing countries having a much greater population, more abundant natural resources and a broader economic base.

3. Another problem was that of population distribution. Many small nations were island developing countries, and although their population and land area were small they were scattered over a vast stretch of sea, making transport and communication costly and extremely difficult and involving additional logistical problems in infrastructure development, such as schools, hospitals, harbours and power sources. The concept of aid allocation on a per capita basis was therefore irrational when a country's population was scattered. Each island community needed a basic infrastructure for social and economic development, the provision of which to 10 such islands with an aggregate population of 50,000 was clearly more expensive than providing the same to a single community of 50,000 people.

4. In view of those difficulties it was alarming that the Substantial New Programme of Action for the 1980s for the Least Developed Countries was, with a few notable exceptions, not receiving proper attention from the donor community, in spite of the least developed countries having fulfilled their obligations. In that connection his delegation supported the statement by the spokesman for the Group of 77 on item 12 of the agenda[40] and the relevant decisions adopted by the Group of 77 at Buenos Aires and by the non-aligned countries at New Delhi.

5. As the representative of a truly non-aligned small nation, he appealed for the removal of all trade barriers, economic or political, so that the less fortunate and the weak could be given a better chance not only to survive but also to narrow the gap between their standard of living and that of the strong and the wealthy.

[39] Reproduced in volume I, annex V, section A.

[40] See below, part two, summary record of the 184th plenary meeting.

Summary of statement made at the 192nd plenary meeting, 18 June 1983, by Mr. Wistin Abela, Deputy Prime Minister and Minister for Economic Development of Malta

1. Mr. ABELA (Malta) said that the sixth session of the Conference was being held at a time when there were hopes that the world was recovering from the worst economic crisis since the Great Depression of the 1930s. However, the structures set up in the immediate post-war period to assist in ensuring a manageable international financial system and keep open the flow of trade—particularly IMF and GATT—were failing dramatically to fulfil their intended role. The continuing hold of a few privileged industrial nations over international trade, money and finance, technology and other key sectors, however attractive to them in the immediate term, was not only blatantly unjust to the vast majority of mankind but also inimical to their own long-term interests. The current session provided the opportunity to evaluate the critical economic situation and to put forward practical suggestions, since collective action should make an effective contribution towards economic recovery.

2. Malta, a developing island economy, had no natural resources and depended for its survival on its ability to earn enough foreign exchange from exports to finance its imports. It could not isolate itself from the effects of the international recession, despite timely preventive action of its Government to contain the effects of forces over which it had little or no control.

3. In line with the policies on security and price stabilization of commodities discussed at previous sessions of the Conference, his Government had introduced centralized purchasing of essential commodities, thus ensuring continuity of supply and minimum variations in cost prices. As a result, the retail prices of such commodities on the local market had, in spite of world-wide inflation, remained relatively constant. In fact, they had fallen by 5 per cent in 1982. That had made a significant contribution to containing imported inflation and reversing the trend. In December 1982, the cost-of-living index in Malta had actually fallen by about 2 per cent.

4. Furthermore, his Government had introduced measures to shift the import structure from finished products to semi-finished products or in certain cases to raw materials, thus stimulating further direct trading between developing economies to their significant mutual benefit.

5. At the same time, his country's exports had been hit and it was there that the recession had had its strongest impact on the economy. The protectionist policies of the developed countries had led to the curtailment of exports from Malta, even though they represented an infinitesimal percentage of those countries' imports. He was doubtless not alone in failing to understand why such economies adopted hard-line policies against countries like Malta while asserting that they were aware of the devastating efforts on the export-oriented industries of such developing countries.

6. His country had therefore developed new relations with the neighbouring countries and others, which had helped to mitigate the severity of the economic crisis. The way in which those countries had boosted their trading activities on a bilateral basis might serve as an example of how the crisis could be ended. Malta was, of course, helped by its geographical position. Its quest for national freedom had culminated in 1979 when its reliance on military bases had ended and the Government decided to rely for economic survival on the skill and ability of its workers and on its trading potential. It was thus making every effort to establish even better relations with neighbouring and distant countries, while at the same time developing its infrastructure and economic base.

7. More specifically, his Government was reconstructing and developing one of the deepest natural harbours in the Mediterranean, setting up adequate storage facilities for the various essential commodities required in that region and promoting bulk-breaking and trans-shipment from Malta to the Mediterranean ports.

8. To understand the constraints imposed on economies like Malta's, it was necessary to look at the interrelationship between developed and developing economies. The continuing, unbalanced reliance of the developing countries' economies on those of the developed ones had subjected the developing countries to an economic diktat as cruel and harsh as the political colonialism of the past. Overt and covert economic and commercial measures imposed by the developed countries were causing untold harm and frustration to the economies of small developing countries. Such countries had to cope with the harmful effects of a world trading system in which a few powerful countries first determined the rules of the game to suit their particular needs and then proceeded to adjust, ignore or break those rules as soon as they started to benefit other countries, or their own internal economic situations changed. The developing countries could, at any time, be faced with arbitrarily imposed restrictions on their crucially important exports.

9. The developing countries had therefore to expand trade among themselves, and the concept of collective solidarity was a major element in their approach to international economic problems. In the last few years, several schemes for co-operation among developing countries had been devised, prominent among them being the idea of the global scheme of trade preferences among developing countries. The current international economic recession had provided the necessary impetus to those efforts. The potential for reciprocal trade was immense; the developing countries had the necessary complementarities and growing markets. There was an urgent need to act since much more could be done by those countries to solve the massive structural unemployment in their economies by trading directly with each other, where necessary on the basis of reciprocity or other compensatory arrangements. Joint ventures between developing countries' enterprises could be launched, whereby the raw material or produce

of one and the financial and technical resources, geographical position, trading arrangements, labour or regional markets of the other were combined to exploit the capabilities of the two.

10. His Government had taken various initiatives on those lines. In order to close its trade gap with individual countries, it had proposed trade reciprocity arrangements with both developing and developed countries, many of which had responded positively. Unfortunately, in the case of one particular country—Japan—an unco-operative attitude had prevailed and Malta's trade gap with that country had attained over 100 million Maltese pounds, with serious consequences for its foreign reserves position, upon which the safety of its economy depended. In the absence of an effective remedy within the existing international institutional framework, his Government had had no alternative but to adopt measures to ensure its economic survival.

11. The developing countries, at the current session of the Conference and elsewhere, had made it abundantly clear that they were determined to defend their interests both unilaterally and collectively and his country's example would undoubtedly be followed by others in the event of a similarly negative response. Nevertheless, his Government's objectives was to work in co-operation with all countries, including Japan, and its actions were based on no consideration other than the essential principles of reciprocity and mutual respect in all international relations.

12. Malta had made some progress in establishing joint ventures with other developing countries to service regional and other markets, and his Government was determined to achieve still more. It invited representatives of both the developed and developing countries to come and see what the country had managed to do, at least to share experiences and at best to explore the possibility of joint ventures there. Malta had a considerable potential for the development of trading in the Mediterranean region, in the context of the resolutions to be adopted at the current session of the Conference.

Summary of statement made at the 176th plenary meeting, 8 June 1983, by Mr. Héctor Hernández Cervantes, Secretary for Trade and Industrial Development of Mexico

1. Mr. HERNÁNDEZ CERVANTES (Mexico) thanked the Yugoslav Government and people for their hospitality. The President of Mexico wished to convey to the Conference at its sixth session a message of peace and harmony; he was convinced that the international community could meet the current complex challenges only by concerted and determined actions.

2. His delegation, an active member of the Group of 77, thought that the Buenos Aires Platform constituted a solid basis for negotiations with the industrialized countries, both those with market economies and those with centrally planned economies. At Williamsburg, the heads of State and Government of seven major industrialized countries had stated that their delegations would participate in the work of the current session in a co-operative spirit. They had recommended, for the benefit of the developing countries, adequate means of financing, both private and public, more open markets, and economic recovery at the world level. At Versailles in 1982, the heads of State and Government of the same countries had already expressed the intention of opening their markets further, co-operating with the developing countries, strengthening the multilateral commercial system, and in particular, improving the trade possibilities offered to what they called the newly industrialized countries. Unfortunately, in the context of the crisis which had become more serious since the fifth session, there had been an intensification of protectionism which was not in keeping with such statements.

3. There were currently some signs of recovery in the industrialized countries but, for that recovery to be sustained, an urgent and radical improvement in the economic situation of the developing countries was needed, particularly with regard to trade opportunities, industrial development, the transfer of technology and access to financing. To cope with the world crisis, a programme of concrete and immediate measures should be formulated; some measures along those lines had already been proposed in the Buenos Aires Platform.

4. During the last two years, world trade had fallen in terms of absolute value. Because of the crisis, the imports of the developing countries had fallen off significantly, and the industrialized countries would be very shortsighted if they did not take into account the vast market offered by the developing countries, which had absorbed 40 per cent of the exports of the major industrialized countries in 1980. However, if the developing countries did not sell their products they would have no foreign exchange and thus would be unable to buy. In that connection, it was regrettable that the crisis had had the effect of multiplying protectionist barriers and causing the prices of the developing countries' commodities to collapse. Protectionist measures were, indeed, criticized by all but it was noteworthy that goods from the developing countries were constantly encountering new obstacles and that the legislation of the industrialized countries provided for different treatment of the same product, according to the country of origin. That was an unacceptable discrimination.

5. In the major industrialized countries, the GSP was year after year the subject of ever-increasing limitations which made it something far removed from the system originally adopted by the Conference. In particular, the concept of reciprocity applied in favour of some developing countries excluded the others, and moreover, that concept created the false illusion of an equal treatment between countries which were not equals. It should be added that most of the developing countries, such as Mexico, usually bought more than they sold and thus went beyond reciprocity. Furthermore, the concept of graduated preferences prevented the inclusion in the system of products which the developing countries could effectively export. All in all, the protectionism which the North practised against the

South cancelled out the progress made by the developing countries. If those countries increased their productivity and their competitiveness, barriers were raised to prevent them from exporting, while if they did not, they were stigmatized as inefficient.

6. Four years previously at Manila, energy problems had been at the centre of the stage. It was currently financial problems that were in that position, but they were not isolated; they were linked with the questions of trade. It was essential that the continuity of financial flows towards the developing world should be assured on improved conditions. It was essential also that the rgional and subregional multilateral institutions should assist the developing countries to face up to the crisis in a context of co-operation and understanding. During the next two years, Mexico would have to content itself with a limited economic growth and it would also have to restructure in depth its economic relationships. On 30 May 1983, President Miguel de la Madrid had submitted a development plan for 1983-1988 which was along those lines. Mexico was nevertheless ready to participate in the development of international trade, as demonstrated by the co-operative measures which it had adopted, particularly in the regional context of Central America and the Caribbean.

7. It had to be recognized that the historic effort begun at the United Nations Conference on Trade and Development at Geneva almost 20 years previously had not produced results that had come up to all expectations. At the current juncture, it was necessary to adopt pragmatic solutions to respond to the aspirations of the developing peoples. The problems had been fully identified and their consequences were known. The developing countries had arrived at the sixth session of the Conference with the intention of working out some concerted solutions. Their proposals reflected their desire to carry out that intention, the ultimate purpose of which was to revive all the economies. It remained to be seen how the industrialized countries would meet their responsibilities. The sixth session, which was just beginning, should make it possible to bring to a head the efforts begun at the Cancún meeting, at the earlier sessions of the Conference and at other multilateral meetings. That would require concrete measures to escape from the international crisis and to re-establish world economic relations on sound and durable foundations.

Summary of statement made at the 184th plenary meeting, 14 June 1983, by Mr. Yondongiin Ochir, Minister for Foreign Trade of Mongolia

1. Mr. OCHIR (Mongolia) said that the sixth session of the Conference was meeting at a time when the international situation was fraught with difficulties. Owing to aggressive imperialist activities, the politicial situation was characterized by increased tension and military threats. By stepping up the arms race, especially the nuclear arms race, reactionary forces were seeking to disrupt the existing military and strategic balance in their favour. The arms race was consuming enormous material and human resources, and urgent action, in which all international organizations including UNCTAD must take an active part, was needed to maintain and strengthen peace in all parts of the world. The Mongolian delegation therefore fully shared the view of the Group of 77 expressed in the Buenos Aires Platform that a world-wide relaxation of tensions, the halting of the arms race, and effective disarmament measures which would release sorely needed resources for development were vital necessities for global economic development.

2. The countries of the socialist community were doing their utmost to strengthen peace and security by taking constructive initiatives aimed at putting an end to the arms race, adopting effective disarmament measures and concluding non-aggression pacts. They thus hoped to create favourable conditions for the development and expansion of co-operation among all States regardless of differences in their socio-economic systems. His delegation noted with satisfaction the increasing role of the Movement of Non-Aligned Countries in the preservation of peace and security and the development of equitable trade and economic co-operation among all countries of the world. The present political atmosphere required that the sixth session of the Conference should reconfirm the intrinsic link between the task of securing peace and disarmament, on the one hand, and the issues of trade and economic relations and of economic and social development, on the other. In particular, due attention should be paid within UNCTAD to the trade and economic aspects of disarmament.

3. Certain Western Powers were attempting to use international trade and economic co-operation as an instrument of political pressure and were increasingly introducing protectionist measures and other restrictions in violation of the existing principles and rules of international trade. Mongolia therefore reiterated the need for all States to observe the established principles, rules and regulations of international trade and attached particular importance to the General and Special Principles adopted at the first session of the Conference[41] aimed at the elimination of discrimination and exploitation in international trade and economic relations among States.

4. The absence of any significant move towards the implementation of the provisions of the Declaration and the Programme of Action on the Establishment of a New International Economic Order and the Charter of Economic Rights and Duties of States was a matter of great concern. Some Powers had been holding up the beginning of global negotiations on major economic problems for several years. The efforts made by developing countries to overcome the economic backwardness inherited from the colonial past were encountering enormous difficulties because of the neo-colonialist policies pursued by former metropolitan

[41] *Proceedings ... [First session]*, vol. I, *Final Act and Report*, third part, Annex A, recommendation A.I.1.

Powers and transnational corporations. The deep and protracted crisis of the capitalist economic system was gravely affecting the economies of Asian, African and Latin American States. The overall indebtedness of the developing countries had increased to more than $600 billion while the prices of commodities, on which many developing countries depended for their export earnings, had plunged in real terms to their lowest level in 45 years.

5. In seeking solutions to those problems at the current session of the Conference, his delegation supported the Buenos Aires Platform. That support for the just demands of developing countries was based on the very essence of socialism. A new type of international economic relations, based on the principles of respect for sovereignty, equality, fraternal mutual assistance and reciprocal benefit, had been established for the first time in the relations between the socialist countries. In those countries far-reaching social and economic transformations had been carried out and as a result such social evils as the exploitation of man by man, inequality, discrimination, poverty and unemployment had been eradicated for ever.

6. The introduction of nation-wide planning and a dominating role for the public and co-operative sectors had been important factors in the acceleration of socio-economic development in his country. More than 60 years ago Mongolia had been one of the most backward countries of the East. Thanks to the self-sacrificing labour of the Mongolian people and the disinterested assistance of the Soviet Union and other countries of the socialist community, Mongolia had become a dynamically developing agrarian-industrial country. Its participation as a member of CMEA in the socialist international division of labour offered broad possibilities and advantages for accelerating socio-economic development. On the basis of socialist economic integration, the process of industrialization of the country was steadily expanding and developing. Since joining CMEA, Mongolia had achieved an average annual growth rate of aggregate industrial product of 9.3 per cent, accounting for about 30 per cent of its national income as compared to 14.6 per cent in 1960. Between 1960 and 1982, its foreign trade turnover had increased almost sixfold.

7. While widening economic, scientific and technical co-operation with the socialist countries, Mongolia was pursuing a policy directed towards developing mutually advantageous trade and economic ties with other countries of the world. UNCTAD, whose universal character derived from General Assembly resolution 1995 (XIX) of 30 December 1964, should play a greater role in promoting favourable conditions for the social and economic development of countries and the normalization of international economic relations. His delegation therefore approached with interest the items of the session's agenda concerning trade relations among countries with different social and economic systems.

8. Although stabilization of commodity markets was of great importance in the normalization of world trade, the basic provisions of Conference resolution 93 (IV) were far from being implemented because of the negative position of certain Governments and transnational corporations. Mongolia would support speedy elaboration of effective codes of conduct in the fields of transfer of technology and control over the activities of transnational corporations.

9. It would also actively contribute to the preparation of decisions on further UNCTAD assistance to national liberation movements and would support measures directed towards easing the difficult situation of land-locked developing countries. The Mongolian delegation considered that the efforts of the participants in the present session of the Conference should be directed towards the restoration of confidence in international economic relations, the normalization of trade and related political questions and the adherence by countries to the established rules and principles of conduct of international trade. That not only would be in accordance with the mandate of UNCTAD but would also serve the interests of all countries.

Summary of statement made at the 187th plenary meeting, 15 June 1983, by Mr. Azeddine Guessous, Minister for Trade, Industry and Tourism of Morocco

1. Mr. GUESSOUS (Morocco) said that all the countries represented at the Conference should, irrespective of their level of development and economic and social system, acknowledge their interdependence to be a fact and accept that they were thus collectively responsible for the management of the international economy, in accordance with the spirit which had given rise to the Buenos Aires Platform. The work of the Conference would lack consistency if special attention were not paid to the least developed among the developing countries and to land-locked and island countries whose natural handicaps, together with their lack of infrastructure, constituted a major obstacle to foreign trade and were the prime cause of their economic stagnation. The African continent was sadly to the fore in that respect, since despite its immense natural wealth and considerable economic potential it contained two thirds of the world's land-locked countries and more than two thirds of the least developed countries. It was also the least industrialized region in the world and 70 per cent of the population of the African continent lived virtually on the absolute poverty line. The dramatic situation of that continent was further aggravated by its rudimentary infrastructures and almost complete dependence on the uncertain earnings deriving from the export of one or two commodities. In his opinion, it was absolutely essential for the international community to lend its full support, bilaterally and multilaterally, to the implementation of the Lagos Plan of Action[42] and

[42] See footnote 7.

to put into effect the General Assembly resolutions proclaiming the Industrial Development Decade for Africa[43] and the Transport and Communications Decade in Africa.[44]

2. The developing world as a whole was currently experiencing a crisis of unprecedented severity; in 1982, the per capita GNP of developing countries had fallen considerably and the prices in real terms of many agricultural and mining commodities had been at levels below those of 1950. The International Development Strategy was therefore quite rightly geared to the need to bring about basic changes in the machinery, systems and links which governed the relations between the members of the international community. In the developing countries, however, the objectives of the International Development Strategy for the 1980s were already out of reach as far as the annual growth rates for GNP and exports were concerned. That fact alone should prompt the international community to admit that radical changes were required in the institutional framework of international economic relations in order to improve the terms of trade, increase and stabilize export earnings from commodities, and promote the international division of labour, in particular by eliminating the protectionist barriers which impeded the access of industrial and agricultural products from developing countries to the developed countries. While protectionism primarily penalized the developing countries and had a depressive effect on international trade as a whole, it also had adverse consequences on the economies of the developed countries, where it perpetuated inefficient production systems, stoked inflation and compromised indispensable structural adjustments. The problem of indebtedness in the third world had now become so acute that it threatened the very foundations of the international economy and, under the effect of iniquitous monetary and financial rules, jeopardized any chance of socio-economic development in the developing countries. The external debt of those countries had doubled since 1979, and debt servicing absorbed more than $130 billion annually, which exceeded the total capital earnings of the underdeveloped economies, at the very time when ODA had dropped by 4 per cent in real terms. In Africa in particular, debt servicing absorbed an even higher and ever growing proportion of earnings from the export of goods and services, accelerating even more the impoverishment of the countries concerned. It was time the developed countries recognized the need to address the problem of the indebtedness of the developing countries by dealing with it in conjunction with the other problems to which it was inherently related, namely, the prices of raw materials, foreign trade, protectionism, exchange-rate fluctuations or levels of interest rates, and the scope of development assistance. It was obvious that the opening of global negotiations on trade, energy, development, money and finance was now a vital political and economic necessity in North-South relations.

3. He appealed to the developed countries, regardless of their economic and social system, to lay the foundations, at the sixth session of the Conference, of an agreement which would enable the economic growth of the North to be associated with the more rapid development of the South. In response to the Buenos Aires Message for Dialogue and Consensus, the international community should pool its efforts to achieve that end.

4. At present, the developing countries, which comprised two thirds of the world's population, accounted for only 20 per cent of its income, 12 per cent of its industrial output and above all represented less than 5 per cent of its scientific potential. They suffered in particular from a lack of senior staff and considerable backwardness in technology. It was therefore of the utmost importance to adopt as soon as possible an international code of conduct for the transfer of technology which would enable those countries to gain access to technology under reasonable conditions and to put an end to restrictive and abusive practices in that sphere. Similarly, the conclusion of long-term arrangements to set up the United Nations Financing System for Science and Technology for Development would strengthen the technological capacity of the developing countries and consolidate endogenous research and development programmes aimed at the development of appropriate local technologies. Agriculture, in particular, and agricultural output could not but benefit from action of that type, which would thus contribute to the elimination of hunger in the world. His delegation thus associated itself with the appeal by the Secretary-General of the United Nations for the rapid establishment of the financing system for science and technology for development. Morocco would participate, in accordance with its capabilities, in the financing of that system, which should be instituted on the basis of voluntary universal contributions.

5. In the opinion of his delegation, if the world economic situation was in itself a source of conflicts and potential crises, it was because some 20 industrialized countries alone controlled two thirds of world trade. Morocco was firmly convinced of the need to develop South-South co-operation and to diversify foreign trade in the third world, and thus had no reservations in supporting the Caracas Programme of Action for economic co-operation among developing countries and the implementation of a global system of trade preferences among those countries. That trend must not be used to counter North-South relations but to complement them and would mitigate the effects of the unfair system which governed international economic co-operation at the present time. The growth of economic co-operation among developing countries could have only beneficial effects on world trade, production and employment and would lessen the developing countries' excessive dependence on the developed countries in trade.

6. The Agreement Establishing the Common Fund for Commodities, which was the kingpin of the Integrated Programme for Commodities, had been adopted in 1980. Morocco, which had acceded to the Agreement and taken the necessary steps to ratify it as quickly as possible, urgently called upon the main donors among the developed countries to spare no effort to ensure that the Agreement could effectively enter into force by 30 September 1983. Efforts should also be

[43] General Assembly resolution 35/66 B of 5 December 1980.

[44] General Assembly resolution 32/160 of 19 December 1977.

made to negotiate as many commodity agreements as possible. His delegation wished to announce that Morocco was willing to host, with help from UNCTAD, an exploratory conference for the main producers and consumers of phosphate and sulphur in order to ascertain whether it would be possible to set up organizations for those two minerals, whose industrial use was closely linked, and to consider particular forms of association in the Common Fund for possible buffer stocks. His delegation hoped that the UNCTAD secretariat would help in organizing such a conference.

7. His delegation called for a certain monetary and financial orthodoxy and for increased morality in international relations in monetary and financial affairs, without which it would be impossible to establish an equitable new international economic order. The international monetary and financial systems must be remodelled so that they could assist in the development of the world economy and in particular of the developing countries. The purpose of the reform of those systems should be to enable the developing countries to participate in decision-making on an equitable basis. The reform should be based, in particular, on a substantial increase in the resources of IMF, the World Bank and the regional institutions, which must be able to respond to the structural difficulties of the developing countries.

8. At present, the expenditure devoted every year to the arms race exceeded total investments in the developing countries and represented more than 20 times the total amount of ODA; the arms race absorbed up to 6 per cent of the GNP of the industrialized countries, which allocated a bare 0.35 per cent of their national income to official assistance to the third world; the developing countries, for their part, spent about as much on equipping themselves with arms as on importing food products. It was a matter of urgency to transcend those scenarios of fear, to restore confidence among men and to buckle down at last to the building of a better world.

Summary of statement made at the 191st plenary meeting, 17 June 1983, by Mr. Jonathan Lichilana, United Nations Council for Namibia

1. Mr. LICHILANA (United Nations Council for Namibia) welcomed the fact that Namibia was, as a member of the United Nations Conference on Trade and Development, for the first time considered as a full member of the international community. It was nevertheless saddening that Namibia could not be represented by one of its nationals. No one was unaware of the reasons for that state of affairs, and it was to be hoped that, by the next session of the Conference, the United Nations Council for Namibia—the present Administering Authority for the Territory—would have given way to a delegation duly appointed by a popular and democratically elected government.

2. He would limit his statement to the agenda subitem on assistance to national liberation movements—assistance which constituted practical application of the provisions of General Assembly resolution 1514 (XV) of 14 December 1960 embodying the Declaration on the Granting of Independence to Colonial Countries and Peoples and which international organizations and specialized agencies had a moral and legal duty to extend in their respective fields of competence. Since the adoption of Conference resolution 109 (V) on the subject, the UNCTAD secretariat had prepared a number of reports, which had been submitted to the Trade and Development Board at its twenty-third session. Although the General Assembly had made the Secretary-General of the United Nations responsible, in close collaboration with the United Nations Institute for Namibia and UNDP, for preparing most of the studies to be done on the economic situation in Namibia, that did not absolve UNCTAD of its responsibilities in that respect. The desire of some countries to protect and safeguard the economic interests of a small number of individuals had held up the global negotiations on international economic co-operation for development which the international community had committed itself to launch, and had prevented the United Nations Plan for Namibia from coming to a satisfactory conclusion. Some countries wanted the negotiations to be pursued according to their national priorities, to the detriment of the wishes and interests of the rest of mankind. With respect to the United Nations Plan for Namibia, which countries had undertaken to implement, it appeared that a few countries wanted Namibia to attain independence only after their own interests had been preserved. Just as the thought of restructuring the international economic system, which was characterized by imbalances and inequities, was abominable to those countries, so the very notion of changing the political structure in Namibia and South Africa was seen by them as a harbinger of their economic doom and the end of their world.

3. Some countries considered that UNCTAD was not the appropriate forum in which to discuss the plight of the oppressed and exploited peoples of Namibia and South Africa, yet they had remained voiceless at the International Conference in Support of the Struggle of the Namibian People for Independence, held in Paris from 25 to 29 April 1983. In the Programme of Action on Namibia[45] adopted on that occasion, the specialized agencies and other international organizations associated with the United Nations were called upon to give priority assistance to the people of Namibia in their respective spheres of competence. The Programme of Action also urged all Governments to support the actions of the United Nations, through the United Nations Council for Namibia, to defend the national rights of the Namibian people until independence. The role of

[45] *Report of the International Conference in Support of the Struggle of the Namibian People for Independence, Paris, 25-29 April 1983* (A/CONF.120/13), part three.

UNCTAD in that gigantic task was by no means a minor one.

4. The Minister of Finance, Economic Planning and Development of Zimbabwe had already pointed out that the Governments of the countries of southern Africa were adopting a number of measures to foster economic and technical co-operation among developing countries. Namibia, which formed an integral part of the southern African subregion, was unable, because of its political and economic status, to participate either in the Preferential Trade Area for Eastern and Southern African States or in the Southern African Development Co-ordination Conference. Namibia, whose mineral resources were exploited by foreign transnational corporations without any regard for the welfare of the indigenous population, must join forces with other developing countries in the subregion. Namibia offered countries such as Botswana, Zambia and Zimbabwe alternative outlets to the sea which, if usefully developed, would have very positive impacts on the economies of all countries. The Conference might be able to come up with acceptable compromises in the right direction, but such compromises would do nothing to change the situation for the people of Namibia, or indeed of South Africa, until they were able to decide their own destinies, decide on the manner in which their natural resources were exploited, occupy more important posts, and have the right to control their foreign trade and to channel multilateral financial assistance into nationally co-ordinated development programmes.

5. The United Nations Council for Namibia, assisted by the United Nations Institute for Namibia, was doing its utmost to prepare the Namibian people for the future, and in doing so, it relied on the support of the international community.

Summary of statement made at the 189th plenary meeting, 16 June 1983, by Mr. Balaram Gharti Magar, Minister for Commerce and Supplies of Nepal

1. Mr. MAGAR (Nepal) paid tribute to the part played by Yugoslavia and Josip Broz Tito in the non-aligned movement. Nepal was engaged in very important political and economic activities under the dynamic leadership of King Birendra Bir Bikram Shah Deva. In a referendum in 1980, the Nepalese had been able to choose a political system under which the country was making rapid progress.

2. Without going into details about the economic indicators, which had been exhaustively dealt with by the UNCTAD secretariat, the regional meetings at Baghdad, Libreville and Cartagena, the Fifth Ministerial Meeting of the Group of 77 at Buenos Aires and the Seventh Conference of Heads of State or Government of Non-Aligned Countries at New Delhi, he wished to stress the extent to which the current economic crisis was affecting the developing countries. So far, the results of the Third United Nations Development Decade and the Substantial New Programme of Action for the 1980s for the Least Developed Countries had been negligible and disappointing.

3. Since 1980 his country had been trying to carry out its sixth five-year plan. Unfortunately, population growth and the poor economic growth were hampering development and allowing great poverty to remain. The value of Nepalese exports had fallen, while the cost of imports, particularly capital goods, had risen constantly.

4. Today, interdependence between developed and developing countries was self-evident in the areas of energy, trade, development, and monetary and financial questions. The developed countries could not solve their current problems by ignoring the need for development in the third world. To overcome the crisis, rich and poor countries alike must agree on a set of policies that addressed short-term problems as well as long-term structural problems. The crisis had demonstrated that the international financial institutions which had been established after the Second World War must evolve in order to respond to the needs of the developing countries, without being influenced by political or other considerations unrelated to development or humanitarian problems.

5. There had been no real progress with the Integrated Programme for Commodities. No international agreement had been completed on most of the commodities covered by the Programme. The Agreement Establishing the Common Fund for Commodities had been concluded, but the Fund had not yet become operational for want of a sufficient number of ratifications. His country had already signed that Agreement and hoped that other countries would quickly follow suit so that the Fund's operations could start as soon as possible.

6. The tariff and non-tariff measures imposed by developed countries had seriously hampered exports from the developing countries. In many cases, certain trade advantages enjoyed by those countries had even been withdrawn unilaterally. Positive action for trade liberalization for the benefit of the developing countries was therefore necessary. It was particularly necessary to improve the existing GSP schemes, while respecting the principles of non-discrimination and non-reciprocity, so as to facilitate access by those countries' products to the markets of the developed countries.

7. His own country, which was among the least developed countries, was carrying out a five-year plan, 60 per cent of which had to be financed by external assistance. That situation prompted it to appeal to the developed countries, to the developing countries able to do so and to the international financing institutions to increase their flows of resources, and especially concessional assistance, to the least developed countries. The conditions laid down by multilateral institutions such as IMF and the World Bank must be reviewed in order that those institutions might play a more practical part in development.

8. At the United Nations Conference on the Least Developed Countries in 1981, the King of Nepal had represented the least developed countries of Asia and the Pacific. The Substantial New Programme of Action for the 1980s for the Least Developed Countries adopted at that Conference, was unfortunately being implemented too slowly. That had been deplored at the Fifth Ministerial Meeting of the Group of 77 in Buenos Aires. Concrete and adequate measures must be adopted for resolute implementation of that Programme, particularly with a view to bringing about a substantial increase in ODA for the least developed countries. He also stressed the part which South-South co-operation and trade should play for the benefit of those countries.

9. At its sixth session the Conference should help land-locked countries to overcome their geographical handicap. His delegation was concerned about the failure to implement the resolutions adopted by UNCTAD and other United Nations organs for the benefit of those countries, and called on the international community to take urgent steps to help them. The resources of the United Nations Special Fund for Land-locked Developing Countries, administered by UNDP in collaboration with the Secretary-General of UNCTAD, were too limited at present. The developed countries and the developing countries in a position to do so should pledge substantial contributions to that Fund. That step was all the more necessary since, out of the 21 land-locked developing countries, 15 were also among the least developed countries.

10. His country, which unreservedly supported the cause of peace, considered that the strengthening of peace required the acceleration of development. The sixth session would serve both causes by devising machinery to solve the difficult problems facing the developing countries, in particular the least developed ones. He concluded by expressing the hope that the international community would be able to show a positive approach and sufficient political will to emerge from the present crisis by setting in motion recovery and development which would eventually benefit the countries of both North and South.

Summary of statement made at the 181st plenary meeting, 10 June 1983, by Mr. Alejandro Martínez Cuenca, Minister for Foreign Trade of Nicaragua

1. Mr. MARTÍNEZ CUENCA (Nicaragua) read out a message[46] from Mr. Daniel Ortega Saavedra, Co-ordinator of the Government Junta for National Reconstruction of Nicaragua, to the President of the Conference.

2. Speaking in connection with the general debate, he said that all countries, rich or poor, must unite to overcome the crisis, in accordance with the spirit of understanding and co-operation that had characterized the Buenos Aires Platform. In that connection, his country appealed for general solidarity in the face of the intrigues by a certain super-Power of which Nicaragua and the third world countries were victims; the actions of the super-Power in the economic field violated the agreements and rules of GATT and were flagrantly inconsistent with the Williamsburg Declaration on Economic Recovery.

3. The effects of the crisis were felt unequally by various groups of countries. Central America was particularly hard hit, one of the main reasons being the political and destabilizing activities of the United States of America. The process of integration, which had started in the 1950s and had initially helped to alleviate the effects of disequilibrium in the international economy, was currently becoming an aggravating factor, since the interdependence of the five countries of the subregion caused the effects of the world-wide recession to be passed on from one country to another. It was important, therefore, to look at the world economy in the light of the political situation in the developing countries, as economic recovery was bound up with the maintenance of peace.

4. In order to reform that economy and to establish a new international order based on mutual respect and dialogue, the outdated criteria inherited from the post-war period had to be swept away. World trade was declining, protectionism was rearing its head, the monetary system was in a state of anarchy, and the role of bilateral and multilateral financial establishments was giving way to the commercial operations of private banks. All those vicissitudes had had a disastrous effect on the countries of Central America, resulting in a fall in exports, expensive credit and growing difficulties in obtaining foreign capital. In the subregion, the fall in the price of exports, combined with the steady increase in the cost of imports, had led to a deterioration of 50 per cent in the terms of trade and a fall of over 30 per cent in purchasing power. His Government was therefore greatly in favour of an early start to the operations of the Common Fund for Commodities, and would ratify the Agreement establishing the Fund before the end of the current session.

5. The disequilibrium in the trade balance of the Central American countries had been accompanied by a spectacular growth in debt servicing, due not only to an increase in indebtedness but also to the staggering rise in interest rates. He therefore welcomed the announcement made by the representative of Denmark concerning the possible introduction of a moratorium of three or four years on the repayment of Danish credits by the third world and expressed the hope that all the Group B countries would do the same. It would also be desirable for the Conference to decide on an immediate moratorium for all developing countries whose debt servicing represented over 20 per cent of their exports.

6. Any overall solution to the current crisis required the establishment of new relationships between

[46] Reproduced in volume I, annex V, section A.

developed and developing countries, which would involve technical, financial and commercial co-operation between the two groups of countries and among the developing countries themselves.

7. With regard to trade, his Government was in favour of the negotiation of new commodity agreements, and was concerned at the escalation of protectionism in the industrialized countries. It would like to see the removal of all obstacles to trade in those countries and a substantial liberalization of access to markets. Economic and trade relations must not be used for political ends, especially against poor countries, and the criteria and principles adopted internationally must be fully respected by the more powerful countries. Governments should see to it that the resolutions or regulations adopted at the current session were implemented. His own country undertook to respect the agreements and norms governing international trade.

8. In the financial and monetary sphere, in order to lighten the debt burden of the developing countries, it would be necessary to take immediate steps, not only to make up for the shortage of liquidity in the developing countries but also to revive the world economy as a whole. His Government was greatly in favour of strengthening economic co-operation among developing countries and of seeking rational machinery for multilateral co-operation. He urged all countries to adopt the concepts and financial proposals drawn up by the Co-ordinating Bureau of the Non-Aligned Countries at its ministerial meeting at Managua in January 1983 and approved by the Conference of Heads of State or Government in New Delhi, and by the Group of 77 in Buenos Aires.

9. It was important to maintain, at the current session, the spirit of harmony and understanding which had prevailed at Buenos Aires, while remaining firm on questions of principle on which the welfare of future generations depended. His country was convinced that, at the current session, the Conference would be able to work out a consensus for building a world economy based on relationships which afforded dignity and justice to all countries and peoples.

Summary of statement made at the 183rd plenary meeting, 13 June 1983, by Mr. Ibrahim Bunu, Minister of State of Nigeria

1. Mr. BUNU (Nigeria) considered it symbolic that the sixth session of the Conference should be taking place at Belgrade, the capital of a country which was the birthplace of non-alignment. Unlike previous sessions, the present session was not dominated by any single issue. Furthermore, it was being held at a time of deep world recession and thus provided an opportunity to assess short-term and long-term remedies. It was also being held in a context in which the interdependence of nations had become a stark reality.

2. One major effect of the current economic crisis was the severe curtailment of liquid assets available to developing countries. The debt burden—currently $500 billion—sufficed in itself to cause the economic ruin of those countries. That burden was compounded by high interest rates, imported inflation, balance-of-payments deficits, lack of access to capital markets and fluctuating exchange rates. All those phenomena showed that the Bretton Woods system was no longer adequate to solve the present monetary and financial crisis.

3. IMF and the World Bank—the institutions which had emerged from Bretton Woods—had certainly done useful work in the world during the period 1940-1960, but today those institutions must adjust to a new world, for otherwise they would continue to serve the interests of a privileged few. The policy of IMF was to extend credit to deficit countries on stringent conditions. That amounted to putting the burden of adjustment on the countries least able to bear it. The conditions imposed by IMF must be modified in order to enable developing countries to borrow on more tolerable terms. In addition, IMF must be provided with increased resources so that it could better respond to the liquidity needs of poor countries.

4. Commodity markets would be stimulated by recovery in the industrialized countries, but it was also important to stimulate the economies of developing countries; that would require financial assistance, together with efforts to stabilize commodity markets. In that connection, the Common Fund for Commodities had a major part to play; it should become operative without further delay, as envisaged in the proposals of the Group of 77. It was his Government's hope that the Agreement Establishing the Common Fund for Commodities would come into force not later than 1 January 1984. There was no reason why that target date should not be achieved, since the Agreement had been unanimously approved and the Fund was the cornerstone of the Integrated Programme for Commodities.

5. Protectionism was threatening the expansion of international trade. It was a practice condemned by all, in different terms, but no one seemed to be doing anything serious about eradicating it. In recent years, stringent measures had been taken by developed countries to restrict imports of those very products in respect of which the developing countries had become competitive. In the Buenos Aires Platform, the developed countries were, firstly, called on to eliminate all measures adversely affecting the trade of developing countries and incompatible with their international commitments. Secondly, it had been proposed that the Trade and Development Board should formulate universally acceptable principles that took into account the interests of developing countries in the production of, and trade in, agricultural products. Thirdly, it had been proposed that the Board should formulate policies to assist developing countries in promoting and diversifying their exports. Fourthly, it had been urged that GSP schemes should be made more stable and non-discriminatory.

6. In the context of the current crisis, some people claimed that aid to developing countries did not relieve

poverty in the third world, and that it was rare to find third world Governments committed to improving the standard of living of the poor in their countries. That was not true; it was perhaps intended as a diversion to avoid tackling the basic issues. It might be asked how generous development assistance had been. The ODA target of 0.7 per cent of GNP had been attained by only a few countries—the Scandinavian countries, the Netherlands and, more recently, the OPEC countries, whose efforts were very much appreciated. It was pertinent to note that the richest countries were among those which had been furthest from the target.

7. Concessional assistance had helped to improve the conditions of the poor countries. The World Bank had estimated that IDA projects had a weighted average rate of return of 18 per cent, which was very high by any standard. In a number of countries, development assistance had played a significant part in what little growth there had been. In South Asian countries, aid-supported research in high-yield crop varieties had increased food production. In Nigeria, World Bank-supported projects had produced similar results. The least the Conference could do at its sixth session would be to examine means of improving the terms and conditions of aid flows, in the context of the International Development Strategy for the Third United Nations Development Decade and the Substantial New Programme of Action for the 1980s for the Least Developed Countries.

8. The initiative for recovery must come from the industrial nations, especially those capable of resuming growth without giving up the fight against inflation, but the developing world also had certain responsibilities in that area. The latter countries could assume those responsibilities all the more effectively since they had made progress, as observed by certain authoritative and impartial bodies, in the important areas of a more efficient use of resources, the selection of investment programmes, the management of public enterprises, export programmes and industrialization policies. But more effort, complemented by support from the industrial world, was needed.

9. To succeed in its work, the present session had several factors in its favour. The session was probably the best prepared in the history of the Conference. The proposals of the Group of 77, submitted in the form of draft resolutions, had made it possible, well before the session, to form a clear view of the areas of special interest. A number of useful pre-Conference consultative meetings had been organized outside the framework of UNCTAD, but with the participation of its secretariat: at Rome under the joint auspices of the Italian Government and FAO, at Tunis under the auspices of the Tunisian Government, at Leeds Castle under the auspices of the United Kingdom Government, and at Geneva under the auspices of the Centre for Applied Studies in International Negotiations. The degree of interest aroused by the preparation of the present session led him to conclude that the eyes of the world were focused on the representatives gathered at Belgrade and that those representatives could therefore hope for a common will to give a collective answer to the urgent problems of the day.

Summary of statement made at the 173rd plenary meeting, 7 June 1983, by Mr. Svenn Stray, Minister for Foreign Affairs of Norway

1. Mr. STRAY (Norway) said that the Conference had been preceded by a comprehensive preparatory process: there had been timely distribution of high-quality secretariat documents and extensive preparations had taken place both in the Trade and Development Board and within regional groups. The Buenos Aires Platform of the Group of 77 would greatly facilitate an early start to substantive negotiations. Some of its proposals would no doubt create certain difficulties for other groups but the emphasis which it laid on dialogue and consensus was encouraging, as were the indications that the proposals were put forward not as ultimate demands but as a basis for fruitful negotiations. At the recent OECD ministerial meeting in Paris, ministers from the developed countries had likewise reaffirmed their readiness to work in a spirit of understanding and co-operation with developing countries and other participants at the sixth session of the Conference. If the spirit expressed it both Buenos Aires and Paris prevailed, it augured well for the outcome of the session.

2. Norway had been observing with growing concern the lack of development in the relationship between rich and poor countries. The North-South dialogue had at best been marking time while the problems which it was supposed to alleviate had been been growing. His Government deeply regretted that it had not been possible to start the global negotiations. In their absence, a maximum effort should be made in various international forums, including sectoral forums, to obtain concrete results on the many unresolved North-South issues.

3. The general economic and political background against which the Conference was taking place made it not only more difficult but also more important to achieve satisfactory results. The developing countries, for well-known commercial and financial reasons, had been particularly hard hit by the global economic recession, with cumulative effects ranging from the slowing down to the reversal of the development process of most developing countries. There were the first signs of economic recovery in the developed world but they were as yet insufficient to make any significant impact on the record high levels of unemployment. In order to sustain it, the Norwegian Government had been advocating a differentiated but concerted policy covering interest and exchange rates, expansionary measures, structural adaptation and resistance to protectionist pressures. However, even if successful, such policies in developed countries would need to be supplemented by renewed economic growth in developing countries through the reactivation of the development process. Otherwise, the reduced demand of those countries was likely to cancel

out the current modest improvement in some important developed countries.

4. The sixth session of the Conference would be the most important North-South event in 1983. However, there was on the current occasion no single proposal or issue on which attention was focused. His Government considered that the most important objective of the Conference should be to work out a concerted programme for global economic recovery and development, consisting of mutually reinforcing elements, particularly in respect of commodities, trade, and money and finance. In that way, the vital link between a reactivation of the development process and economic recovery would receive practical recognition. He therefore suggested that the Conference should adopt a Belgrade declaration on development and recovery, stressing the need for both elements and the linkage between them. If unanimously adopted, such a declaration could be of considerable political and economic importance.

5. Turning to the specific elements which would be part of the recovery and development programme, he commented on his Government's views with regard to commodities, trade, and financial and monetary issues.

6. With regard to commodities, Governments should make a commitment to ratify the Agreement Establishing the Common Fund for Commodities by 30 September, making it operational by 1 January 1984. The Norwegian Government was offering to meet the fixed financial contributions to the Common Fund of some five low-income countries whose capital contribution was not being covered by the OPEC offer. In addition, there should be renewed political impetus to conclude both new and more flexible commodity agreements. Norway was in favour of comprehensive commodity agreements with price-stabilizing measures where appropriate. In the case of commodities where price stabilization was neither necessary nor feasible, other solutions must be investigated, including the possibility of improving existing facilities for compensatory finance and of establishing new and more commodity-oriented facilities. Lastly, the efforts to increase the share of developing countries in processing, marketing and distribution of commodities must be speeded up. The possibility of using existing organizations, in particular the International Trade Centre UNCTAD/GATT, as an appropriate framework to achieve that end should be examined.

7. With regard to trade, developing countries required secure and improved market access to enable them to play their full role in the interaction between recovery and development. There was a need for structural adaptation to make the most of an improved international division of labour and to achieve a better utilization of resources. Transparency in measures directly or indirectly affecting trade should be improved, and the tendency towards bilateral or trilateral agreements, in which negotiating power was greater than under multilaterally agreed rules, should be eschewed. Trade in goods from developing countries should be further liberalized, with improvements in the GSP. The Norwegian Government would participate in the implementation of the decisions of the GATT ministerial session of November 1982, particularly with regard to Part IV of the General Agreement, the enabling clause and the question of safeguard measures. It would be advantageous if there could be closer and more systematic co-operation between GATT and UNCTAD, aimed at mutually reinforcing and supplementing action by the two organizations towards freer trade in both goods and services.

8. It was essential to provide additional financial resources for development. That should be done through the World Bank, IDA, UNDP and the regional banks, as well as through bilateral sources. The Conference at its sixth session should give impetus to the ongoing negotiations for increased resource mobilization and confirm the intention of the developed world to fulfil its commitments with respect to ODA goals. The Conference also offered an opportunity to support the forthcoming negotiations in IMF to strengthen the international monetary system, to create new resources for economic recovery and development through additional quota increases, issue of SDRs, and borrowing on international capital markets. Further consideration should be given to the possibility of introducing a link between SDRs and development financing. The Norwegian Government intended to continue to allocate at least 1 per cent of GNP to ODA, nearly all in the form of grants and with emphasis on the least developed and poorest countries. Norway would also be willing to seek improvements in the multilateral debt renegotiations organized within the Paris Club and to consider measures for relieving public debt in order to alleviate the financial burden of the least developed countries.

9. It was proper that the Conference should devote adequate attention to the enormous problems of the least developed and poorest countries. Norway would favour a special action on their behalf which would be linked to the results of the United Nations Conference on the Least Developed Countries, held at Paris in 1981.

10. It was fair to say, however, that the developing countries themselves bore considerable responsibility for their internal growth and distribution policies. In pursuing growth and development programmes, it was important that they should pay due regard to the basic needs of the population and the respect of human rights.

11. In considering the urgent measures needed in the current situation, regard should also be had to the longer-term perspectives so that such measures could be integrated into a longer-term strategy for the world economy and for relations between developed and developing countries.

12. In many of the areas he had mentioned, the ultimate responsibility lay with individual countries. Doors had been opened to a free flow of trade, payments, capital transactions and even labour. But international codes of conduct to guide that freedom had not been developed to the same extent. A purely national approach was no longer tenable. Governments would have to contemplate policies that might conflict with dominant national views. That would be a challenge to international co-operation and to the ability of national leadership to win the necessary public support. UNCTAD would have an ever-increasing role in monitoring policies in that connection.

Summary of statement made at the 181st plenary meeting, 10 June 1983, by Mr. Izharul Haque, Federal Secretary of Commerce of Pakistan

1. Mr. HAQUE (Pakistan) said that the picture of the world economic situation painted by the President of Argentina[47] on behalf of the Group of 77 provided no grounds for complacency. There had been a precipitous decline in commodity prices, an increase in interest rates, the growing indebtedness of the developing countries, the increasing difficulties experienced by those countries in obtaining access to markets in the developed countries, and the problems relating to transfer of technology. In view of that critical situation, the developing countries had come to the sixth session of the Conference prepared for dialogue and co-operation. The President of Yugoslavia[48] had called upon Conference participants to show political realism and the Secretary-General of UNCTAD[49] had given an undertaking that the Conference would work out a response to the immediate problems of the crisis and then reflect on the future and provide orientations for the long term.

2. It was essential to tackle a number of problems that were threatening the international financing and trading system established after the Second World War. For the first time for decades, world trade was declining. Exchange rates fluctuated violently and interest rates had reached unprecedented heights. The flow of ODA had declined, as had the flow of private capital to developing countries. The debt problem of those countries was testing the viability of the international monetary system itself. As had been pointed out by other speakers, the least developed countries were those which had been the most severely affected by the crisis. Protectionism was a growing menace which had been publicly denounced at the GATT ministerial session in November 1982, at the summit conference of non-aligned countries in March 1983, and at the recent summit meeting of the seven industrialized countries at Williamsburg. So far, however, nothing had stopped the rise of protectionism, which continued to gain ground in violation of all the international commitments.

3. There was a close link between protectionism and the lack of action on the part of developed countries to make the necessary structural adjustments. Market access for products of developing countries in developed countries was denied on the grounds that it would hurt a particular segment of the latters' economies. In fact, that type of protectionism hampered the industrialization and development of the developing countries, while the developed countries had to provide artificial support for inefficient sectors of their economies. Furthermore, it was precisely in those areas in which the developing countries had acquired some comparative advantage that such restrictive measures were imposed.

4. The GSP itself, which had been formulated several years earlier under the auspices of UNCTAD and was intended to counterbalance to some extent the position of inferiority in which developing countries found themselves because of structural weakness, had been unable in recent years to be effective because of new restrictions adopted by the developed countries. The process of improvement in the coverage and range of GSP had come to a halt, and there had been a serious erosion of the existing benefits, thus thwarting the export-led development strategies of many developing countries.

5. The alternative course of progress through agricultural development had fared no better. The developing countries had found it increasingly difficult to dispose of their farm surpluses because régimes of subsidies and domestic support policies were being pursued by some developed countries.

6. In the field of commodities, a framework of co-operation aimed at achieving price stabilization on a long-term basis had been adopted in 1976. The Agreement Establishing the Common Fund for Commodities had been adopted in 1980. It was desirable that members of UNCTAD should ratify that Agreement in sufficient numbers to enable the Fund to come into operation as early as possible. Progress had been unsatisfactory with regard to the conclusion of individual commodity agreements. It was particularly unfortunate that the cotton negotiations had been stalled for some time because of the opposition of certain major exporting countries, which practised price stabilization at home but refused to do so internationally. The Conference should call for the speedy conclusion of commodity negotiations.

7. The international monetary and financial scene was characterized by a substantial drop in ODA. While needs continued to rise, the countries that were members of DAC had devoted only 0.32 per cent of their GNP to that type of aid in 1982, as against 0.51 per cent in 1960. There was a need for the World Bank and the regional development banks to increase their disbursements, which would involve an increase in the capital of the World Bank. The Seventh Replenishment of IDA resources was also becoming urgent.

8. To reduce the indebtedness of the developing countries, which had reached crisis proportions, and to make a start on solving the problem of international liquidity, there should be an even greater increase in IMF quotas, together with an increase in the annual allocation of SDRs, thus establishing a linkage between SDRs and development assistance.

9. There was, moreover, a need to improve the international monetary system as a whole, as was felt by a growing number of developed and developing countries. The current session of the Conference should provide an opportunity for considering how an international conference on money and finance for development might be convened so as to achieve a reform of the existing international monetary and financial system.

[47] See section A.1 above.

[48] See volume I, annex IV, section B.

[49] See section B below.

10. For some time, there had been talk of recovery. For the first time perhaps since the fifth session of the Conference, a high-level meeting on the world economic situation was being held in an apparently favourable climate. The Conference should therefore seize that opportunity to negotiate programmes that would sustain and strengthen the process of recovery. Problems relating to commodities, trade and the financial system were so closely linked that stimulation of the recovery depended on co-ordinated action. Furthermore, given the dynamics of interdependence, only a revival of the spirit of multilateralism would make it possible to have recovery and development based on economic efficiency and justice.

Summary of statement made at the 191st plenary meeting, 17 June 1983, by Mr. José María Cabrera Jovane, Deputy Minister for External Relations of Panama

1. Mr. CABRERA JOVANE (Panama) said that his delegation had come to Belgrade to confirm the commitments entered into at Buenos Aires and to strive to start the dialogue with the developed countries for establishing a just and equitable new economic order.

2. Panama's economy was based on services, which accounted for more than half its GDP. Panama also exported commodities such as bananas and sugar, which were being very poorly treated in world trade.

3. The services sector, which was the main source of employment and income, covered shipping and the regional distribution of goods, and trade among developed countries and between developed and developing countries. Thus, being open to the outside world, Panama was particularly affected by all the uncertainties of international trade.

4. The world slump was due not to a lack of vitality in the developing countries, which had rather acted as a moderating element in the recession, but to the very structure of the world economy and to the policies pursued by the developed countries in combating inflation, unemployment and listless trade.

5. Since the 1970s, the third world countries had had to cope with the energy crisis and a deterioration in the terms of trade caused by the falling prices of their exports and the rising prices of their imports of manufactured goods. The result had been a draining of resources which had seriously jeopardized their development. Developed countries had not been spared, with their falling production and rising unemployment, which they had used as a pretext for stepping up protectionism to the detriment of developing countries.

6. International co-operation and the multilateral financial institutions set up after the Second World War had been powerless to solve the world economic crisis, which was fundamentally structural rather than cyclical. The international economic system must therefore be altered in the light of present-day realities. The crisis had brought out sharply the interdependence of and imbalance between the different national economies. It therefore called for world solutions and concerted action taking into account the relations between the different sectors of the economy. The situation must be put right with all urgency, otherwise the future could be hopelessly mortgaged. However, the need for immediate solutions in no way eliminated the obligation to work on the establishment of a new international economic order, which was still an overriding objective for the developing countries.

7. The members of the Group of 77 at their Buenos Aires meeting had established a common position in the search for a solution to the problems of the moment in a spirit of concerted action with the developed countries. A new form of multilateralism should be created in which all countries would co-ordinate their policies and bring about systematic structural reforms instead of undertaking abrupt and disorganized adjustments.

8. In addition, all available resources must be devoted to development, in particular by curbing the arms race, whose staggering cost meant that aid to the developing countries was shrinking more and more. Its social and economic consequences and in particular the unchecked waste of resources caused by the arms race had aggravated the crisis and hindered the establishment of the new international economic order, as had been pointed out by the non-aligned countries at their New Delhi summit meeting.

9. The instability engendered by the economic situation was a threat to the security of the developing countries, because it made them more vulnerable to outside interference; it therefore endangered the peace and security of the entire international community. His delegation considered that peace and security were incompatible with the arms race and the law of the strongest, for they required a world economic system based on justice, and co-operation for prosperity fairly shared.

Summary of statement made at the 189th plenary meeting, 16 June 1983, by Mr. José Carlos Mariátegui, Ambassador, Under-Secretary for Economic Affairs and Integration, Ministry of External Relations of Peru

1. Mr. MARIATEGUI (Peru) said that the first signs of recovery noted in some industrialized countries did not necessarily mean that there would be an overall improvement; no one should expect those countries to solve their problems unilaterally and hope that the cure would miraculously spread to the third world.

2. The Conference was the appropriate forum in which to reach agreement on ways of getting the world economy back on track. That was where the countries of the third world should state their case, in a spirit of understanding and co-operation. The aspirations of the majority in UNCTAD should not be frustrated by a small group of countries, on the pretext that a consensus was necessary or that the proper forums for commercial and financial matters were GATT, IMF or the World Bank. In his opinion, the Conference could, without encroaching upon the areas of responsibility of those bodies, quite properly draw up the major economic policy guidelines which would enable the various specialized institutions to work more efficiently.

3. It was in that spirit that his delegation had come to Belgrade, to initiate a dialogue with the developed countries of East and West and to state a position which was set forth in detail in the Buenos Aires Platform.

4. The countries of the third world remained firm supporters of the principle of establishing a new international economic order and entering into global negotiations within the framework of the United Nations. Alongside that medium-term and long-term course of action, however, it was essential to ascertain the immediate measures to be taken in four areas in order to revive the world economy. In the area of commodities, his country was aware of the importance of the Integrated Programme and the Common Fund and would soon ratify the Agreement establishing that Fund. It considered that compensatory financing facilities should be widened, market access should be made easier, especially by means of assistance with marketing and price stabilization, and temporary agreements should be concluded on certain commodities. As far as trade was concerned, it was of course necessary to put an end to protectionism, to expand the GSP and to curb the progressive increase in customs duties on manufactured goods exported by developing countries. With reference to financing, it was a matter of urgency to alleviate the debt burden of those countries by extending the deadlines for repayment, lowering interest rates and granting official loans to finance new capital investment projects and to mitigate balance-of-payments difficulties. In a spirit of solidarity, his country supported the Substantial New Programme of Action for the 1980s for the Least Developed Countries, especially since that humanitarian assistance should not lessen the total flow of resources to the developing countries as a whole.

5. In any event, it must be clearly acknowledged that co-operation was not the only way to solve the problems of underdevelopment. It was mainly through their own efforts that the developing countries would be able to overcome their difficulties. To that end, his country was reviewing its whole policy so as to give a new impetus to its economy, at the lowest possible social cost. In spite of adverse external circumstances, his country intended to meet all its financial obligations, as it had always done. Nevertheless, because of the serious natural disasters which had devastated huge areas, his country had had to ask for a rescheduling of its debts so as to avoid having to curtail its development plans geared to the interests of the Peruvian people.

6. For its part, the Conference was duty bound to show that international co-operation was not an empty word; it would in that way be contributing to the welfare of mankind and to the cause of world peace.

Summary of statement made at the 174th plenary meeting, 7 June 1983, by Mr. Vicente Valdepeñas, Deputy Minister for Trade and Industry of the Philippines

1. M. VALDEPEÑAS (Philippines) said that the world economy was showing signs of recovery. Consequently, concerted efforts should be made at the current session of the Conference to ensure that that recovery was durable and far-reaching. The prospects for recovery would be even better if account was taken of the interdependence between trade, finance and development. The fact that the crisis had lasted so long was due precisely to the failure to take account of that interdependence.

2. In order to revive the world economy, markets must be opened and the collapse in commodity prices halted. At the same time, creditors should be encouraged to provide sufficient resources to stimulate exports and imports. For that reason, his delegation supported the idea of a substantial increase in IMF quotas and welcomed the decision taken by IMF to improve the General Arrangements to Borrow. It was essential to provide the developing countries with greater financial resources without imposing conditions which would be too restrictive for their programmes, since their current situation was a result, not of overspending, but of the collapse of commodity prices on world markets.

3. In order to ensure free access to the international market-place, all countries, developed and developing alike, must participate in a world-wide process of structural adjustment and avoid protectionism. His delegation accordingly welcomed the Williamsburg Declar-

ation on Economic Recovery, in which the seven major industrial countries undertook to halt protectionism and to dismantle trade barriers.

4. His delegation supported the idea of expanding the structural adjustments lending programme of the World Bank. In countries with a protectionist tradition, that programme, which entailed the discipline of comparative advantages in production, should be combined with investment incentives which were not simply subsidies, as they were thought to be by certain developed countries.

5. At a more general level, a global consensus was needed to enable the trading and financial system to adapt itself to contemporary developments and to future trends. Such a consensus would call for accommodation on the part of developed and developing countries alike. The developing countries should proceed with their structural adjustments, and the developed countries must respond by, for example, opening up their markets. Indeed, they would have everything to gain thereby, since protectionism hampered the exports of developing countries and consequently deprived them of the means to repay their debts.

6. The consensus to sustain the world economic recovery, to abolish protectionism and to reform the world financial system already existed. What remained to be done was to translate it into political reality. The sixth session of the Conference would afford an opportunity for all to work towards that end. To complete the process, an international monetary conference should be held; his delegation would support such an initiative.

Summary of statement made at the 175th plenary meeting, 8 June 1983, by Mr. Tadeusz Nestorowicz, Minister for Foreign Trade of Poland

1. Mr. NESTOROWICZ (Poland) said that his country had always believed that international co-operation could never expand in conditions of growing international tension. Consequently, it had always stood for active détente and disarmament and for mutual understanding and beneficial co-operation among States. The present adverse world climate gave rise to grave concern. The world's economic progress depended on détente and the reduction of military expenditure on a global scale. Attaining those ends called for the speedy conclusion of international agreements providing for effective disarmament, the strengthening of peace and security and an acceleration of the rate of growth of the international economy.

2. The sixth session of the Conference was meeting at a time of growing negative phenomena in international economic relations, including in particular protectionism and trade discrimination, accompanied by a growing crisis in international financial relations. Without changes of certain principles and mechanisms of international co-operation, the world economy could hardly be expected to recover or to establish a new international economic order, aimed at satisfying the legitimate aspirations and interests of the whole international community. The present interdependence among national economies had reached a level where only a co-operative effort by all countries could create propitious conditions for the progress of the world economy.

3. The principal task of the Conference should be to deal with the interrelated problems of the expansion of world trade and modifications of the international financial system. It should find solutions to global indebtedness and adopt principles and methods of resolving the problem that would not impose upon borrowers drastic deflationary programmes or cut them off from new sources of finance but would stimulate world-wide demand, which was a *sine qua non* for the recovery of the world economy. The modification of the global financial system was closely linked with that of structural changes in the world economy and the elimination of barriers hampering access to markets. Poland was in favour of structural transformations of the world economy that would facilitate access to markets for countries that had joined the international division of labour at a later stage and effectively combat protectionism.

4. The Conference should provide a decisive impulse for action directed at the normalization of international trade, economic and financial relations and the elimination of trade barriers, particularly those of a discriminatory nature, and at counteracting new barriers which negatively affected world trade and credit accessibility. Economic relations should not be used as an instrument of political pressure. His country firmly opposed measures which denied the very essence of international economic co-operation, including sanctions, embargoes and other restrictions on international trade and on access to technology, introduced for political ends.

5. Confidence-building measures in international economic relations were urgently needed. In 1982, Poland had made a proposal on that subject which had been unanimously adopted as General Assembly resolution 37/249 of 21 December 1982. Full implementation of that idea in international economic relations would certainly help to enhance co-operation among all States.

6. Economic and technical co-operation among developing countries was an important aspect of the structural changes in the world. It should not result in economic isolationism or regional autarky but should strengthen the economies of the developing countries concerned and offer new opportunity for co-operation with other countries.

7. Poland believed that UNCTAD, as a United Nations organ dealing with both international trade and the economic aspects of international maritime transport, should consistently tackle shipping, especially with a view to rectifying distortions in international

transport. It also attached considerable importance to the stabilization of primary commodity markets.

8. Poland was hopeful that it would prove possible for the sixth session of the Conference to arrive at commonly agreed decisions to revitalize international economic co-operation. His delegation was ready to act jointly and constructively with other delegations to strengthen collaboration among States and reinforce UNCTAD as a universal forum capable of working out such a course of action.

9. Poland reiterated its strong support for the continuation of the universal approach of UNCTAD to solving world trade and development problems, in compliance with General Assembly resolution 1995 (XIX) of 30 December 1964.

10. Poland also favoured a pragmatic critical evaluation of the functioning of all international economic institutions and the rules which determined the conditions and principles of international trade. Such an assessment should not, however, lead to the destruction or undermining of those rules and institutions that discharged their obligations effectively and served the purposes of international co-operation. Changes resulting from such an evaluation would have to be contemplated with great caution.

11. Poland had recently been experiencing considerable economic difficulties. Growing protectionist tendencies abroad, the disruption on political grounds of the principles of international trade and the prolonged recession in the world economy inhibited its recovery from the economic crisis. It had, however, adopted a number of internal measures, including a comprehensive reform of the economic system, in order to deal effectively with the crisis and accelerate economic recovery. Those actions, supported by assistance from and co-operation with the sister socialist States, were yielding tangible results, notably in industrial production and in revitalizing domestic markets. It was also taking action to restore its dynamic participation in world trade, improve its economy, increase its overall capacity as well as that of individual enterprises, in order to respond to the changes on international markets and stimulate active trade policies.

12. Poland strongly reaffirmed its interest in developing trade and economic relations with all countries, on the basis of non-discrimination, mutual benefit and non-interference in the internal affairs of other States.

13. The highest priority was being given to Poland's economic relations with developing countries, with positive results. The National Socio-Economic Plan for the period 1983-1985 adopted by the Polish parliament envisaged further growth of economic co-operation and trade exchanges with developing countries.

14. In its relations with developing countries, Poland attached particular importance to offering them highly skilled specialists, to educating and training national cadres as well as to making its own scientific and technical achievements accessible to them. Maximum use of the great potential of its economic co-operation with the developing world would, however, depend not only on its own efforts but also on the economic situation in the world at large.

15. The improvement of the world economic situation and, consequently, the living standards of millions of people in the poorest corners of the globe could be achieved only if and when peace prevailed on earth and all efforts were directed to construction rather than destruction. Poland knew that lesson from its own experience. That was why it would seize every opportunity to use international trade and co-operation to strengthen the process of peaceful coexistence of nations. The sixth session of the Conference could and should make an important contribution towards this end.

Summary of statement made at the 187th plenary meeting, 15 June 1983, by Mr. Fernando Reino, Permanent Representative of Portugal to the United Nations Office at Geneva

1. Mr. REINO (Portugal) said that, in view of the seriousness of the economic situation, international co-operation and specific assistance measures for the most severely affected countries must be strengthened. Despite some progress in recent years, it must be admitted that the North-South dialogue had produced precious few tangible results. It was for the Conference to intensify multilateral economic co-operation and to revive the economies of all countries, whether industrialized or developing. It was true that that task would not be easy but there were some encouraging factors which permitted a degree of optimism. In the first place, mention must be made of the spirit of co-operation underlying the Buenos Aires Platform, in which the Group of 77 had defined the position of the third world and had proposed draft resolutions on almost all the agenda items for the present session. Next, account should be taken of the commitment, recently entered into by the OECD countries, to show the same spirit of understanding and co-operation. Then there was the economic recovery beginning in some major industrialized countries, the first signs of which had been mentioned at the Williamsburg summit meeting and which should spread to the developing countries through the rational reactivation of international trade via the elimination of protectionism. For the recovery to be viable, it would also be necessary to reduce interest rates and to stabilize exchange rates, which constituted such a heavy burden on the balance of payments of the non-industrialized countries.

2. There was no longer any reason for the cleavage between developed countries and developing countries. There were at present different categories of countries in the third world, depending on the level of development. For example, his own country, which was at an in-

termediate stage, was both a beneficiary and a donor of aid. It therefore understood the problems of the developing countries very well as it shared those problems. As a member of OECD and a candidate for membership of EEC, it was also aware of the difficulties of the developed countries in the light of the aspirations of the developing countries.

3. It was against the background of those considerations that he proposed to make some comments on the principal questions before the Conference.

4. With regard to trade in commodities, his delegation reaffirmed its support for the Integrated Programme for Commodities; it had welcomed the adoption of the Agreement Establishing the Common Fund for Commodities and hoped that the Fund would become operational soon. In general, the renewal of certain commodity agreements and the signature of a number of others were to be welcomed, but it must be admitted that the results were disappointing in the case of sugar and cocoa. In the case of tungsten, which was not covered by the Integrated Programme, the work of the Committee on Tungsten should be given specific form through an agreement comprising stabilization measures.

5. His Government favoured an open system of multilateral trade, since the expansion of international trade served the interests of all countries without exception. Despite its imperfections, multilateral trade was fulfilling its mission correctly. However, the growth of protectionism, which was increasingly escaping the GATT rules, must be a cause for concern. Every country must assume responsibilities in international trade in relation to its degree of development. To that end, the programme of work adopted at the GATT ministerial session in 1982 should be carried out; in particular, Part IV of the General Agreement should be effectively implemented, and the composition of GATT should be broadened towards universality.

6. With regard to money and finance, the system should be stabilized through long-term action going beyond simple emergency solutions. In particular, international liquidity must be increased since debt servicing was weighing so heavily on the balance of payments of debtor countries that dire cuts were having to be made in growth and development programmes.

7. In addition, ODA must be increased, as provided for in the International Development Strategy. His country did not belong to DAC but was making a great effort in that field, despite serious economic difficulties. Its aid was, of course, directed chiefly to the Portuguese-speaking African countries, three of which were among the least developed countries. It was playing an increasing part in trilateral co-operation projects involving other countries or international institutions.

8. At the present session, the Conference should devote attention to the implementation of the Substantial New Programme of Action for the 1980s for the Least Developed Countries, which had been agreed on in Paris in 1981. His delegation attached special importance to that matter and hoped that, when the Conference discussed the subject, it would take account of the specific needs of the least developed countries.

9. The interdependence of countries and regions, and also of the various economic, financial, monetary and trade questions, was not a new concept, but it was assuming particular prominence at the present time. That must be taken to mean that there was a growing awareness of the community of interest between all countries in the world, regardless of their political character or economic system, an awareness which had been considerably accelerated by the crisis.

10. Those interdependent relationships, together with the causes and consequences of the crisis, had been fully analysed. Henceforth, conclusions should be drawn concerning economic policy, in order to work out a new approach, which should be realistic and pragmatic, based on reciprocal interests and the harmonization of the respective policies of the countries of North and South. Systematic action must be taken, going beyond the stage of expedients and fragmentary measures, which were incapable of putting the world economy back on track. Antagonism between blocs must be replaced by the concept of structural complementarity transcending particular interests for the benefit of the general interest.

Summary of statement made at the 182nd plenary meeting, 13 June 1983, by Mr. Dong-Whie Kim, Minister for Commerce and Industry of the Republic of Korea

1. Mr. Dong-Whie KIM (Republic of Korea) said that the peoples of the world had high expectations that the Conference would produce a recipe for global recovery from the prolonged recession they were suffering. If participants were to take home a meaningful gift, they must tackle matters of immediate relevance to the revitalization of the world economy. In doing so, they should not forget that the sixth session had been convened against a vastly different background from that of the first, although the basic objectives remained unaltered. The role of the developing countries in the global economy had grown to such an extent that it could no longer be disregarded. The economies of developed and developing countries had become so interdependent that any meaningful solution could not treat them separately. All the issues had been discussed at length in various international forums: what was now needed was the determination to act, not merely to exchange views or emit vague promises. The Republic of Korea therefore welcomed and supported the Buenos Aires Platform as a viable framework within which to move forward.

2. The international economic system was showing increasing signs of strain, and it was obvious that it failed to reward those who relied on it. The developing

countries believed in the premise of "trade not aid" and had set out with confidence on the path towards development by their own efforts. Now, their confidence was failing. Mounting trade barriers in developed countries, the deterioration in their terms of trade, and high interest rates—all those were beyond their control. The system had failed to adapt to the changes that had taken place in the post-war era. Comparative advantage was shifting faster than ever before. Yet, trading rules, often abused by some, remained rigid, discouraging new entrants. The need for the full participation of developing countries in the world trading system had often been invoked, yet the necessary economic structural adjustment of developed countries to facilitate such participation was being delayed. The system, therefore, must be changed to exploit the dynamic efforts of the developing countries, which provided an increasingly important market for the exports of developed countries, to the maximum benefit of all. That was the challenge facing the Conference.

3. After years of recession, modest signs of upturn were being discerned, notably in some developed countries, but the wave of recovery had not reached the borders of the developing countries. To make the recovery a global and lasting one and to facilitate the development process, the bottle-necks that hampered the free flow of goods, capital and technology between nations must be eliminated.

4. His delegation welcomed the commitment made in the Williamsburg Declaration on Economic Recovery to halt the drift towards protectionism. That was in line with his Government's strong support of free trade. He urged the Conference to adopt and implement immediately the three-step action against protectionism proposed by his delegation at the GATT ministerial session in November 1982, when it had advocated a standstill on new protective measures, the dismantling of existing measures adopted outside the framework of international trade rules, and the gradual phasing-out of all restrictive trade practices.

5. However, economic policies were often influenced by pressure groups calling for tighter import restrictions. To resist the influence of such groups, stricter disciplines, agreed upon internationally, were needed. It was therefore essential to provide, in the global strategy for the revitalization of the world economy, for the strengthening of multilateralism and, more specifically, for a multilateral surveillance mechanism to monitor the implementation of programmes for the elimination of protectionist measures; an improved safeguard system based on the principle of non-discrimination; a set of multilateral guidelines for the effective and continued operation of the GSP; the early establishment of the Common Fund for Commodities; and the speedy convening of a negotiating conference on processing, marketing, transportation and distribution of commodity exports of developing countries.

6. To prevent the breakdown of the world financial system, there must be a substantial increase in the lending resources of multilateral financial institutions and an internationally accepted framework under which emergency debt-relief measures, including the rescheduling of ODA, could be implemented.

7. Lastly, as a practical instrument for the acceleration of development, there must be early adoption of the international code of conduct on the transfer of technology and a firm commitment by the developed countries to supply the technologies most needed in the developing countries for the benefit of the whole world.

8. Those were the minimum results to be sought by the Conference.

9. The Republic of Korea, a country highly vulnerable to external economic environments, had always been strongly committed to the sound and harmonious development of the world economy. To that end, his Government had taken another major step the preceding month to liberalize its import régime further, despite its persisting current account deficit and the call from some parts of its domestic business community for protecton from foreign competition. Shortly before his departure from Seoul, his Government had decided to remove 305 items from its list of prohibited imports, thereby raising its liberalization ratio to 80.4 per cent. That ratio was expected to rise further in the coming years. He asked how Korea could continue with its liberalization programme without a corresponding move from its trading partners.

10. What was more, his Government had ratified the Agreement Establishing the Common Fund for Commodities in March 1982 and had reaffirmed its support for the Integrated Programme for Commodities by its recent decision to make a $300,000 voluntary contribution to the Second Account of the Fund. The Republic of Korea had joined the African Development Bank in 1982 with an initial subscription equivalent to $24 million and was also looking forward to working closely with the Inter-American Development Bank.

11. The wide gap between the developed and developing nations in their technological levels presented a major impediment to the transfer of technology to developing countries. To bridge the gap, medium-level, labour-intensive technologies were needed. In that connection, the Republic of Korea had made clear its willingness to share development experiences with other developing countries. In 1983 alone, his country was to invite over 1,000 trainees from developing countries to learn various technical skills. In order to systematize such co-operation and multiply the benefits deriving therefrom, a Government study was under way to implement the tripartite formula for technical co-operation. In that scheme, its experiences would be combined with financial support from developed nations so that the recipients might have easy access to know-how and technology to meet the needs of their own countries.

12. With respect to trade among countries having different economic and social systems, he was happy to state that his country maintained a policy of separating political ideology from economic co-operation. The proclamation of its open-door policy in 1973 had been followed by the decision in 1974 to open its market for bidding by firms from socialist countries and again by the decision in 1982 to apply preferential tariff rates to exports originating in those countries.

Summary of statement made at the 178th plenary meeting, 9 June 1983, by Mr. Manea Manescu, Vice-President of the State Council of Romania

1. Mr. MANESCU (Romania) said that his country desired the elimination of underdevelopment and economic gaps between States and the establishment of a new international economic order. In accordance with the aspirations of the people of his country, who wished to contribute to the building of a better world based on equal rights, respect for national independence and sovereignty, non-interference in the internal affairs of States and mutual advantage, his delegation was determined to work at the present session of the Conference for economic recovery, peace and security in the world.

2. He deplored the consequences of the outdated policy of imperialism, colonialism and neo-colonialism. He condemned over-frequent recourse to the use of force and the growing arms race, which endangered détente and co-operation and diverted valuable resources from the economy. In the economic sphere, trade barriers, which had particularly harmful effects on the exports of developing countries, were continually being erected, despite the commitments of Governments to reverse that trend. Monopolistic practices, restrictions on the transfer of technology and the policy of high interest rates of certain industrialized countries had had a strongly negative impact throughout the world, especially in the developing countries.

3. It was true that signs of recovery had been apparent in some developed countries, but it was not certain that the trend would be lasting and generalized. Much had been said in the past two decades about underdevelopment and a new international economic order, but the developed countries did not appear to understand the need for a new and more radical approach, and the same was true of certain international organizations, in particular monetary and financial bodies.

4. It was therefore necessary to establish genuine co-operation between the developed and the developing countries, starting with recognition of the interdependence of all economies and of the impossibility for one country or group of countries to act in isolation. Recovery should not be confined to the industrialized countries, and the developing countries should resume a dynamic role in the economy and world trade, which would be a factor for stability. To that end, the Seventh Conference of Heads of State or Government of Non-Aligned Countries at New Delhi and the Fifth Ministerial Meeting of the Group of 77 at Buenos Aires had worked out concrete proposals concerning short-term and long-term measures to be adopted at the sixth session of the Conference. Those proposals were such that the Belgrade session could end with tangible results and help to revive the development process.

5. His country, along with those which had adopted the common platform of the Group of 77, believed that the Conference must relate short-term measures of an urgent character to long-term measures aimed at transforming the economy and rendering it more equitable and more advantageous for all. His delegation therefore invited the other participating countries to demonstrate a spirit of co-operation and understanding in order to end the deadlock in international negotiations. With that in mind, he would like to make some suggestions on the means envisaged by his country for overcoming the crisis.

6. It was first of all necessary to halt the advance of protectionism, which in all its forms hampered the expansion of trade, and to ensure that the developing countries enjoyed a stable market for their raw materials with prices which bore a proper relation to those of industrial goods, without harming the interests of consumers. Those countries should be given special assistance in such fields as agriculture, industry and transport to enable them to make better use of their material and human resources. They must also have the benefit of a substantial transfer of modern technology, adapted to their needs, on advantageous terms. They must also be helped with the training of personnel and in halting the brain drain. Economic co-operation among developing countries must be encouraged, in conformity with the programmes of the Group of 77, and through UNCTAD and in the broader framework of the United Nations and the specialized agencies. There should, of course, be an increase in the amount of financial assistance and a reduction of indebtedness. In that connection, the debts of the poorest countries might be cancelled, and those of other developing countries reduced and rescheduled, with very low rates of interest or no interest at all, in proportion to per capita income and in accordance with principles to be agreed internationally. In general, interest rates should be reduced and stabilized and the third world should be given access to credit on preferential terms; international credit institutions would thus restimulate trade, the economy and productive investment throughout the world. Decisive cuts should be made in military expenditure, whose level was one of the main factors in the recession and represented an enormous waste. Starting a genuine disarmament process would make it possible not only to ensure lasting peace on the planet, but also to divert immense resources to peaceful uses. The NATO member States and the Warsaw Treaty States, in particular, could take a first step in that direction by holding direct negotiations on arms limitation and disarmament, in particular, nuclear disarmament.

7. His country had always been in favour of improving United Nations machinery and strengthening its role in international life. The United Nations seemed to be the most appropriate forum for the democratic participation of all States, on an equal footing, in solving major contemporary problems. The United Nations should therefore play a more active role in stimulating co-operation between States in all fields, with a view to the establishment of a new international economic order. To that end, global negotiations should be started in 1984 on raw materials, energy, trade, development, money and finance, beginning with those issues on which agreement could be reached immediately.

Benefit could be derived from the experience gained in other complex international negotiations, such as those of the United Nations Conference on the Law of the Sea. In such negotiations, priority should be given to restructuring the international monetary system, and his country was in favour of convening an international conference on that question.

8. In line with that, the UNCTAD machinery for consultation and negotiation should be strengthened. Convening at least every other year ministerial meetings of the Trade and Development Board would facilitate agreement and decision-making in that respect. In order to restore the world economic situation, it would not be sufficient to take major decisions of principle on the questions on the agenda for the current session. It was imperative to find practical solutions to the major problems of the day and to come to an agreement on a continuation of the dialogue after the session so as to give effect to the decisions adopted at it.

9. Those were some of the actions and measures which, in the opinion of his country and its President, Nicolae Ceaucescu, should be taken as a matter of urgency in order to start on the path to economic recovery and political stability throughout the world. It was for all countries, irrespective of their size, level of development or socio-economic system, to take action for the adoption of concrete and effective measures. His country felt, in particular, that the unity and mutual co-operation of the developing countries and the non-aligned countries were important in that sphere. Those countries should intensify their consultations at all levels, including possibly a summit meeting devoted exclusively to economic issues.

10. Like all developing and non-aligned countries, his country was not in favour of confrontation between the developed and developing worlds, but supported co-operation aimed in particular at the poorest countries. It hoped that, at the present session, the developed countries would make a genuine effort to respond to the needs of the developing countries and that all, without exception, would work in the common interest. His country intended to do everything possible to ensure that the current session of the Conference made a full contribution to the establishment of a climate of understanding, co-operation, security and peace, which would help to build a better world.

Summary of statement made at the 188th plenary meeting, 16 June 1983, by Mr. Mathieu Ngirira, Minister for Economic Affairs and Trade of Rwanda

1. Mr. NGIRIRA (Rwanda) said that although the current session of the Conference was of capital importance in formulating principles to improve international economic relations, in the past the absence of political will had always magnified the problems it would be concerned with.

2. The current economic situation combined highly unfavourable economic factors with uncontrolled expenditure on armaments and growing uncertainty about world peace and political stability. The fact that the same economic phenomena appeared simultaneously to a greater or less degree in all countries proved that the crisis in international economic relations was structural rather than cyclical. Hence global solutions were required and a concerted and coherent strategy must be adopted within the framework of global negotiations under the aegis of the United Nations. All previous sessions of the Conference had stressed the need to work towards the establishment of a new international economic order, and now economic recovery and the reactivation of development could be achieved only within a strategy of interdependence which aimed at a basic restructuring of the world economy. Like the other members of the Group of 77, his delegation considered that existing world economic structures, while limiting the economic development of developing countries, were not without disadvantages to the stronger economies. For that reason, the Group had sought to find effective and lasting solutions to the manifold economic and social problems of disadvantaged populations within a framework of interdependence and not in isolation. He hoped that the current session of the Conference would contemplate a truly regenerating restructuring of the world economy that would enable all countries to play their full part in operating and controlling its mechanisms.

3. Such an outcome, however, would depend in the first place on a consensus being established as to the precise nature of the underlying causes. The Rwandese economy, like that of the majority of developing countries, was dependent on the export of a limited range of commodities, the most important being coffee. His country therefore attached great importance to implementation of the Integrated Programme for Commodities supported by the Common Fund. It was essential to ratify the Agreement Establishing the Common Fund for Commodities and to endow the Fund with adequate financial support. In that connection he informed the Conference that Rwanda had already ratified its accession to the Fund.

4. There should be an end to attempts at protectionism on the part of the developed countries, since the Tokyo Round of multilateral trade negotiations had agreed that reciprocity measures were unnecessary for opening the markets of developed countries to commodities from developing countries. The international community should stimulate production in countries which were not yet in a position to export manufactured goods by financing development projects. Such countries had already set up codes to protect public and private investments, but the investments were still not forthcoming.

5. As to monetary and financial problems, his delegation whole-heartedly supported the proposals submitted by the Group of 77, namely, reform of the international monetary system, international financial co-operation for development and measures to alleviate the

debt problems of developing countries. In that connection, he thanked those Governments and organizations which had agreed to convert Rwanda's debts into grants. He hoped that such a gesture of international solidarity would be repeated by other donors.

6. Rwanda had taken an active part in the preparatory work for the United Nations Conference on the Least Developed Countries and attached particular importance to the Substantial New Programme of Action for the 1980s for the Least Developed Countries. It had already made plans to implement the Programme. The time had now come to proceed from promises to action. The donor countries should keep their promises to provide 0.7 per cent of their GNP for ODA and 0.15 per cent for the least developed countries or, in some cases, to double their ODA to the least developed countries.

7. Further efforts should be made to implement the measures in favour of landlocked countries, of which Rwanda was one. Transport difficulties and costs constituted a particular handicap for the exports of such countries. His country was therefore grateful to those countries and bodies which were helping to finance projects giving Rwanda access to the sea, as well as to the neighbouring countries through which Rwanda's products were passing.

8. His delegation also hoped that an international code of conduct on the transfer of technology would be finalized without delay.

9. Since the new international economic order could not be based solely on North-South relationships, the developing countries had instituted South-South co-operation mechanisms. Such forms of co-operation should be integrated into the wider system of international economic co-operation.

10. Largely due to the efforts of UNCTAD, change had taken place in the attitude of the international community to economic relations between the industrialized and the developing countries, the former now recognizing that it was in their interest to be co-operative. UNCTAD had become the recognized forum in which the problems of the developing countries were brought to the attention of the international community and new ideas and policies were formulated. Because of that growth in the importance of UNCTAD, his delegation would support any measure to strengthen its institutional and organizational framework.

11. Given political will and recognition of collective responsibility, the Conference should be able to produce specific results on the establishment of a Common Fund and the implementation of an Integrated Programme for Commodities; the preparation of price-stabilization agreements for commodities and compensatory financing measures; implementation of the Substantial New Programme of Action of the 1980s for the Least Developed Countries; preparation of a global monetary conference; strengthening of co-operation among developing countries; the reversal of trends towards protectionism; and the start of global negotiations. To achieve those ends, dialogue rather than confrontation, solidarity rather selfishness were needed, together with a recognition of interdependence instead of short-sighted polarization. He hoped that the session in Belgrade would be a springboard from which such measures could be launched, measures whose implementation would further the coming into being of a new international economic order, which alone could promote world economic stability and prosperity.

Summary of statement made at the 189th plenary meeting, 16 June 1983, by Mr. Fradique de Menezes, Ambassador of Sao Tome and Principe in Belgium

1. Mr. de MENEZES (Sao Tome and Principe) said that he wished to express to the Conference the views of one of the least developed countries, an island country with a surface area of 1,000 square kilometres and only 100,000 inhabitants, which, despite those handicaps, was struggling to preserve its identity.

2. UNCTAD was nearly 20 years old and the world crisis, despite the presence of UNCTAD, had been in existence for nearly 10 years, but Sao Tome and Principe had only become an independent country in 1975. In fact, that independence was as precarious culturally as it was politically and economically, because the country was tiny and its economy was fragile; it had an agricultural economy dependent on cocoa as its sole crop. Furthermore, it was helpless in the face of the speculation on cocoa and the increases in the price of the products which the country was obliged to import in order to survive.

3. Admittedly, UNCTAD and its Secretary-General were still defending the ideals which had inspired the inception of that body in 1964 and the principles embodied in the commodity agreements, particularly the *International Cocoa Agreement, 1980*.[50] It was true that agreements had been concluded for most commodities, but none of them had given anyone the power or even the will to block the fluctuations in prices. For some years now, the developing countries had been promised a Common Fund for Commodities, but it remained at the project stage. His country would spare no effort to accede to the Common Fund but must still find a donor to help it to pay its contribution; it was unable to take advantage of the generosity of OPEC, which had taken an initiative in support of the least developed countries but at a time when Sao Tome and Principe had not yet been included in the list of those countries. He wished to thank the representative of Norway, who had intimated that his country was prepared to underwrite the contributions of a number of countries not mentioned by OPEC. In any case it was to be hoped that, if the Common Fund were to come into effective

[50] United Nations publication, Sales No. E.82.II.D.6.

operation one day, it would have more success in controlling commodity prices than the buffer stocks of certain existing agreements. Market fluctuations were now completely unrelated to surpluses or shortages of production, since they corresponded to the profit margin sought by the giant companies which manipulated the controls of the world markets as they pleased.

4. For the purposes of consideration of agenda item 13 (c), concerning UNCTAD activities in the field of land-locked and island developing countries, the Conference had had before it a basic document referring to the particular problems of island developing countries in which the secretariat had said: "Five of the poorest island developing countries—Cape Verde, Comoros, Maldives, Samoa, and Sao Tome and Principe—are classified among the least developed and therefore benefit from the Substantial New Programme of Action for the 1980s for the Least Developed Countries".[51] His country would like that Programme to be effectively implemented, as the rest of the Group of 77 had requested at the Fifth Ministerial Meeting in Buenos Aires; it would also like trade, or rather the sales of its products, to provide regular means for continuing its development and building its future; it would like an increase in South-South trade, but for that the South must control its own production, which was far from being the case; in shipping, it would like UNCTAD to prevent the shipping companies from imposing, on freight costs or the tonnage of goods for example, conditions with which a small country like his own could not in practice comply. His country unreservedly supported the grouping principle which UNCTAD was endeavouring to introduce. It would like a decision to reduce telecommunications tariffs for island countries for which the current tariffs were too great a burden; it would like to see a halt to the practice by producers of capital goods in industrialized countries of selling their products at high prices to small countries and then demanding further payments for a semblance of after-sales service. Corporations should refrain from imposing inadequately adapted technology and take the trouble, before making their plans, to study the environment and conditions of small purchasing countries. The industrialized countries should display a genuine political awareness and, above all, exercise stricter control over manipulations by multinationals based in their territories, so as to put an end to their omnipotence in world markets.

5. He appealed urgently to the industrialized countries which were the main consumers of the cocoa produced in Sao Tome and Principe (particularly the Netherlands and the Federal Republic of Germany) to assist his country in increasing its production rather than merely purchasing what it produced. His country requested stronger action on its behalf by the Secretary-General of UNCTAD. He welcomed the fact that specialists in the secretariat would be organizing a round-table meeting in Sao Tome and Principe with representatives from certain donor countries. In addition to actions of that type, it was essential to give Sao Tome and Principe the assistance it needed in order to organize its domestic and foreign trade machinery. The industrialized countries must fully realize that that country would be more useful to them in the long term once it reached a certain level of development than if it was kept in a state of technological and trade dependence.

[51] TD/279 (reproduced in volume III), part two, para. 2.

Summary of statement made at the 179th plenary meeting, 9 June 1983, by Mr. Soliman Al-Solaim, Minister for Commerce of Saudi Arabia

1. Mr. AL-SOLAIM (Saudi Arabia) said that the world economic situation had deteriorated considerably since the fifth session of the Conference and the current session was being held in a turbulent situation of global economic recession, high unemployment rates and rapidly accumulating external debts of the developing countries. In 1982, such debts had stood at $600 billion, more than half of which was owed to the commercial banks, while debt servicing totalled $107 billion, or 24 per cent of the export earnings of the developing countries. Foremost among the many factors responsible for the existing situation were the continued world financial instability, unstable commodity markets and inadequate financial flows. The sharp fluctuations in foreign exchange markets made international trade more risky and discouraged foreign investment. He urged the major industrialized countries to pay close attention to the international implications of their domestic economic and financial policies, and particularly to the impact of those policies on the economies of the developing countries.

2. The current debt crisis had resulted primarily from the sudden decline in official financial flows to developing countries and the inability of those countries to increase their export earnings. They had experienced severe financial constraints in 1982 as commercial banks had reduced their net lending by approximately $30 billion, while net official flows had declined by $5 billion. The decline in official flows had been extremely disturbing, coming as it did at a time when there was an increased need to ensure continued flows of ODA to the developing countries.

3. His own country's assistance programme had, in that regard, been both liberal and substantial. Its net disbursement of ODA to the developing countries through bilateral channels over the past decade had totalled $35 billion, or 60 per cent of total OPEC aid and the equivalent of 22 per cent of total OECD assistance, and had averaged 6 per cent of the country's GNP as against an average of 0.35 per cent for the OECD countries. That bilateral aid had gone to 68 developing countries. His country also contributed to 12 regional development institutions with a total capitalization of $15 billion, its share averaging 20 per cent of the total capital contributed. His Government, which also supported such broad-based institutions as UNDP,

IMF and the World Bank, considered that the existing global financial crisis called in particular for an expansion of the resources available to those institutions. It had provided $4 billion in loans to the World Bank and had strongly supported IDA in its current difficulties. Although it did not look upon its support to IMF as ODA, it considered that such assistance had enabled the Fund to play its current active role. During the period 1974-1982, it had also made about $16 billion available to IMF to support its expanded operations, and in early 1983 had provided additional support to the Fund through its agreement to participate in the General Arrangements to Borrow.

4. Most OPEC member States had begun to face significant financial losses, and some of them had been compelled to curtail their assistance to other countries. Saudi Arabia, which accorded a high priority to its assistance to developing countries, would make every effort to continue at a generous level its policy of financial support for development. He called upon the industrialized countries, which had begun to experience an economic recovery and current account surpluses, to make every effort to extend increased official assistance, and in particular he urged those industrialized countries whose assistance was less than half of 0.7 per cent of GNP to take immediate action to alleviate the heavy burden on the developing countries, particularly the least developed countries. His Government firmly believed that increased assistance was an economic imperative in the mutual interest of the international community, and not merely a moral or human commitment.

5. With respect to the export earnings of the developing countries, commodity prices had fallen in 1982 to their lowest level for at least 30 years. Thus, despite the fact that developing countries had succeeded in increasing the volume of their exports by 21 per cent between 1979 and 1982, the increase in their earnings had been extremely disappointing.

6. Little progress had so far been made in adopting international agreements that could bring stability to the commodity markets of greatest concern to the developing countries. Consequently, the international commodity markets continued to be highly volatile and vulnerable to sudden shifts in supply and demand. The increased application of protectionist policies by the industrialized countries had adversely affected the developing countries' exports of processed and semi-processed commodities. The efforts of primary commodity producers to increase their participation in the processing, marketing, transport and distribution of their commodities had been further thwarted by restrictive business practices.

7. His delegation would welcome the creation of a stable commodity sector that would help the developing countries to earn more from their exports and reward efforts to expand capacity. It was particularly anxious that the Common Fund for Commodities should begin operations on 1 January 1984 as scheduled, and it urged those signatories which had not yet done so to ratify the Agreement expeditiously so that the necessary funds for an immediate action programme could be mobilized. Through its Fund for International Development, OPEC had given good support to the Common Fund, having approved 35 grants to cover the subscriptions of all 31 least developed countries and of four further low-income countries, in an amount of $37.2 million. In addition, the OPEC Fund had made a voluntary contribution of $46.4 million to the Common Fund's Second Account. Those sums, together with the $16.4 million in individual OPEC country contributions to the Common Fund, totalled approximately $100 million.

8. His delegation would also like to see more international co-operation to ensure a greater role for the primary producing countries themselves in the processing, marketing and distribution of commodities. It also supported the idea of additional financing of commodity-related shortfalls by IMF—something that would go beyond the current capabilities of the existing compensatory financing facility or buffer stock programme of the Fund.

9. While the need to bring stability to commodity markets was probably the most important trade issue currently facing the developing countries, it was by no means the only one. Protectionism, problems with the GSP, rules and principles governing international trade, and the development of a more efficient services sector were also priority issues.

10. The problem of access for primary, semi-processed and processed commodities of the developing countries to the markets of the industrialized countries had been a major issue in UNCTAD since its inception. Despite numerous recommendations adopted at various sessions of the Conference, very little progress had been made. Protectionist trends had, indeed, become firmer and even the ministerial session of GATT in November 1982 had failed to secure any firm commitment from the industrialized countries to avoid protectionism. If the developed countries continued, by means of various restrictive measures, to frustrate the efforts of developing countries to secure access to their major markets, the latter countries would never succeed in building up their exports, which would enable them to increase their imports of goods and technology and to service their external debts. His delegation therefore called for the adoption of concrete and effective measures to maintain and improve access to markets for the developing countries' exports. Such measures should be based on the realization that unrestricted growth in the developing countries could fuel recovery in the developed countries, thereby sustaining global economic growth.

11. His delegation further suggested that immediate improvements should be made in the GSP, which had so far failed to live up to expectations. It called upon the Conference to make positive recommendations for improving the GSP, including the broadening of its product coverage, with due regard for all the important elements, particularly the non-discriminatory nature of its application.

12. UNCTAD had consistently aimed at promoting open and free international trade to accelerate economic development, yet the existing international trading system was neither open nor free. Having lost its "development consensus", it was increasingly being used to serve certain vested interests and was being regulated on an *ad hoc* basis. Such a system detracted

from the international and multilateral character of trade and had proved harmful to the interests of the developing countries. His delegation hoped that the Conference would undertake an in-depth review of the existing rules and principles governing the international trading system, with a view to establishing adequate, effective and equitable rules that would impart a more universal character to trade.

13. The services sector had been a further factor in the inadequate export earnings of developing countries. The development of an efficient services sector was not only an increasingly significant component of international trade but was also crucial to the growth of total output, employment and productivity in domestic economies. At the current stage in the growth of developing world economies, there was a need to identify and establish priorities for that sector which should reflect not only domestic needs but also the importance of the growing international trade in services. The UNCTAD secretariat should conduct more research on that topic and make suitable recommendations.

14. A further issue of particular concern to his delegation was the development of technology and the sharing of technological developments by North and South. His delegation firmly believed that there was an urgent need to ensure, at a multilateral level, the full participation of the developing countries in technological progress. It welcomed the report by the UNCTAD secretariat entitled "A strategy for the technological transformation of developing countries"[52] and looked forward to the speedy conclusion of the ongoing negotiations, under UNCTAD auspices, for an international code for the transfer of technology.

15. The wide-ranging issues to which he had referred, and which cut across a number of existing institutions, should be considered in a comprehensive North-South dialogue and not handled in a piecemeal way as hitherto. His delegation urged that the North-South dialogue, which had been in a state of stalemate ever since the Cancún meeting, should be resumed at an early date.

16. He reiterated his Government's support for UNCTAD activities in the cause of various national liberation movements. His delegation welcomed the studies on the state of the economies of the Palestinian and Namibian peoples and considered that a further in-depth sectoral survey of the economic conditions of those two peoples would be helpful. There was a growing feeling of frustration with the passing years at the failure of efforts to find a peaceful solution to those problems. The case of the Palestinians who had been driven from their last refuge at Beirut by the recent Israeli aggression deserved special mention. They had been subjected to wholesale genocide, and those left behind were living in constant fear. His Government called upon the Conference to explore more effective ways of mobilizing governmental and non-governmental support for the continued struggle of the Palestinian people to exercise their inalienable right to national independence and sovereignty. It also hoped the Conference would take decisive steps to help Namibia to free itself from the oppression perpetrated by the racist régime of South Africa, and it further appealed to the international community, and particularly to the international financial institutions, to provide liberal assistance for the reconstruction of Lebanon's war-torn economy as soon as the Israeli Zionists ended their aggression and withdrew from Lebanese territory.

[52] TD/277 (to be issued as a United Nations publication).

Summary of statement made at the 194th plenary meeting, 21 June 1983, by Mr. Abdourahmane Touré, Minister for Trade of Senegal

1. Mr. TOURÉ (Senegal) endorsed the tribute which had been paid[53] to Simón Bolívar, a precursor in the struggle to defend an ideal which was to become the very corner-stone of the Charter of the United Nations and the hero of the liberation struggle in a part of the American continent which had so many links with Africa.

2. Reverting to the general debate, he said that the reform of the world economy was conditioned by interdependence and required that the developing countries should be recognized as full partners and associated in the decision-making process. UNCTAD was split between the contradictory interests of its member States and also between the different objectives of the action to be taken, which obliged it to choose among different priorities.

3. In both agriculture and industry, individual interests were taking precedence over the common interest. There seemed to be a consensus on ways and means of reactivating the economy of the industrialized countries (expansionist policies, lowering of interest rates, stabilization of exchange rates); on the other hand there was no agreement on ways and means of reactivating the development of the third world. The Conference was called upon to agree on short-term recovery measures as well as long-term action aimed at radically reforming the world economic system.

4. Reactivation of development entailed the adoption of measures with respect to money, finance, trade and commodities. The indebtedness of the developing countries, which was due to the chaos in the international monetary system, was further aggravated by structural factors. At the international level, that indebtedness had helped to mitigate the effects of the crisis by maintaining the level of those countries' imports. The proper interests of the world economy, quite

[53] See below, part two, summary record of the 194th plenary meeting.

apart from any consideration of justice, therefore required that assistance be given to the developing countries by rescheduling their debts, increasing ODA and granting them loans on favourable terms. They must be assured of increased resources from IMF, the World Bank, IDA and other multilateral and bilateral sources. That could be achieved through a reduction of arms expenditure, on which vast sums were being spent to the detriment of economic growth.

5. In the commodities sector, the situation was no better. Since 1980, commodity prices had collapsed, reaching the lowest level for 50 years, while the prices of manufactures kept on increasing. That had caused a serious deterioration in the terms of trade which had led the third world countries to reduce their development programmes and had prevented them from honouring their debt commitments.

6. There, too, immediate steps must be taken to ensure the implementation of the Integrated Programme for Commodities. Senegal, which in 1975 had hosted the first meeting of the Group of 77 on commodities and which had already ratified the Agreement Establishing the Common Fund for Commodities invited the countries which had not already done so to sign and ratify that Agreement in order that the Common Fund could rapidly become operational. In the meantime, ways and means must be found of financing the projects already defined at the preparatory meetings and falling within the framework of the activities of the Fund's Second Account.

7. With regard to trade in goods and services, the Conference should strongly reaffirm the principle of the *status quo* and adopt vigorous measures against protectionism. Observers agreed that protectionism, far from being a solution to international economic problems, only aggravated the crisis by reducing global productivity. It slowed down the progress of the most dynamic sectors of the world economy, hampering investment and consequently the processing of raw materials in the developing countries. Thus it delayed, indeed it prevented, the structural changes which were essential for establishing a new type of international relations, based on the principles of mutual advantage and equity.

8. His delegation considered that in order to fight protectionism, it was necessary to encourage the return to multilateral discipline, liberal trading, the adoption of effective policies with respect to structural change, and respect for the commitments undertaken concerning preferential treatment for the developing countries. Those measures should form part of a global strategy which took account of the needs and objectives of all the third world countries.

9. That programme of immediate measures in the commodity, trade, money and finance sectors would naturally have to take special account of the situation of the least developed countries, those hardest hit by the crisis, and the peoples still suffering under colonialism. Many of them were African countries, and the international community should pay special attention to that part of the world. The efforts asked of it were feasible and realistic. The fact that emphasis was laid on the measures that should be adopted by the developed countries did not mean that the latter should have to bear all the responsibility. On the contrary, Senegal thought that a reactivation of the development process in the third world countries must necessarily entail a far-seeing national policy, based on the more effective use of natural resources, a better selection of investment programmes and good business management.

10. In many lower-income countries, especially in Africa, the conditions for sustained growth were not always fulfilled. Thus, in a spirit of human solidarity, special attention should be paid to the countries of the Sahelian region, which had suffered from a drought with catastrophic consequences on their food production and export crops and had further aggravated their balance-of-payments difficulties. In that connection, it would be desirable for UNCTAD to study with the United Nations Sudano-Sahelian Office and the Permanent Inter-State Committee on Drought Control in the Sahel (CILSS) ways of supporting the efforts made by the countries of that region to combat drought.

11. The developing countries, which were the main suppliers of commodities and which absorbed 30 per cent of the exports of the industrialized countries, should be considered as full partners. The international economic system, which had led to the crisis, had been established without the effective participation of the developing countries, and it should therefore be reformed to take due account of the interests of those countries. Thus the Conference, while focusing on immediate measures, should first of all consider the process of adaptation and change in the international economic system and should lay the foundations of new international relations which, while not disregarding the interests of developed countries, should promote the development of the third world. Such a system could, of course, come into being only as the outcome of full negotiations in key sectors of the international economy, since, as emphasized by the participants in the Seventh Conference of Heads of State or Government of Non-Aligned Countries, held at New Delhi in March 1983, the major problems of the world economy had to be considered in a co-ordinated manner within the framework of global negotiations.

12. The sixth session of the Conference would be successful if it was able to establish a new spirit of co-operation based on the primacy of man. The time for submissiveness was over.

Summary of statement made at the 183rd plenary meeting, 13 June 1983, by Mr. Mohamed Omar Jama, Minister of Trade of Somalia

1. Mr. JAMA (Somalia) agreed that the world economy was passing through its severest crisis since the 1930s. It was widely recognized that the major victims of that crisis were the developing countries in general and the least developed among them in particular. His delegation strongly believed that the first requirement was to draw up a minimum action programme aimed at creating the conditions for the revival of growth and for dynamic structural adjustments in the industrialized countries as well as the resumption and acceleration of development in the developing countries. However, since the crisis was not merely cyclical in character, means must at the same time be found to remedy the structural imbalances, especially as interdependence had become an established fact and it was no longer possible to deal with problems of trade, commodities and finance in isolation. The fact that that was becoming more widely recognized was to be welcomed. There was no doubt that the recession in the developed countries during the 1970s would have been even more marked and unemployment even higher if the developing countries had not increased their imports.

2. The Integrated Programme for Commodities had never been more relevant than in the present context. The crisis had been all the more serious because a collapse of commodity prices had been accompanied in 1982 by a reduction in the volume of exports of many primary commodities. The early establishment of the Common Fund would act as a catalyst in the negotiations on the conclusion of new commodity agreements. His country had already signed the Agreement Establishing the Common Fund for Commodities and intended to ratify it before 30 September 1983. Countries which had not yet done so should follow that example. Furthermore, the developing countries had for too long been dependent on exports of commodities in their primary form; greater emphasis should therefore be placed on questions of processing, marketing, transport and distribution. Protectionist barriers should be removed, and there was a need for very substantial enlargement and liberalization of compensatory financing facilities.

3. It was in the field of trade that the protectionist measures adopted with increasing frequency by the developed countries were the most harmful. The recent GATT ministerial session had had little success in stemming the tide of protectionism or in reducing existing restrictions; it was therefore a matter of urgency to devise guiding principles for the conduct of international trade relations. In particular, the GSP must be adapted to the needs of the revival of the world economy.

4. The enormous indebtedness of the developing countries, the current-account deficit of non-oil-producing developing countries, the liquidity crisis and the constant rise in interest rates created a debt-servicing burden which was almost unbearable for many developing countries. The increase in IMF quotas and the broadening of the General Arrangements to Borrow would not be enough. A substantial new issue of SDRs linked to the needs of the developing countries should be authorized. Similarly, there should be an increase in the lending facilities of the World Bank, regional banks and technical assistance bodies in the United Nations, especially UNDP. It was to be regretted that bilateral aid flows had also slowed down. The aid flows from the OPEC member countries were the only ones to have increased recently.

5. The developing countries had for a long time been calling for a reform of the existing system. Today that was essential in order to satisfy the interests not only of the developing countries but also of the developed countries. It was none the less true that the socio-economic situation was most desperate in the least developed countries and that the most formidable structural problems were to be found there. On several occasions already, those countries had expressed serious concern about the slow pace at which effect was being given to the Substantial New Programme of Action for the 1980s for the Least Developed Countries adopted at the 1981 Paris Conference in their interest. Since that Conference, ODA from members of DAC had declined in real terms in so far as it concerned flows intended for the least developed countries. It was doubtless for the developing countries themselves to assume primary responsibility for tasks relating to national development, but as part of a concerted global effort to bring about world economic recovery a more realistic programme of aid to those countries must certainly be adopted.

6. His Government also attached great importance to other matters on the Conference agenda which had been dealt with in detail in the Buenos Aires Platform. UNCTAD, which was the body most competent to deal with those matters, should be strengthened as an institution and provided with the means necessary for it to discharge effectively the tasks which fell to it during the 1980s. The Group of 77, which had come to Belgrade in a spirit of compromise and co-operation—as was shown by the Buenos Aires Message for Dialogue and Consensus, earnestly hoped that its partners would display the same spirit. His Government felt that developing and developed countries alike had the political will and determination to co-operate in the search for common solutions to the problems of the world economic crisis. The Buenos Aires Platform and the Williamsburg Declaration on Economic Recovery lent support to that view. The opportunity to arrive at a successful conclusion must not be squandered.

Summary of statement made at the 192nd plenary meeting, 18 June 1983, by Mr. Abdillahi Said Osman, Permanent Representative of Somalia to the United Nations Office at Geneva, on behalf of the Group of 77

1. Mr. OSMAN (Somalia), speaking as Chairman of the Group of 77, said he was very grateful to the Heads of State and Government who had addressed the Conference, in particular the President of Yugoslavia and the President of Argentina, who had introduced the Buenos Aires Platform. It had also been encouraging to hear the positive statements made by several representatives of industrial countries.

2. The Group of 77 had come to Belgrade in a spirit of co-operation and international solidarity. In the Buenos Aires Platform, its Ministers had affirmed their determination to work with all vigour towards overcoming the world economic crisis. They had asked their partners in the industrial countries to join in building, in a climate of mutual confidence, a balanced and equitable system of international economic co-operation in the common interest of all. That was still the spirit of the Group of 77.

3. Much had been said in the general debate about the economic crisis. Everybody was aware that the crisis had fallen more heavily on the developing countries. What needed to be stressed, however, was that grave economic difficulties, if pushed beyond a certain point, would have uncontrollable social and political costs. The great majority of the Governments of developing countries had witnessed a rapid erosion of their margins of flexibility and of their ability to impose further sacrifices on their people. There was no need to remind them, as one or two speakers had done, that they should undertake the necessary painful adjustments. On the whole they had done their painful share in that regard, by reducing imports, saving a larger proportion of their income than the richer countries had done and doing their best to put their houses in order. It was, however, both misguided and short-sighted to imagine that their efforts at adjustment had no limits and could, in themselves, be sufficient, regardless of the unsatisfactory evolution of the external environment. It was high time that it was recognized that economic salvation would not come through a collective effort at world deflation.

4. Some speakers had stressed the fact that development was the developing countries' own responsibility. That was a self-evident proposition that was clearly manifested in the developing countries' policies and the Buenos Aires Platform. Over the past decade and a half, the developing countries had been financing some 90 per cent of their investments, making major strides in health care and education, meeting basic human needs and developing their physical economic capacity. The best policies and development efforts could not succeed, however, if the external environment continued hostile to development. When interest rates doubled in a single year, import prices rose by 70 per cent over three years, commodity export prices declined 30 per cent in relative terms over two years, and private bank capital declined by 50 per cent in one year, the developing countries, regardless of what they did, could not achieve development. The developing countries had recognized the need to adjust to that difficult situation, but, in so doing, they hoped to arouse in their partners in the industrial countries a genuine understanding of their situation and a readiness to take practical action in their favour.

5. There was a growing awareness of the interdependence of the world economy. After such a crisis it would be tragic if the industrialized countries were to think that what was being demanded of them was an unrequited transfer for all time to come. The developing countries' success in development was in the enlightened self-interest of the industrialized countries as well and would underpin peace and prosperity for the future generations. It was to be hoped that the crisis would call forth vision and statesmanship in the developed countries.

6. The measures to be taken to remedy the grave economic situation were reflected in the text submitted by the Group of 77 the previous day with respect to item 8,[54] which could not be considered in isolation from the work being done in the Committees.

7. The Group of 77 was gratified to note that there were some signs of recovery in some industrial countries, despite their sporadic and fragile nature. The contribution that reactivation of the development of the developing countries could make to strengthening the recovery process had been recognized by practically all speakers. There were also impelling reasons of equity, justice, peace and progress behind the need to deal promptly and effectively with development problems and bring about the necessary structural changes in the world economic system. The recent crisis had demonstrated that such measures and changes could no longer be postponed without seriously jeopardizing not only the prospects of recovery in the short term and medium term but also the economic destiny of the whole of mankind.

8. It would be simplistic to think that the recovery would, in itself, resolve the current impasse of development. The trickle-down effect of the recovery would be marginal. Specific actions designed to aid development over the long term were needed. The international economic system needed adaptation, and development problems had to be specifically addressed. The Group of 77 had noted with appreciation the expression of will in that respect but awaited its translation into specific and concrete action. There was widespread concern at the lack of progress on the issues before the committees and, so far, it could not be said that the Conference had achieved concrete results. If it failed to do so, a great opportunity would have been missed. Failure would

[54] See below, part two, summary record of the 191st plenary meeting.

deepen the current feeling of gloom and frustration and be a further set-back to international co-operation.

9. The Group of 77 attached paramount importance to the sixth session of the Conference and to UNCTAD as an institution. It could not accept the view that UNCTAD was merely a forum for discussions and deliberations. It regarded the Conference as a historic opportunity to discuss and take decisions on all issues on trade and development and saw no conflict of jurisdiction with other forums. By achieving concrete results, the Conference could show that international co-operation was a growing reality and not a mere quagmire of platitudes. That was in the interest of all.

Summary of statement made at the 181st plenary meeting, 10 June 1983, by Mr. Luis de Velasco Rami, Secretary of State for Trade of Spain

1. Mr. de VELASCO RAMI (Spain) said that the sixth session of the Conference, which was the major event of the year as far as the dialogue on international economic co-operation was concerned, was taking place at a historic moment. After a period of widespread economic growth, all countries had, for the past 10 years, been experiencing the results of a crisis which, for some, had been the severest shock since the Great Depression and, for others, had aggravated conditions of life which were already precarious.

2. The importance and usefulness of the Buenos Aires Platform must be stressed; it contained draft resolutions which allowed attention to be concentrated on specific points and enabled work to proceed more rapidly in so far as the position of the Group of 77 on all the issues on the agenda was known from the start. The Buenos Aires Message for Dialogue and Consensus reflected the spirit of understanding and co-operation prevalent in the countries belonging to the Group, and his delegation, for its part, would at all times act in that same spirit. The issues before the Conference, which were diverse, complex and interdependent, must be tackled through dialogue, since a far-reaching measure of agreement was required for their solution.

3. The item on the world economic situation merited particular attention. Analysis of that situation, and of the most suitable measures and policies, must be based on the community of interest existing between North and South, and it was important to make the best of that overall review of the serious economic problems affecting all countries.

4. His delegation shared the view that the recovery taking shape in some industrialized countries, which was the prerequisite for a genuine overall recovery, would not, however, be adequate unless accompanied by economic growth in the developing countries. The structural nature of the crisis would also necessitate the adoption of short-term measures, as well as of more basic, long-term measures.

5. With regard to international monetary relations, he said that, if exchange rates were to be stabilized, closer co-operation was required between the countries whose policies had most impact on the international monetary system. In that regard, the final communiqué of the recent Williamsburg summit meeting could be considered a step in the right direction.

6. Countries that were heavily indebted must be provided with adequate credits on suitable conditions, in order to avoid the collapse of domestic demand in those countries and to halt the decline in world trade which that situation of indebtedness necessarily entailed and the consequences of which would affect both the debtor countries and their trading partners. For any action along those lines to be fully successful, the economic policies of the countries in question must be tailored to the national economic situation. At the same time, care should be taken not to place the populations in an intolerable situation.

7. The lowering of real interest rates, which were too high, was another condition necessary for recovery. The monetary and financial policy decisions of the country with most influence on the world economy were of capital importance and extreme urgency.

8. It was unnecessary to recall the disastrous results of the new wave of protectionism. Mere verbal condemnation of that phenomenon was useless unless accompanied by the firm resolve, and an actual decision, to build a more open international trading system which would be fairer, more transparent and, at the same time, more efficient.

9. Some of the most influential countries on the international economic scene had succeeded in reducing considerably the harmful effects of macro-economic variables which, together with inflation, adversely affected their economies. The adoption of prudent growth policies could have a favourable influence on the demand for the export products of non-oil-exporting developing countries, thus improving their terms of trade and their balance-of-payments position. That would, in turn, stimulate their economies, as well as the recovery of the industrialized countries.

10. The current economic situation was very different from that which had led to the establishment of the Bretton Woods system. His delegation considered, therefore, that the institutions on which that system had been based must make their decision-making machinery and their operation more flexible in order to tackle the serious problems of the world economy in the 1980s.

11. Another manifestation of the current crisis in the world economy was the collapse of commodity prices, some of which, in real values, were at their lowest levels in recent years. That situation was attributable mainly to the decline in demand, and its result was a sharp drop in the corresponding export earnings. Despite the difficulties, however, his delegation thought that it was possible to achieve positive and viable results, essentially because that was a sector in which UNCTAD possessed clearly defined competence. Spain

had signed the Agreement Establishing the Common Fund for Commodities on 27 May 1981 and intended to ratify it in the next few months. It urged all countries to continue and to intensify their efforts to make the Fund operational, so that it could act as a catalyst for the conclusion of commodity agreements which would take into account the interests of producers and consumers and thus make it possible to keep prices at satisfactory levels.

12. Spain was in favour of multilateral international trade that was open, devoid of unfair practices, and not used as a means of pressure. In a world of interdependent nations, increased internationalization of trade would contribute to the growth of the world economy. Definite progress had been made in the liberalization of trade following the Tokyo Round negotiations, but more subtle protectionist methods, which were very hard to detect or indeed to quantify, had proliferated in all countries. It was important, therefore, to improve the assessment methods used in that area.

13. There could be no doubt as to the usefulness of a set of multilateral trade regulations, based on principles which would facilitate international trade. The developing countries, and also the moderately developed countries, such as Spain, had an interest in the existence of systems which, to some extent, would offset their lack of bargaining power.

14. Structural adjustments posed a complex problem, and their effects would depend on the type of adjustments, the country making them, and, especially, the intended objectives. It should be stressed in that regard that the adjustments made by a country to solve its short-term cyclical problems could be incompatible with the possibilities for the growth of trade at the world level. That was why it was essential, first of all, to define premises consistent with an overall conception of the economy, based on the idea that the purpose of structural adjustment was not to patch up the economic system of the past but to progress to another system in which each country, depending on its level of development, would produce and sell what was most advantageous for it. It was the most advanced countries that must act as leaders in that movement towards the new international division of labour.

15. The stabilization of the monetary and financial system, which since the fifth session of the Conference had been subjected to unprecedented strains, was a task of top priority for which international co-operation and solidarity must be mobilized to the full. In view of the debt problem, the developing countries were obliged to adopt adjustment policies which, while perhaps necessary, could be so severe as to have harmful and irreversible effects on economic and social plans and an adverse influence on the growth of the developed countries, as the studies on interdependence showed. Domestic adjustment measures had to be backed up by suitable international monetary and financial measures which took account of the structural nature of the adjustment, of the economic and social priorities of the countries concerned, of the need not to interrupt financial flows, and even to increase them as much as possible, and of the urgent need to improve the access of the goods of those countries to the markets of the developed countries.

16. The notion of international solidarity raised the question of ODA. He recalled the increased efforts made in that regard by Spain, which had very recently attained membership of a number of international bodies and had a comparatively unfavourable economic situation within OECD. On the multilateral level, Spain had from the outset co-operated with multilateral development banks in Latin America and Africa and intended to take part in the activities of other, similar institutions.

17. As for the least developed countries, their situation of permanent economic crisis, together with a minimal participation in international trade, justified the provision of ODA by the wealthy nations, to permit a large-scale transfer of resources and technological capabilities in numerous sectors. All countries were concerned by the serious and urgent problems of the least developed countries, and all must contribute to solving them, as far as their own economic capacity permitted.

18. His delegation believed that economic co-operation among developing countries was not only justified but essential in the interest of all nations. It must, however, be considered as one component—albeit an important one—in the world economic system as a whole. It should not be defensive, therefore, but, on the contrary, should be based on co-operation with other countries, in accordance with the principle of universality which governed the activities of all United Nations bodies.

19. The time had passed when the growth of the developed countries could lead to that of the developing countries. Ideas and methods must logically be adapted to that new situation, a process which would be possible only if all countries, rich and poor, agreed to work together in solidarity. That was why, during the 1980s clouded as they were by uncertainty, it would be necessary to reorient the international economic system to ensure the best possible distribution of resources and a fair sharing of opportunities among all countries, since the right to development was recognized as part of the heritage of all nations. Only through solidarity and co-operation among all nations could those objectives be achieved.

Summary of statement made at the 175th plenary meeting, 8 June 1983, by Mr. Lalith W. Athulathmudali, Minister for Trade and Shipping of Sri Lanka

1. M. ATHULATHMUDALI (Sri Lanka) said that the sixth session of the Conference was taking place during the most pervasive and persistent recession the world had known in 40 years. The growth in international trade that had stimulated the growth in production in the developed countries after the Second World War had been halted and had even declined in the past two years. There had been historically high rates of unemployment and inflation, coupled with high interest rates and fluctuating exchange rates. Some of the developed countries had tried to counter inflation with stringent monetary policies which, by and large, had succeeded in that limited task, but at the cost of further dampening economic activity and exacerbating unemployment. Budget deficits in those countries had continued to remain large, thereby forcing up interest rates to record high levels and also depressing investment, production and demand, driving up unemployment, and further accentuating the recession.

2. The impact of the recession on the developing countries had been catastrophic. As world production and trade had shrunk, the demand for their exports had declined. The prices of commodities, on which a considerable number of developing countries depended for their foreign exchange earnings, had dropped to their lowest levels in 40 years. With the decline in export earnings and the high level of interest rates, those countries had found it more and more difficult to service their external borrowings. It was not surprising that the number of cases of debt rescheduling had risen sharply: almost as many developing countries had had to reschedule loans in the past two years as in the previous 25. The recession had hit the poorest countries hardest. Most of them were still only exporters of commodities and the fall in commodity prices had reduced their export earnings. They also did not have the economic strength to borrow the funds they needed from commercial sources. The flow of concessional funds, however, remained extremely limited, and development programmes had therefore had to be cut back sharply. Virtually everywhere in the developing world imports were being slashed, projects were being postponed or abandoned and vital social programmes curtailed.

3. Against that background, the fragile recovery in some developed countries was of significance for the world as a whole. Recovery would not, however, result from any single measure, or from developments within a single country, or even a group of countries. Recovery required the co-ordination of policies by Governments and actions that could only be taken through international agreement. No country, however big, was an economic island unto itself in the present interdependent world, and a coherent and concerted programme for recovery must have mutually reinforcing dimensions. Recovery required action by the developed countries to bring down interest rates, since continued high interest rates would be disruptive to investment and recovery. In addition, measures should be taken to stimulate production, employment and demand in their own economies. The industrialized countries should adopt more positive and expansionary policies, in concert rather than in isolation. In that connection, it was gratifying to note that there seemed to be a greater realization of the need for a collective responsibility in shaping policies.

4. Although the role of the developed countries was important, that alone would not suffice. It would have to be complemented by appropriate policies and actions to reactivate the process of development in the developing countries, or the recovery would peter out. There must be an interaction, a two-way process, between the recovery of the developed countries and the development of the developing countries. The reactivation of the development process could not be merely a by-product of recovery in the developed countries but must be a process launched directly, through a specific programme for that purpose. Unless there was a parallel development in the economies of developing countries, a sustained global recovery was unlikely. It would be futile to hark back to 20 or 30 years ago, when a recovery in the developed countries was sufficient to stimulate the development process in the developing countries as well. While the developing countries had been accused of the endless rhetoric of those who ask, they in turn had listened to the unconvincing rhetoric of those who promised assistance but rarely gave it. It was necessary therefore to establish at the sixth session of the Conference the link between recovery and development. That link, in his view, was to be found in items 9 to 13 of the Conference agenda.

5. Because of the urgency of the situation and because of the need for quick-yielding measures, a start should be made with monetary and financial issues. In the last year or two, there had been a weakening in ODA, difficulties regarding the replenishment of IDA and in sustaining the resource base of international financial institutions. The measures agreed upon recently to augment the resources of IMF and to assist individual countries in difficulties over debt were welcome, but inadequate. There was a desperate need for much greater liquidity and larger financial resources, and action must be taken internationally through quick-acting mechanisms, such as a new issue of SDRs; that would assist in avoiding a disastrous running down of the economies of developing countries and facilitate the servicing of their debts. It would also give SDRs a larger significance in the international monetary system.

6. Particular attention should be paid to the plight of the low-income countries, whose borrowing was mostly on a concessional basis and for whom there were no alternatives to increased aid. There should be a softening of the Fund's conditionality in relation to low-income countries, in particular when temporary deficits arose due to circumstances beyond their control. There should also be a rededication of all the developed countries to support of IDA, the World Bank's conces-

sional lending arm. A strong commitment was needed to a real increase in funds for the Seventh Replenishment of IDA, to raise aid levels for low-income countries

7. In order to revive commodity markets and to provide a safety net for commodity prices, early ratification of the Agreement Establishing the Common Fund for Commodities was an essential element in any effective action. Commitment to the Integrated Programme for Commodities, which had lost none of its significance, should be reaffirmed. A greater emphasis should be given to processing and marketing and a sustained effort made to obtain better access to the markets of developed countries for processed products from developing countries. Large gains would be possible if tariffs on processed agricultural products were eliminated. There was also a need for immediate relief to be granted on compensatory financing, through a substantial enlargement and liberalization of the present IMF compensatory financing facility. In addition, an early decision should be taken to commence negotiations on the establishment of a complementary facility for commodity-related shortfalls in export earnings. The developing countries asked for fair prices for exports of their primary products and market access for value-added products. Surely such a demand was justifiable and encompassed benefits for all. If the producer earned more, his purchasing power would be greater and the international flow of trade in both volume and value increased.

8. In the area of trade, there should be a greater commitment to the standstill and subsequent roll-back of protectionist measures. The developed countries should provide greater access to their markets for the export products of developing countries, thereby enhancing the export earnings of developing countries and enabling them to pay their debts. Protectionism depressed world trade, intensified the debt problem and raised prices in the countries which practised it. Economies that could afford to should adjust to the realities of the market and not shelter behind visible and invisible barriers to trade.

9. His country considered that it was necessary to examine the structural deficiencies in the character of the international monetary and financial system which exacerbated the difficulties of the developing countries. The present system had been designed for an earlier period and had been undermined by the stresses and strains at work in the world economy. His country supported, therefore, the convening of an international conference on money and finance for development, with universal participation, aimed at meeting effectively the development and other financing requirements of the international economy, particularly those of the developing countries, and at meeting the need for growth-oriented structural adjustment.

10. The current session would be the major international conference on economic matters in 1983 and therefore offered a remarkable opportunity to relaunch international co-operation to resolve the current world crisis. All countries must respond positively if they were to contribute to the success of the Conference. There was need for a two-pronged approach and a dual process, whose elements must reinforce each other, interact with each other, and so bring strength to the world economy.

11. At the conclusion of the fifth session of the Conference in Manila in 1979, many resolutions on action programmes had been adopted. Four years later, most of those resolutions and the expectations underlying them remained inoperative. The resultant adversities had taught the world several lessons, foremost among them being that the economies of the world were inextricably interdependent. The sixth session must be the forum at which the world was shown that participants had met not just to talk and debate. Recognition of the dire straits in which the world economy found itself could no longer be merely verbal: it must be translated into a co-operative effort to achieve significant movement in global economic relations.

Summary of statement made at the 183rd plenary meeting, 13 June 1983, by Mr. Ibrahim Hamra, Deputy Permanent Representative of Sudan to the United Nations Office at Geneva

1. Mr. HAMRA (Sudan) said that the sixth session of the Conference was meeting in very difficult world economic conditions. The crisis was passing through the most serious stage the world had witnessed since the Great Depression of the 1930s. The crisis was manifested in inflation, depression and unemployment in developed countries, with grave consequences and repercussions for developing countries, and for least developed countries in particular. These were: greatly reduced prices of commodities and raw materials, chronic balance-of-payments disequilibrium and indebtedness problems, as well as rigid protectionist policies and exchange rate instability. Figures showed that prices of commodities and raw materials had registered their highest drop in 50 years as a result of recession in international trade and protectionist policies by developed countries. As a result, developing countries had registered since 1980 great losses in foreign exchange, estimated at $200 billion. Contraction of adequate financial resource flows, especially official assistance, had also had negative effects on developing countries' economies. Those had been aggravated by world inflation, exchange rate fluctuations and highly increased interest rates, which had increased the problems and burdens of indebtedness. Statistics showed that developing countries' debts had reached $630 billion by the end of 1982 and that the service burden of those debts had registered $130 billion annually.

2. All that had slowed down the development process in developing countries. Growth rates had fallen in most of those countries in the past two years; there had been no increase in least developed countries' growth

rates. Under those circumstances, there had been no choice but to keep development programmes and plans at a standstill and cease importing the capital goods necessary for the development process. The Sudan, as one of those countries, had encountered great difficulties and obstacles in proceeding with the implementation of its six-year development plan during the past three years in the face of its reduced export earnings and the contraction of the inflow of the necessary complementary resources. Since that had had a direct effect in creating its continued balance-of-payments deficit and increasing its debt service burden, there had been no better solution than freezing many important development projects and entering into stabilization programmes. Those included ongoing infrastructural projects and rehabilitation of major agro-industrial projects and projects with fast returns. Those measures had been accompanied by other action in financial and monetary policy.

3. The world economic crisis was neither a short-term nor a cyclical one, but rather, above all, a global one. It was manifested, first of all, in inequality and structural imbalance in international economic relations. Its elements were intermingled to stress the relationship between stable economic conditions in developed countries and accelerated economic growth in developing countries. That was why it was necessary to find a comprehensive solution that took into account the interdependence between world economic questions in the areas of commodities, raw materials, trade and development, and financial and monetary questions. As it had become clear for everyone, the world economic situation was characterized by interdependence and interrelationship. It was unfortunate that, although there was firm belief in that conception, attempts by developed countries to get out of the crisis had been limited to themselves, without giving adequate consideration to problems of other countries and to factors that formed the wider, overall scope of the crisis. However, the recent initiative of the Williamsburg summit meeting to pay attention to developing country problems gave some room for optimism. It was better to follow that with positive steps towards meeting those problems in a new framework and in a serious manner.

4. On that basis, the Sudan called for the adoption of necessary measures, which should be co-ordinated and integrated in an initiative in which all States should participate, with a view to developing an intermediate-term, comprehensive reform programme of action, and long-term measures aimed at radical reforms of systems and institutions governing the world economic and monetary system. The Sudanese delegation considered that any steps to restructure the world economic system should be compatible with the principles and objectives approved by the international community for the establishment of a new international economic order ensuring the necessary structural balance. It was necessary, therefore, to accelerate the global negotiations in order to meet and deal with the crisis and break the deadlock in which they were found. Participation by developing countries in those global negotiations was a must, due to their being an important partner with a recognized role in all international economic and monetary areas. That role should therefore be taken into account in all decision-making stages.

5. The wording of the items on the agenda of the Conference reflected the importance that the developing countries attached to the achievement of the specific results they expected from the sixth session. His country fully accepted the guidelines and recommendations of the Buenos Aires Platform. With regard to commodities, it earnestly hoped that the Integrated Programme could really be applied, that the Agreement Establishing the Common Fund for Commodities would receive the necessary number of ratifications in good time, and, in particular, that the developed countries would announce their contributions to the second account of the Common Fund. In addition, the negotiations for the conclusion of commodity agreements must be brought to a successful conclusion. A thorough study should also be made of questions of marketing, processing and distribution of commodities, and thought should be given to the convening of an international conference on the question of compensatory financing for shortfalls in export earnings. The Conference should devote close attention to the decisions to be taken in combating protectionism, eliminating trade restrictions and encouraging countries to undertake essential structural adjustments. Improvements should also be made in the GSP and in the rules on the determination of origin.

6. Regarding the international financial and monetary system, the crisis had been aggravated. Discussion of financial and monetary questions at the present session of the Conference was a result of the policies of developed countries and of the inadequacies of the international institutions concerned and their failure to adopt policies taking account of the conditions and aspirations of developing countries. The repercussions of that crisis and the resulting exchange rate fluctuations had led to adverse effects on developing country economies, especially balance-of-payments disequilibrium and increased indebtedness in the face of contracted resource flows and reduced official assistance. The Conference should consider a concrete strategy to deal with international financial and monetary problems according to a programme of action with immediate measures including, in addition to necessary reforms of international institutions, financial resource flows to developing countries in adequate quantity, on concessional terms and on a regular and predictable basis. The Sudanese delegation hoped in that connection that the proposals in the Buenos Aires Platform would receive adequate understanding to be adopted, especially those on official assistance, monetary reform and external debts. In that regard, the Sudanese delegation supported the proposal to convene an international conference on international monetary questions.

7. Almost one and a half years had elapsed since the adoption by the international community of the Substantial New Programme of Action for the 1980s for the Least Developed Countries without substantial progress having been made in implementing it, especially the immediate component thereof. The situation in the least developed countries was constantly worsening. Statistics reflected the deteriorated economies of that

group of countries, most of which had not registered any increase in growth rates; in some of them, growth rates had even showed negative tendencies. The Substantial New Programme of Action contained measures to be taken in favour of those countries in order to mitigate the effects they suffered from the world economic crisis and to help correct their economic maladjustment. Those measures included doubling official assistance to reach the target of 0.15 per cent of GNP, consideration of increasing the grant component of that assistance, as well as improvement of loan terms and assistance modalities. It was necessary to meet those commitments in order to implement the Substantial New Programme of Action. The Sudanese delegation, while expressing appreciation to the developed countries which had announced from that platform an increase in their official assistance programme to the least developed countries and expressed their intention to provide further assistance and aid within the Substantial New Programme of Action, hoped that other countries would follow suit.

8. The relation between development, on the one hand, and international peace and security, on the other, was close, as affirmed by most delegations. He believed that creating an appropriate climate for development was related to mitigating tension, political confrontations and the arms race. If that appropriate climate were created, a fraction of arms expenditure would meet many objectives and purposes of economic growth and development if it were allocated as ODA to developing countries.

9. In connection with economic development questions and the need for an international climate conducive to their solution, assistance should be given to peoples who were still under the yoke of colonialism and *apartheid*. For those peoples, in southern Africa and the Middle East, faced economic underdevelopment as a result of oppressive and suppressive policies. Assistance should therefore be given to the Namibian, South African and Palestinian peoples.

10. The eyes of the world were turned to the Conference with some hope and concern because the decisions and results of the Conference had relevance for most peoples, especially those of developing countries. Hence the hope. That was why endeavours should be made to break the vicious circle of underdevelopment, poverty, hunger and disease. At the Conference, there were many elements of political will that could contribute to success.

Summary of statement made at the 190th plenary meeting, 17 June 1983, by Mr. I. E. Fong Poen, Minister for Transport, Trade and Industry, Minister for Foreign Affairs *a.i.*, of Suriname

1. Mr. FONG POEN (Suriname) said that although all were agreed that there was a global economic crisis which had started some years ago, nearly all developing countries had been in constant economic crisis ever since European colonization, and nothing had changed since their independence.

2. His delegation had come to Belgrade in the spirit of co-operation emanating from the Buenos Aires meeting, where it had been proved that the Group of 77 had the political will to contribute to the solution of the present world economic crisis through meaningful dialogue with the North. But the reality had proved to be merely a daily confrontation between North and South, for there was still a considerable lack of political will in the North to accept satisfactory solutions to the problems of the majority of mankind.

3. He agreed with Mrs. Gandhi that the developing countries were bound by a new type of dependency, a surrogate colonialism, which was exactly the situation of his own and many other countries. The world community must adopt programmes to end the historical neglect of fundamental justice and equity.

4. The developing countries had continuously had to adapt to impediments in their development, and in so doing had distorted their very economic existence and their own human conviction about social life. Protracted impoverishment of the majority of the world's population had also led to a deteriorating economic situation in the developed world, which was now affecting the entire international community with its own crisis. It must realize that protectionist and similar measures, while aggravating the situation in developing countries, were backfiring. Blocking sound proposals for a new international economic order was a crime against humanity.

5. International and bilateral decision-making must not be in the hands of developed countries, which could not be allowed to impose crippling, discriminating measures on developing countries to disturb their national economy and intervene in their internal affairs.

6. In all the preparatory meetings for the sixth session of the Conference, Suriname had taken the lead in stressing the pivotal importance of non-coercion in international economic relations. It was gratified that at the meetings of the Latin American Group at Cartegena and of the Group of 77 at Buenos Aires, all developing countries had supported the initiative to call upon the developed world to refrain from political and economic action that virtually made hostages of certain countries.

7. In the case of Suriname, the suspension of contractually-agreed development funds by its former colonial oppressor, the Netherlands, had shut off the financial development resources allocated by treaty in 1975 when Suriname became independent, leaving it with the immense problem of recovering from the consequences of three centuries of brutal colonial exploitation. The suspension of funds had seriously affected all ongoing development projects in every field at a period of low commodity prices, decreasing demand and global recession. That was a highly condemnable act, committed to exert political pressure, and incompatible with international law and morality. It also con-

stituted meddling in Suriname's affairs, designed to bring down the Government and, at a most sensitive stage of Suriname's economic and political development, to try to wreck its decolonization process. In that connection he recalled the attempted covert actions by Central Intelligence Agency mercenaries.

8. Suriname called upon all friendly nations to ensure that treaties concluded between sovereign States and legitimate Governments were respected. The Conference must not condone unlawful acts. The Netherlands should fulfil its commitments and disburse the contractual development funds to which Suriname was entitled, and stop all action contributing to further instability in Suriname. His country had a responsibility to protect its independence and its freedom to determine its own policies and, although that principle had cost it the suspension of funds, Suriname would continue to abide by it.

9. The Williamsburg summit meeting had reaffirmed once again the intentions of the North. Despite some signs of recovery from the present international economic crisis, it was over-optimistic to expect any substantial advantages for the South if the present structure was not changed. The failure of Williamsburg lay in the unchanged approach to the developing countries. Only those parts of the economy of developing countries of direct interest to the North would benefit.

10. In statements made by Northern countries, the 30 million jobless in the developed countries had repeatedly been highlighted. But in the South, 330 million people were not only jobless but were unable to enjoy the social protection offered by most Northern countries and were suffering from poverty, malnutrition, hunger, and sickness. His delegation deplored the recent news that millions of tons of wheat were to be used by certain European countries as cattle-feed to get rid of existing surpluses, while at the same time millions of people were facing death from hunger. If the developing countries were aware of their own power and possibilities, intense South-South co-operation would result. His own country, like many developing countries, had already proved its will to embark on that course.

11. His delegation firmly supported all the proposals emanating from the Buenos Aires Platform, and urged the North to adopt and implement those proposals.

Summary of statement made at the 191st plenary meeting, 17 June 1983, by Prince Nqaba, Minister for Commerce, Industry, Mines and Tourism of Swaziland

1. Prince NQABA (Swaziland) said that the sixth session of the Conference was being held at a crucial time, when the world economy and social relations were at their lowest level. The world recession, combined with the severe drought in Africa, had hit the countries of that continent very hard. It was regrettable that, in the middle of the Third United Nations Development Decade, people were still dying from hunger, disease and the effects of drought.

2. The sixth session served a threefold purpose. First, it gave participants an opportunity to evaluate the achievements, failures and lessons of the past two United Nations Development Decades. Secondly, it made it possible to take constructive measures base on that evaluation. Thirdly, it was a useful prelude to the global negotiations scheduled to be held between the sixth and seventh sessions. Ever since its inception in 1964, UNCTAD had pointed out that, unless new mechanisms were introduced, developing countries would suffer a trade imbalance because of the slow expansion in their exports of commodities and the rapid growth in their demand for imported manufactures. It had become apparent that that was the major obstacle to the achievement of the United Nations 5 per cent annual growth target for developing countries.

3. The recommendations of all the sessions of the Conference had been inspired by a conviction that the development of equitable and advantageous trade could promote a higher standard of living, full employment and rapid economic progress in all countries. To achieve those goals, however, the developed world must realize the need for basic changes in prevailing structures and relationships. Financial transfers in the form of aid and grants alone would be insufficient without a restructuring of international economic relations. Unfortunately, most developed countries had failed to show the necessary political will for that purpose. Those countries should urgently adopt special measures to help the third world achieve its objectives.

4. The protectionist measures taken by the industrialized countries since the mid-1970s were becoming increasingly strict. If the developing countries were to achieve an adequate level of growth, the developed countries must abstain from imposing new restrictions of protectionist barriers, such as protective tariffs and quotas, against developing countries' exports. The industrialized countries sought to justify their policies by their slow rate of growth, which had resulted in high unemployment. While such policies might serve as a remedy for the economic ills of the industrialized countries, they were a death prescription for small market-economy countries, such as Swaziland, which had had to specialize in exports competing in world markets with heavily subsidized products, and had to import from the most expensive sources.

5. Without the subsidies being granted in industrialized countries, certain lame-duck industries would have migrated to developing countries. He cited the examples of the sugar and wood-pulp industries, whose production costs were very low in Swaziland—a country rich in those resources. Yet, Swaziland's production had to compete with that of developed countries, which was subsidized out of all proportion. The developed countries were using various tactics to prevent the entry into their markets of a large number of products from the developing countries, which were

thus denied the essential components of economic growth. There was an urgent need for the developed countries to open their markets and to improve the current terms of trade. At the moment, the chances of establishing and expanding the manufacturing industries of the developing countries were very slim. His delegation noted with appreciation, however, that EEC, which was one of the largest sugar producers, was participating in the negotiations for a new international sugar agreement.

6. The terms of trade, which were already unfavourable to the developing countries, were worsening at an alarming rate because of the constant fall in the prices of those countries' exports, and the consistent increase in the prices of their imports. That inequitable situation stemmed from the fact that the developed countries fixed the prices of the developing countries' exports and imports alike. His delegation hoped that the current session of the Conference would bring about an improvement in the mechanism for fixing the prices of the developing countries' exports. It should also be pointed out that the prices of those countries' imports—mainly manufactured goods—from the developed countries were fixed not by market forces but by the seller, and the buyer could only accept them. Such behaviour on the part of the developed countries was stifling the newly-emerging industries of the developing countries, whose activities might have reduced their dependence on imports of manufactures. The deteriorating terms of trade were also the cause of the negative trade balance and of the substantial loss of foreign exchange earnings.

7. The decision in August 1971 to suspend the gold convertibility of the dollar had signified the end of efforts to control financial relations through the Bretton Woods agreements. That turn of events had brought the urgent need to strengthen financial institutional arrangements that would respond to the liquidity needs of developing countries. His delegation particularly favoured the proposal of the Seventh Conference of Heads of State or Government of Non-Aligned Countries in March 1983 for the convening of an international conference for the purpose of strengthening the monetary and financial system. Swaziland was now calling for a more democratic mechanism and a new monetary order that would work in favour of the developing countries. The floating of currencies and the fluctuations in exchange rates seriously reduced their already inadequate commodity earnings. As a solution, consideration could be given to the idea of SDRs for exchange purposes. It was also necessary to improve the terms of loans and to reschedule debt, with longer maturity and grade periods. To alleviate the financial burdens of the developing countries, the Conference must also consider the reduction of interest rates on loans from developed countries, as well as the provision of addition finance in the form of aid and grants.

8. No global structural reforms could take place without the natural migration of industry and the fair exchange of goods and services. That process must be assisted by establishing the principle of mutuality of interests between trading partners. The idea of going from the subregional, regional and global groupings along lines of common interest was a practical proposition. In Africa, for example, such organizations as the Southern African Development Co-ordination Conference, the Preferential Trade Area for Eastern and Southern African States and the Economic Community of West African States had been established to encourage economic co-operation and trade among their member States, and they played a crucial role in promoting the collective autonomy of developing countries.

9. The difficulties facing the land-locked countries of the developing world were particularly serious, and his delegation appealed to all nations to contribute to the United Nations Special Fund for Land-locked Developing Countries. On the question of the least developed countries, Swaziland would like to see the recommendation for non-reciprocal trade preferences extended to global acceptance. As a small, land-locked country Swaziland depended on its neighbours for access to the sea. Despite considerable efforts to improve transport networks, trade was still hampered by technical transit-transport difficulties for some export commodities and by the loss of potential markets for others. Most of those difficulties had been due mainly to the lack of adequate technical assistance and manpower.

10. It was disheartening to note that all those problems had erupted at a time when foreign earnings were not even sufficient for debt servicing or for feeding the starving peoples of the developing countries. The Conference must therefore recognize the critical plight of the developing countries and offer firm proposals and commitments to assist them in their efforts to establish efficiently operating transport networks. As part of the serious efforts made by the developing countries at the national, regional and international levels to improve their access to modern technology in order to accelerate their development, the Group of 77 was once again, at the sixth session, submitting a resolution urging acceleration of the work on an international code of conduct on the transfer of technology, and proposing new initiatives for the 1980s. His delegation hoped that that draft resolution would be adopted. It also hoped that the Governments represented at the Conference would be able to take the necessary political decisions to provide a framework for the implementation of the various recommendations and resolutions of the Conference.

Summary of statement made at the 176th plenary meeting, 8 June 1983, by Mr. Mats Hellström, Minister for Foreign Trade of Sweden

1. Mr. HELLSTRÖM (Sweden) said that, as the Secretary-General of the United Nations had emphasized in his opening statement,[55] interdependence had become an economic reality. It was a current theme in the Buenos Aires Platform, and the second report of the Brandt Commission had convincingly argued in its favour. North-South trade had increased by nearly 10 per cent annually in real terms over the past 10 years. According to OECD figures, financial flows at constant prices, both public and private, had doubled over the same period. One effect of interdependence was that the economic difficulties of North and South were faced with two parallel crises which amplified each other. In the developed countries, there was a crisis of demands. The imports of developing countries—to a large extent financed by borrowed funds—had helped to mitigate that crisis, but currently to a diminishing extent. The developing countries' purchasing capacity was diminishing because of the debt burden they had to support and because of the effects of the restrictive economic policies of some industrialized countries.

2. The per capita GNP of the developing countries represented only one fifteenth of that of the OECD area as a whole, and sustained, and even increased, aid from the North was therefore necessary. Even the most generous aid, however, could not make up for inappropriate economic policies in the recipient countries.

3. The common crisis of developing and developed countries alike was both conjunctural and structural. At the conjunctural level, a fight was being waged against stagflation. There had, indeed, been some success in combating inflation, but the price had been too high. Expansion had been affected, the recession had been aggravated and the number of unemployed had risen. Fortunately, there was a growing realization that growth and employment had to be given higher priority, and there were some signs of an economic upturn. Such an upturn could, however, be threatened by a number of adverse factors: high real interest rates, low utilization of capacity, lack of sufficient adjustment to structural changes, and increased protectionism. To avert that danger, monetary policy must be such as to permit a lowering of interest rates, with the dual objective of promoting investment and easing the debt burden of many countries. Fiscal policy should also be relaxed in low-inflation countries. Trade policy should be aimed at strengthening the multilateral trading system and thus promoting trade expansion. It was also essential to reduce the enormous military expenditure, currently standing at approximately $700 billion annually, or 25 times the total official assistance to developing countries.

4. Most of the ideas he had just expressed on the policies needed from both North and South had already appeared in the strategies adopted in the past, in the analyses made by the Secretary-General of UNCTAD and in the report of the Brandt Commission. They reflected the need for a conceptual framework that could serve as a point of departure for the global negotiations to which the Secretary-General of the United Nations had referred in his opening statement. The current session should not dwell too much on strategy discussions but should rather be concerned with concrete action. The participants should see to what extent they could agree on an analysis of the tasks that lay ahead, ensuring that differences in views did not impede concrete action.

5. It should be possible to make progress in a number of fields at the sixth session of the Conference. In the field of commodities, steps should be taken to speed up the implementation of the Integrated Programme for Commodities. Above all, countries which had not yet done so should sign and ratify the Agreement Establishing the Common Fund for Commodities, as his country had done in 1981. Since the Fund had been created because the countries members of UNCTAD had realized that they had everything to gain by pooling their efforts and sharing risks, it was difficult to understand why the same Governments were hesitating to follow up their decision. Next it would be necessary to organize producer-consumer meetings, at least for all the products covered by the Integrated Programme. Any future negotiations on existing or new commodity agreements should aim at establishing a structure consistent with the Common Fund, taking into consideration the lessons learned from the operation of existing agreements. With respect to certain commodities for which it was not yet possible to formulate full "multi-dimensional" agreements, other types of arrangement, similar to the one for jute and the one it was hoped to conclude for tropical timber, should be considered. For still other commodities, particularly minerals, study groups might be established, with the option of "multi-dimensional" stabilization agreements at a later stage.

6. It was vital for developing countries dependent on the export of one or more commodities to diversify their export structures, which meant achieving a higher degree of local processing of commodities and a greater participation in both the marketing and distribution of their commodities. To that end, the developed countries must pursue a liberal trade policy towards the developing countries and provide them with financial and technical assistance. He shared the view that there was no need to establish a new multilateral institution, and that it would be sufficient to call for more sustained support for the existing United Nations institutions, including the Second Account of the Common Fund. The International Trade Centre UNCTAD/GATT should also provide increased technical assistance, extending to the commodity field. In order to provide the Centre with the additional resources it would require for that purpose, he suggested that a special programme for commodities should be launched and that a three-year target figure of $25 million should be adopted within a

[55] See section B below.

total target figure of $85 million for voluntary contributions during the 1984-1986 period. That amount should be supplemented by resources from the regular budgets of the United Nations, through UNCTAD, and of GATT. His Government would be prepared to play its part in financing such a programme.

7. It was further necessary, in the field of commodities, to work for the stabilization of export earnings. According to studies by UNCTAD, OECD and IMF, there were some 50 to 70 countries that were both poor and hard-hit by the recession and were dependent on one commodity or a few commodities. In order to stabilize the export earnings of those countries, the existing arrangements for compensatory financing should be complemented. He suggested that the Conference might, for example, set up an intergovernmental expert group to formulate proposals that could attract broad international support. His delegation would be prepared to submit some ideas to the group which could serve as a point of departure for its work.

8. In the field of trade, it was necessary, first of all, to renew the commitment entered into four years previously at Manila—and left unimplemented—vigorously to resist the rise of protectionism, liberalize trade and strengthen the multilateral trading system. It was essential to "roll back" the recently adopted trade restrictions, since failure to do so might abort the recovery which appeared to be on the way. There was a constant resort to ill-defined measures outside the framework of international trade rules, which was a cause of particular concern, especially to small countries like Sweden, which saw respect for the rule of law as a bulwark against discriminatory practices based on negotiating strength. In order to reverse the current trend, the highest priority should be given to the conclusion of an agreement in GATT on safeguards. In UNCTAD, a constructive dialogue on patterns of production and trade in the world economy should continue, and the Conference should draw up a work programme for periodic reviews, which should promote an open exchange of views on certain concrete experiences in, for example, structural adjustment.

9. With respect to the GSP, which was a major UNCTAD achievement, there was scope for further improvement; in particular, the system should have broader product coverage and greater security with respect to the advantages offered.

10. With respect to trade in services, which was playing an increasingly important role in the world economy, his delegation considered that fact-finding surveys and analyses should be carried out to identify the obstacles to trade of that kind and possible ways of liberalizing it.

11. In the financial and monetary area, steps should be taken first and foremost to increase ODA. It was difficult to understand the logic of arguing in favour of interdependence and international solidarity when large countries in the East and West, as well as some small countries with strong economies, were failing to assume a reasonable share of the world community's assistance to the developing countries. If all developed countries were to attain the ODA target of 0.7 per cent of their GNP, that would mean that the current amount of such assistance would be more than doubled. The Conference should, at very least, repeat the call to all countries to renew their efforts to reach that target. In that connection, the idea of establishing interim targets deserved further consideration. The Conference should also decide to give more sustained support to multilateral development institutions such as UNDP and IDA. He appealed to donor countries to ensure a satisfactory Seventh Replenishment of IDA resources.

12. With respect to the least developed countries, he recalled that, at the United Nations Conference on the Least Developed Countries in Paris in 1981, it had been agreed that most donors would set aside 0.15 per cent of GNP for those countries. All Governments should make the modest effort needed to honour that commitment.

13. The increasing privatization of the international monetary and financial system over the past decade explained why the indebtedness of many developing countries continued to increase. It was vital for the economies of both North and South that the debt crisis should be overcome. In order to avoid over-abrupt adjustments to that end, the provision of external resources had to be maintained at a sufficiently high level, and any temptation to cut back on international bank lending to the developing countries should be resisted. Countries should also show their readiness to supply the international liquidity needed for the smooth functioning of the world economy. In that respect, he welcomed the IMF decision to increase members'quotas from SDR 60 billion to SDR 90 billion and the decision by the signatories to the General Arrangements to Borrow to increase total lending commitments from SDR 6 billion to SDR 17 billion. Nevertheless, the current strains on the international monetary system made it necessary to pursue the debate on the need for increased international liquidity, and his delegation advocated a moderate allocation of SDRs. There might also be a case for undertaking the Ninth General Review of Quotas in IMF before the expiry of the next five-year period, although the implementation of such a decision as early as 1984 was not possible. It was appropriate, in any event, to go further into those questions during the current session of the Conference.

Summary of statement made at the 174th plenary meeting, 7 June 1983, by Mr. Kurt Furgler, Federal Councillor, Head of the Federal Department of Public Economy of Switzerland

1. Mr. FURGLER (Switzerland) said that he was deeply concerned about the situation confronting the developing countries: budgetary cuts, paralysed investments and import restrictions burdened the present, jeopardized the future and impeded efforts to fight poverty. The industrialized market-economy countries, in some cases at least, were only just beginning to emerge from the longest period of post-war recession.

2. In the face of that crisis, UNCTAD, as an instrument of international co-operation, had made definite progress since the fifth session of the Conference in 1979, particularly through the setting up of the Common Fund for Commodities, the conclusion of agreements on natural rubber, tin, cocoa and jute, the introduction of the code on restrictive business practices and the improvement of tariff preferences accorded to the least developed countries. Switzerland, which had intensive experience of economic interdependence, particularly that linking it to developing countries, considered that economic recovery in the North would of necessity contribute to the development of the South and that the development of the South was a component in the recovery in the North. The recovery aside, however, it would also be necessary to adopt specific development co-operation measures, particularly for the poorest countries.

3. Within that general framework, the Conference should base its work on certain points of particular importance. With regard to the world economic situation, the current session should permit an analysis in greater depth and a greater community of views. Without ignoring the divergencies regarding the solutions to the crisis, the Conference should make an effort to find a common denominator, although the measures to be taken should not necessarily be the same for everyone.

4. Commodity prices remained generally low. Switzerland considered that action in that sphere should aim at encouraging the regular operation of the markets. The Common Fund for Commodities, whose structures were already in place, should be given an opportunity to prove itself without delay. Since the commodity agreements had not given entire satisfaction, especially in the case of sugar and cocoa, it was important to find out why their stabilization action was inadequate. That would show whether the existing agreements required to be strengthened or whether it would be a good idea to seek other approaches within the Integrated Programme. Furthermore, in order to stabilize export earnings, particularly for countries which depended on the export of a very small number of commodities, it would be advisable to envisage broadening existing facilities, such as those of IMF, and to consider whether a new system should be set up, if necessary, for example within UNCTAD.

5. Although the overall trend in trade had been encouraging during the past 10 years, a deterioration of the general climate between trading partners and an erosion of the open multilateral trading system had been apparent for some time. In the immediate future, therefore, in Belgrade, it was essential to ensure that the commitments in force regarding non-recourse to protectionism were observed. In the medium term, it was absolutely essential to ensure that the situation of the developing countries in the international trading system was made less precarious. In order to prevent the industrialized countries from withdrawing unilaterally from developing countries the advantages they granted to them, those advantages must become the subject of contractual commitments, accompanied by progressive reciprocity. Tariff preferences retained their full value, particularly for developing countries which had not yet reached a level of competitiveness comparable with that of the industrialized countries. Switzerland furthermore supported the efforts by the developing countries to intensify their reciprocal trade.

6. With regard to monetary and financial issues, the question of indebtedness was the first of his concerns. In the immediate future, a sufficiently large transfer of private and public resources to the developing countries must be effected in order to enable them to make the adjustments incumbent on them in that situation. In the longer term, amelioration would be possible only through the growth of export earnings. The problem of indebtedness took on a different form in each country; the point was that the monetary system should be provided with adequate means to deal with the actual needs of the various countries. By supporting substantially the increase and extension of the General Arrangements to Borrow, Switzerland had shown that it was prepared to contribute to the growth of the funds available to the international monetary system. Monetary measures, however, must be supplemented by a strengthening of the financial base of the institutions concerned with development.

7. The international financial system had reacted to recent problems of indebtedness through closer co-operation among Governments, international monetary institutions and private banks, thus avoiding a generalized international crisis and showing its powers of adaptation. In order to produce flows of private capital into the developing countries and to ensure sustained and increased flows, it was still necessary to restore the confidence of the capital markets through the necessary structural adjustments. Similarly, the reactivation of the dynamics of private investment obliged receiving countries to create an economic and political climate favourable to investment.

8. For low-income countries, ODA continued to play a crucial role. All countries, including Switzerland, which in fact could do better in terms of benefits provided, must make an effort to increase ODA, particularly to the poorest countries. Switzerland also hoped that the qualitative aspect of the assistance provided would be strengthened.

9. The implementation of the Substantial New Programme of Action for the 1980s for the Least Developed Countries should be reviewed at Belgrade. Less than two years after the adoption of that Programme in

Paris, results could only be limited. Switzerland nevertheless attached great importance to the concerted effort to be undertaken for those countries, whose situation gave rise to particular concern, especially with regard to monetary and financial matters and commodities.

10. In conclusion, he expressed the firm hope that the Conference would display the sense of responsibility and initiative which the world expected of it; since means were limited and the margin of action narrow, the will to act must be all the stronger.

Summary of statement made at the 181st plenary meeting, 10 June 1983, by Mr. Ammar Jammal, Vice-Minister for Economy and Foreign Trade of the Syrian Arab Republic

1. Mr. JAMMAL (Syrian Arab Republic) said that, while he did not intend to give a detailed description of the world economic crisis, it was clear that the countries most severely affected by it had been the developing countries, including the Syrian Arab Republic. That was why, with regard to the main items on the agenda of the Conference, he endorsed, in general, the guidelines and recommendations formulated by the Group of 77 at Buenos Aires, which took due account of the difficulties facing the developing countries and of their hopes for a new international economic order. The establishment of that new order was essential, particularly in view of the fact that, four years after the last session of the Conference, not only had there been no improvement but the situation of those countries had actually deteriorated. Most of them had had a reduced or zero growth rate, as a result of a system of international relations which the developing countries had to endure without having participated in any way in its establishment. It was necessary, therefore, to have a new international economic order which ensured a greater measure of justice. The developing countries should at last have an opportunity of making a greater contribution to the cause of peace. He expressed the hope that the sixth session of the Conference would constitute a decisive stage in that regard. Moreover, it must be realized that the lack of any positive achievement during the past few years was due to the absence of political will on the part of certain countries which benefited from the existing system. That was why UNCTAD must be given the practical means to complete the tasks it undertook.

2. The system of trade in the 1970s and 1980s was characterized essentially by an export crisis in the commodity-exporting developing countries. Indeed in that respect, the terms of trade between developing and developed countries continued to deteriorate, to such an extent that the developing countries were no longer able to meet their debts. Commodity markets must therefore be stabilized further. The Syrian Arab Republic, for its part, was satisfied with the progress made since the fifth session of the Conference with regard to the signing of the Agreement Establishing the Common Fund for Commodities. He sincerely hoped that the ratification process would be completed shortly and that the developing countries would soon be in a position to use their earnings from commodity exports for industrialization and for the development of their agricultural production, to enable them to achieve self-sufficiency in food and to ensure that trade in agricultural commodities was no longer used by some as a means of exerting pressure. The developing countries would also be able to use their resources for essential structural adjustments and acquire the means necessary to increase their collective share of world industrial production and world trade to 25 per cent and 20 per cent respectively by the year 2000.

3. It was regrettable that the protectionism practised by some countries was hampering progress, and he sincerely hoped that those countries would change their attitude. In any case, the Conference should take steps to ensure that the developing countries had the opportunity of exporting to the developed countries on non-discriminatory conditions, without any requirement of reciprocity.

4. It was important that UNCTAD should succeed in developing criteria applicable to the conduct of transnational corporations. It would also be necessary to complete the negotiations relating to the elaboration of a code of conduct for the transfer of technology. Indeed, an end must be put, once and for all, to all the discriminatory principles inflicted in that respect on the developing countries which wished, among other things, to be able at last to benefit from technologies duly adapted to their needs.

5. It would also be necessary for UNCTAD to set about the task of revising shipping rates, since developing countries still paid exorbitant amounts in order to be able to import and export. Those countries should at last be authorized to establish their own merchant fleets.

6. While the economic recession had admittedly left its mark everywhere and high unemployment levels and increasing poverty were to be found in every part of the world, it was the developing countries which were the most severely affected because their external debt had more than doubled during the past five years and debt servicing absorbed the bulk of their export earnings. In such circumstances, it was essential to envisage recasting the international monetary system. It was absolutely essential to support national currencies, since fluctuations in very short term bank interest rates produced catastrophic effects. The Conference should give special consideration in that regard to the plight of the least developed, land-locked and island countries. Nor should it be forgotten that some donor countries were extremely generous when they could tie their aid to the supply of weapons; the Conference must endeavour to promote a reform of the system which would be strictly in accordance with the decisions of the General Assembly and of the summit conferences of non-aligned countries, without the exertion of any pressure on the part of transnational corporations.

7. He was happy to note that UNCTAD had undertaken a sectoral study of the economic situation of Palestine. It would indeed be useful to be better in-

formed of the harmful effects of the Camp David accords on the economies of the occupied Arab territories. It was already known that those agreements had resulted in the economic, social and military invasion of Lebanon by Israel. Moreover, in general, they had had a direct impact on the socio-economic development of the Arab countries, which were obliged to devote part of their very limited resources to their defence.

Summary of statement made at the 177th plenary meeting, 9 June 1983, by Mr. Phairojana Jayaphorn, Deputy Minister for Commerce of Thailand

1. Mr. JAYAPHORN (Thailand) said that in the past few years the world had witnessed a prolonged economic crisis which had had a serious impact on the economic development of developing countries. Those countries had been affected by many hardships as a result of the sharp fall in their commodity export prices, deterioration in their terms of trade, shrinking export markets, heavy debt liabilities and severe balance-of-payments problems. Signs of an upturn in the economies of certain major industrialized countries had, however, recently been detected and the international community was showing a greater awareness of the need for the recovery and reactivation of the world economy as a whole.

2. The Conference had before it the proposals of the Group of 77 on the elements of a programme for economic recovery and development, which must be converted into real action. Those proposals must be discussed in a spirit of constructive co-operation in order to arrive at a programme of action acceptable to all countries. An agreement for reactivating the world economy could well be a major contribution to the realization of the process of the global negotiations that were envisaged in the near future.

3. In recent years the process of combating inflation in the developed countries had unwittingly exerted adverse effects on developing countries, in the form of high interest rates, widely fluctuating exchange rates, reduced resource flows, falling demand in the commodity markets and rising protectionism. While the importance of containing inflation should be recognized, restrictive measures must be avoided. If the economic difficulties facing the world were to be overcome, the developed countries must concentrate on pursuing outward-looking and expansionary policies conducive to the process of development in the developing countries. It was gratifying to note that there was a general consensus that the present high rates of interest must be reduced and that the degree of fluctuation in exchange rates must be moderated. There was also a general feeling that the trend towards protectionism in world trade must be reversed if economic recovery was to be enduring and self-sustaining.

4. A meaningful programme of action to help the world economy out of the present impasse must deal with the issues central to the common crisis, such as world trade, money and finance, and commodities. Since those problems were interrelated, actions must be formulated that were consistent and mutually reinforcing in order that the economic difficulties could be quickly resolved.

5. One of the most essential elements of a programme of action for economic recovery and development was the liberalization of trade. To revive international trade flows and restore confidence in the multilateral trading system, restrictive trade measures must be reduced or abolished and a specific programme for the elimination of protectionist measures, within a time frame, established.

6. The sharp fall in world commodity prices, which were at their lowest levels in real terms since the 1930s, had had a disastrous impact on developing countries. To reverse that trend, the need for remunerative and stable prices in international commodity markets, which would both safeguard the immediate interests of producers and encourage the long-term investment necessary for recovery and development, must be universally accepted. That objective could be achieved by a renewed political impetus for the early implementation of the Integrated Programme for Commodities, especially by reviewing and strengthening existing commodity agreements as well as through the negotiation and effective implementation of new agreements.

7. The financial crisis lay in the inability of many developing countries to sustain their imports and service their debts. That had serious implications for their development efforts and acted as a further impediment to the process of global economic recovery and reactivation. His delegation therefore supported the measures to increase the IMF quotas and to augment additional resources by supplementing the General Arrangements to Borrow. It also felt that the possibilities of creating an additional allocation of SDRs should be urgently explored so as to bring about immediate relief of the external financial pressures on developing countries.

8. The Conference should not confine its discussions to a short-term perspective. The present economic crisis had not been caused by the prevailing economic situation alone; its roots lay in the basic structural imbalances of the world economic system. It was therefore appropriate to underline the vital importance of structural adjustment of the world economic system in the long run, particularly the restructuring of the monetary and trade systems. Although he fully realized that the Conference could not deal comprehensively with the adjustment required of the present systems, it would be useful for it to agree on the need for re-examination of those systems in the light of recent experience.

9. While responsibility for their economic development lay primarily with the developing countries themselves, the success of their self-help efforts would depend largely on the international environment in

which those efforts were made. In other words, the policies of the developed countries relating to international trade and finance were of crucial importance to the economic growth of the developing countries. In that context, accelerated growth in the economy of the developing countries could be attained only through the adoption of a global strategy for development requiring a common endeavour on the part of both developed and developing countries. In the modern world of interdependence, peace, progress and freedom were common and indivisible. In helping the developing countries to raise their standards of living, the developed countries would gain immeasurably in building a better world for all.

Summary of statement made at the 187th plenary meeting, 15 June 1983, by Mr. Assiongbon Agbenou, Ambassador of Togo in the Federal Republic of Germany

1. Mr. AGBENOU (Togo) expressed satisfaction that the sixth session of the Conference was being held in Belgrade, the capital of a country which had become the champion of non-alignment and the struggle of the peoples of the third world for political and economic emancipation; Yugoslavia had always displayed great solidarity with those peoples.

2. Little progress had been made since the fifth session of the Conference and there was a wide gap between statements of intent and resolutions, on the one hand, and structural reforms, on the other. He considered it necessary to make a number of comments on the unjust nature of the current economic crisis and the kind of action which the international community must take.

3. Unprecedented in history, the present economic crisis was characterized by generalized inflation, monetary instability which threw trade out of balance, staggering indebtedness on the part of the developing countries, which were compelled to accept investments which did not always meet their development needs, a decline in the demand for agricultural and mineral products, fluctuations in their prices, and an obsolete international division of labour which hampered development. However, some welcome progress had been made in the North-South dialogue, especially through the setting up of the Common Fund for Commodities, the work done on the code of conduct for the transfer of technology, a number of special measures to assist the least developed countries, and relevant arrangements in IMF to make more resources available to developing countries. In fact, however, there were still obstacles which would have to be identified and removed so as to speed up the advent of a new international economic order.

4. The contradiction between the structures of international commodity trade and the objectives of the Common Fund was the first obstacle. The international commodity market was completely dominated by the transnational corporations of developed countries. Thanks to their considerable financial resources, those corporations were able to influence the functioning of the markets and to determine the behaviour of commodity prices. The wide fluctuations of prices for sugar and coffee and minerals such as copper and phosphates were the direct consequence of the actions of transnational corporations. That situation called for fundamental changes in the very structure of the world economy. The transnational corporations had been constantly expanding their activities over the past 20 years, not only in the United States of America and in Europe but also in Asia, in such countries as Japan and the Republic of Korea, and in a number of developing countries. It should be emphasized that the developed countries had very often enacted legislation to encourage the expansion of those corporations.

5. The second obstacle stemmed from the global policy of the industrialized countries in international economic relations. Thus, they persisted in calling in question the industrial recycling of certain products such as copper, iron and aluminium. The use of substitute products and the protectionist measures adopted by the developed countries *vis-à-vis* the infant industries of the third world were hardly likely to ensure stable earnings for developing countries or to further their industrialization.

6. With reference to technology, the adoption of a code of conduct for the transfer of technology would mark a decisive step in the improved utilization of mankind's scientific and technological heritage, since by highlighting the transfer of knowledge, the code would recognize that technology and knowledge were indissolubly linked. The transfer of technology could be effected in a number of different ways, from the simple sale of equipment to turnkey projects, and including management and supply contracts and research services. Furthermore, technology was mainly transferred to countries whose per capita income was more than $700, and thus many countries in Africa south of the Sahara, Latin America and Asia were excluded. That selective character of the transfer of technology stemmed from the desire to make maximum profits. In any event, the technological development of the third world could not be advanced without setting up manpower training institutions and without changing the social structure of the recipient countries. In that respect, it was essential to adapt technology and industrial processes to needs for manpower and raw materials and to environmental considerations.

7. However, the immutability of the socio-economic structures of the North and South and the private nature of technological development might well prevent the code of conduct for the transfer of technology from achieving the desired results. Purely commercial considerations should be abandoned in favour of genuine co-operation, whose success would depend on the institutional and structural changes made in the developed countries.

8. There was no lack of examples to illustrate the gap between objectives, on the one hand, and methods and means, on the other. Thus, from the monetary and financial standpoint, it was obvious that no development was possible without sufficient financial resources and without a suitable monetary policy, but attempts to reform the international monetary system were still a long way from redressing the balance between industrialized and developing countries. Three of the objectives set for the new international monetary system affected the interests of the third world: the increase of 100 per cent in the IMF quotas of the oil-exporting countries, the expansion of the compensatory financing facilities, and the transfer to developing countries, through the Trust Fund, of the capital gains derived from gold transactions. However, the measures necessary to achieve those objectives and their real significance for the economies of the third world countries depended in the final analysis on the new system based on SDRs, which, because of the 16 curriencies chosen as the basis for reference in fact confirmed the supremacy of the industrialized countries. Furthermore, the rapid growth of the Eurocurrency market, which was largely dominated by the dollar banking and financial system, had accentuated the integration of the industrialized nations and the isolation of the third world. There was therefore a danger that the special measures to assist the least developed countries might be jeopardized by the speedy worsening of their economic and financial situation and the unexpected burden that those measures represented for the international community. That was one more indication of the need for global negotiations within the framework of the North-South dialogue, but the attempts to reform the international economic order had never given priority to compliance by both sides with the moral principles which should govern economic relations.

9. In order to solve the world crisis, the international community must pursue a strategy of generalized co-operation, based on the recognition by countries of both the South and the North that there were several paths to a more balanced and more equitable world. The concept of co-operation must be supplemented by that of solidarity.

10. In the first place, it was essential that the developed countries should amend their domestic legislation so as to adapt it to the development requirements of the countries of the South; all States must strengthen their control over the activities of transnational corporations and the private sector in general. There must also be a change in the pattern of industrial production: the North should give up some activities for the benefit of the South and, at the same time, open its markets to the manufactures of developing countries; and that implied ending protectionism, or at least gradually reducing it.

11. An awareness of the interdependence of the North and the South was necessary in order to hasten the establishment of a new international economic order. The improvement in the material situation of developing countries which that entailed necessarily depended on the strengthening of technical and economic co-operation among those countries and internal restructuring.

12. His Government had always done its utmost to bring about generalized co-operation between North and South. His country, which had twice been chosen for the signing of those two major instruments of co-operation—the Lomé Conventions—was always prepared to make a contribution to other international meetings whose objective would be to find ways and means of furthering the North-South dialogue in the interests of international stability, peace and security.

Summary of statement made at the 192nd plenary meeting, 18 June 1983, by Mr. Wilfred Naimool, Permanent Representative of Trinidad and Tobago to the United Nations Office at Geneva

1. Mr. NAIMOOL (Trinidad and Tobago) said that the developing countries had made a tremendous effort to devise co-operative and workable solutions to the economic problems of the world in the preparatory meetings of the countries of the Asian, African and Latin American Groups, which represented two thirds of mankind, and subsequently at the Group of 77 meeting at Buenos Aires. Their proposals deserved serious and favourable consideration. The Conference could prove to be a significant watershed in the economic history of the world; the decisions it took could well determine whether the world economy regressed inexorably into the doldrums of the 1930s or surged towards recovery through a joint effort by all nations.

2. It was impossible to stress too greatly the adverse effects of the world economic situation on the development efforts of a small country like Trinidad and Tobago, which had recently embarked, as a matter of priority, on an extensive programme of export development. Over the preceding decade, his country had imported a large amount of machinery and equipment from the industrialized countries to lay the foundation for its industrial development. When, however, most of those plants had come on stream, his country had been frustrated in its attempts to secure markets by prohibitive and repressive restrictions. Developing countries which had been striving to escape from dependency and underdevelopment deserved the encouragement and support of the industrialized countries rather than a deliberate policy of thwarting the emerging nations that had embarked upon a resource-based industrialization strategy.

3. Developing countries had, in recent years, been the most dynamic partners in world trade, both as exporters and importers, and had constantly grown in importance as markets for the exports of the developed market-economy countries. They had provided an important cushion for the economies of those countries during the crisis. There was no doubt that economic recovery in the industrialized countries would not lead

to sustained growth in the global economy unless it was accompanied by revitalization of the developing world. There must therefore be an immediate programme of action for the developing countries.

4. Most of the problems in international trade resulted from international indiscipline. However, structural impediments to economic growth were also widespread and the expansion of trade liberalization had been affected by the general recourse to protectionism. That situation would worsen if the Conference took the wrong decisions.

5. Since the collapse in commodity prices had brought about a reduction in world trade and intensification of the global recession, it was clear that commodity issues were closely linked with the financial issues before the Conference. The Common Fund for Commodities and compensatory financing were particularly relevant in that regard. Another fundamental issue was the participation of developing countries in the processing, marketing and distribution, including transportation, of commodities, as a step towards the integration of their economies into the international division of labour.

6. Trinidad and Tobago had witnessed a decline in its foreign exchange earnings, and its major exports were being constantly obstructed by protectionist devices in important markets, resulting in increasing unemployment. In order to relieve the external financial pressures on the developing countries, his Government would like to see a liberalized and expanded form of the compensatory financing facility of IMF and a revision of the IMF conditionality principle so that it would not militate against Governments pursuing economic development policies. A further increase in the Fund's quotas was also required and an expanded allocation of SDRs. The regular lending programme of the World Bank should facilitate a substantial increase in the flow of resources to developing countries and should be accompanied by a rapid disbursement of the Bank's funds. The graduation principle should be abolished and co-financing should be regarded as a supplement to the Bank's regular flow of resources. Furthermore, a resurgence of liquidity was needed through the multilateral financial institutions, an increase in ODA, private capital flows and private foreign investment on mutually acceptable terms.

7. The Conference should contribute to the setting in motion of a reform of the international monetary and financial system, which must be integrated with other actions in the field of trade.

8. All national economies were suffering from the crisis, but the impact was more serious in the developing countries because they were less able to withstand the pressure of unemployment and its social and political consequences. His Government was convinced that the developing countries could play a crucial role in the world economic recovery if the deterioration in the external environment were reversed. Those countries fully recognized their fundamental responsibility to pursue national policies which promoted regional and international development and economic well-being.

9. His delegation, which looked forward to a fruitful conclusion of the Conference, had been heartened by the communiqué issued by the OECD countries after their ministerial meeting in Paris, which had referred to the need to reverse protectionist measures and to sustain financial flows to debtor countries. There had been equally encouraging pronouncements to the same effect in the Williamsburg Declaration on Economic Recovery. He trusted that the world would not be disappointed.

Summary of statement made at the 179th plenary meeting, 9 June 1983, by Mr. Abdelaziz Lasram, Minister of National Economy of Tunisia

1. Mr. LASRAM (Tunisia) said that his delegation had great hopes for the success of the Conference and for the opening of a genuine dialogue that would bring renewed confidence to international co-operation, which was currently threatened with erosion and disintegration.

2. The sixth session of the Conference was being held at a time when the world economy was going through a serious crisis, whose outcome could not yet be foreseen and which affected developed and developing countries alike because of the growing interdependence of economies and the interrelationship of the critical sectors of economic activity.

3. In that context, the signs of recovery observed in some industrialized countries, however encouraging, could be confirmed and consolidated only if such recovery was accompanied by specific international measures to promote development, without which it might be only ephemeral. Only international action based on a short-term and long-term global approach could restore the world economy on sound and solid foundations. His Government considered therefore that the immediate measures suggested in favour of the developing countries, without any distinction, should be adopted in parallel with the launching of the global negotiations.

4. The countries members of the Group of 77 had demonstrated their responsibility and initiative by submitting specific proposals in the Buenos Aires Platform—which Tunisia fully supported—with a view to facilitating the search for a new international consensus. The developing countries had also endeavoured to promote genuine economic co-operation among themselves at the subregional, regional and interregional levels. His delegation welcomed the work that had been done towards the establishment of the global system of trade preferences among developing countries. The effective and valuable support given by the UNCTAD secretariat in that area and many others should be continued.

5. The Conference agenda accurately reflected his delegation's concern with respect to the prospects for in-

ternational co-operation in the various sectors of development.

6. With respect to commodities, it was hardly necessary to draw attention to the shortcomings of a system which forced developing countries to sell their commodities at prices well below their true value, thus compromising their development process as a result of the substantial fall in their export earnings. On account of the imbalance, commodity prices were at unprecedentedly low levels. It was therefore urgently necessary to replace the current system by one favouring support for and stabilization of commodity prices.

7. It was most regrettable, in that connection, that one of the main initiatives of UNCTAD—the Integrated Programme for Commodities, with the Common Fund as its main component—had not so far reached its operational phase. Action should be taken to reactivate the negotiations regarding the conclusion of international commodity agreements and to speed up the entry into force of the Agreement Establishing the Common Fund for Commodities, with a view to the speedy implementation of the steps outlined in Conference resolution 93 (IV). Tunisia, which had already ratified the Agreement, endorsed the appeal to all the other countries concerned to do the same.

8. In addition to support for and stabilization of commodity prices, special importance should be attached to raising the value of commodities and to the processing of such commodities in the countries of origin. To that end, new forms of international and economic co-operation to encourage the industrialization of the developing countries were essential.

9. While the co-operation established in recent decades between developed and developing countries in that area within the context of sustained expansion and development had certainly made it possible to achieve a certain progress, such co-operation had fallen below the expectations aroused.

10. There could be no doubt as to the outstanding importance of the monetary and financial questions that were under discussion at all levels and in all countries, since the current monetary system no longer met the requirements of development and economic growth. The disorder that characterized it was steadily aggravating the deterioration in the terms of trade, which, according to the World Bank, had contributed considerably to the deficit in the current transactions of the developing countries—a deficit which in 1980 had reached $70 billion, or 4.5 per cent of GNP.

11. Furthermore, the crushing debt burden of the developing countries, amounting to nearly $600 billion, or the equivalent of world military expenditure in 1982, was exacerbating the already serious difficulties of those countries and called for appropriate international action.

12. To that must be added the uncertainties arising from floating exchange rates, the unjustified increase in interest rates and the inadequacy of ODA, the 0.7 per cent target for which was far from being attained.

13. That situation fully justified an urgent call to adapt the monetary system to new conditions in the interest of all countries, and to convene a world conference on the monetary and financial aspects of development which would respond effectively to the financial and other needs of the international economy in respect of development, particularly that of the developing countries, and to the necessity of carrying out a growth-oriented structural adjustment.

14. He welcomed the efforts made by certain industrialized countries to exceed the 0.7 per cent target, and also and in particular those of the Arab oil-producing countries, which had given an example of disinterested solidarity among developing countries.

15. Problems of international trade in goods and services were a further subject of serious concern. While their share in international trade was 13.2 per cent, the developing countries absorbed approximately 30 per cent of the exports of industrialized countries. Those figures demonstrated the gap between the two categories of countries, which was being widened by the current trend towards the erection of non-tariff barriers with the effect of limiting international trade, which was regressing further and further every year. The current crisis called for a restructuring of the international trading system so as to make it more universal and more equitable through the formulation of new rules and principles to regulate international trade.

16. The problem confronted the developing countries in terms of access to the markets of the developed countries, which were becoming more and more protectionist. Specific programmes with fixed deadlines should therefore be established with a view to eliminating all protectionist measures.

17. The GSP should be improved by extending it to new products through the introduction of elements of continuity and predictability and by simplifying and harmonizing the rules of origin.

18. There was also a case for facilitating access by developing countries to appropriate means of promoting rapid industrialization and enabling them to supply their own and foreign markets with sustained production, so that they were not forced to depend on permanent aid and assistance.

19. That objective had been endorsed by the international community at the Second General Conference of UNIDO at Lima.[56] It had been recognized that the developing countries, which comprised 70 per cent of the world population and accounted for less than 7 per cent of world production, must have that share raised to at least 25 per cent by the year 2000.

20. That obviously presupposed a new international division of labour, entailing the simultaneous redeployment, according to the rule of comparative advantage, of certain economic activities from the developed countries to the developing countries, a robust technology transfer policy and reform of the international monetary system.

21. While the developing countries were faced with a number of economic challenges, some more difficult

[56] See Lima Declaration and Plan of Action on Industrial Development and Co-operation, adopted by the Second General Conference of UNIDO, held at Lima, Peru, from 12 to 26 March 1975 (ID/CONF.3/31, chap. IV).

to deal with than others—increasing production in order to create more and more jobs, achieving industrialization, increasing exports and curbing foreign exchange and balance-of-payments deficits—the developed countries were faced with the alternative of either losing their markets by refusing to share them or of accepting the international division of labour with due regard for the rule of comparative advantage. The first attitude would compromise the efforts at development in interdependence and economic complementarity. The second appeared to be a more constructive attitude and one more consistent with the laws of development, since it would enable the developed countries not only to maintain their outlets in the markets of the developing countries but also to develop in harmony and complementarity with those countries.

22. That was the lesson which his country had drawn from an in-depth analysis of its co-operative relationships with its partners in the developed world. In view of the limits to such co-operation, which, as a result of the economic recession in the Western world, it had been unable to overcome, his country had been obliged to change direction. Being conscious of the complementarity of countries, it had concluded with its partners, within the framework of joint projects and joint ventures, some industrial and trade compensation agreements relating to activities with a high technology content that were linked to the priority sectors of its economy. That approach had shown clearly that the participation of enterprises from industrialized countries in joint projects, or the establishment of such enterprises in his country, did not necessarily mean any reduction in employment in their countries of origin; in fact, the opposite was the case.

23. In the same spirit, his Government had undertaken to establish preferential economic relations with the countries in its region, whether in the Maghreb, the Arab world or Africa. Its objective in so doing was to develop its industrial potential, with particular stress on interindustry co-operation, the acquisition of appropriate technology and measures to provide production with a broader market base than that offered by the country itself.

24. At the same time, his Government had secured the agreement of Arab countries endowed with financial resources to establish suitable financial structures for the purpose of identifying and participating in development projects, namely by devoting the lion's share of their resources to the implementation of joint projects with Tunisian and foreign partners, with a view to identifying the maximum investment opportunities and granting credit for industrial and agricultural development. His Government's initiative had met with a favourable response and a positive reaction on the part of most of its partners, whether developed or developing countries. It attributed that success to two major factors. The first was the implementation, at the national level, of a sound economic and social policy based on the optimum development of resources, and first and foremost of human resources, and on strict resource management, which had enabled his country not only to contain the effects of the unfavourable external environment but also to maintain a respectable position among the countries of the region in terms of per capita income.

25. The second factor was the pursuit of a policy of openness towards the world necessitated by the geographical position of his country—particularly its closeness to Europe—and by the structure of its economy, characterized as it was by the need to import a large number of consumer products and capital goods for development. That policy was promoted by domestic legislation and regulations which favoured the promotion of co-operation based on complementarity.

26. In endorsing the recommendations made by the Group of 77 at Buenos Aires for the launching of a constructive debate conducive to broad co-operation among all the partners with a view to re-establishing the world economy on firm and durable foundations, and in supporting the balanced approach of the New Delhi summit conference of non-aligned countries, which had proposed immediate and long-term measures to solve the crisis and reform the largely obsolete international economic order, his delegation had thought it useful to describe Tunisia's experience, which appeared promising in that the mobilization of the forces of each individual country could foster the habit of working together in a dynamic attitude of common development, and free from confrontation or crisis.

27. He hoped that the work of the Conference would be crowned with success, since, in a world in which 70 per cent of the population received only 30 per cent of the world income, and in which centres of tension posed a real threat of confrontation, countries had no right to disregard the urgent need for sound and mutually beneficial international co-operation. The stability and peace which were inseparable from problems of development were at stake.

28. In that context, the Conference could not disregard the legitimate struggles of the Palestinian and Namibian peoples, under the leadership of the PLO and SWAPO respectively, for the recovery of their internationally recognized inalienable rights. His delegation would revert to that point during the consideration of the relevant agenda item.

29. Solidarity of interest and joint responsibility required that the spirit of mutual co-operation should be reflected in specific action and practical results and in the taking of further steps towards the establishment of a new, just and equitable international economic order.

Summary of statement made at the 185th plenary meeting, 14 June 1983, by Mr. Sermet R. Pasin, Minister of State for External Economic Relations of Turkey

1. Mr. PASIN (Turkey) said that the Conference was taking place at a time when recovery was still at a tentative stage. Even if the developed countries successfully ironed out their divergences on monetary and fiscal policies, budget deficits, interest rates and exchange rate stability, recovery in a few industrialized countries would not be sufficient to put the world economy back on the right path. Developing countries must participate in the process of recovery right from the beginning and benefit from it as equal partners. While past experience in the North-South negotiating process did not leave much room for optimism, the catchword for all participants in the Conference was interdependence, and inherent in that concept was the idea that all countries should participate in the decision-making process. The use of restricted forums in which a few countries sought unilaterally to organize global economic management without any conclusive outcome must cease, particularly as such restricted gatherings tended to focus on short-term conjunctural aspects of interdependence, leaving the long-term structural and institutional issues to universal forums. Such an artificial division led to one-sided arguments and unilateral claims. His delegation maintained that successful management of interdependence required the recognition of both its cyclical and its structural aspects as parts of the same whole. Such an integrated approach might have the added advantage of leading to more flexibility in group positions.

2. The current practice of fragmented negotiations in different forums inevitably tended to neglect issue linkages and led to conflicts of competence. New rules needed to be elaborated, either in global negotiations or in a special world conference on money and finance, as had been proposed. As to the current issues, they should be treated, as before, by the appropriate specialized agencies, while UNCTAD should focus increasingly on the conjunctural aspects of interdependence.

3. Admittedly, an international conference on money and finance would have to draft medium-term or long-term solutions. In the immediate future, the Conference, at its current session, should tackle the pressing issues of the day and negotiate the respective contributions of industrialized and developing countries to global recovery. The participation of developing countries in that process of recovery would entail the transfer of substantial financial resources to enable them to increase their imports and accelerate their development. As far as the least developed countries were concerned, an urgent increase in the level of official aid should be given the highest priority, as should the urgent implementation of the Substantial New Programme of Action for the 1980s for the Least Developed Countries.

4. The debt crisis of the high-income and middle-income developing countries in the latter part of 1982 had demonstrated that those countries had become *sine qua non* components of the interdependent world economy. It was to be hoped that the mistake of not taking into account the role they would play in any world recovery would not be repeated. It should not be forgotten, however, that at the moment there were nearly 25 countries which were involved in the process of balance-of-payments adjustment. The contribution of those countries to the process of recovery would inevitably be delayed until the end of that adjustment period, that is, two to four years, particularly as the belated decision to increase IMF quotas and General Arrangements to Borrow resources had not yet borne fruit. The external deficits of those countries remained excessive, despite drastic cuts in their imports which had led to heavy losses of export earnings. The rise in levels of real interest rates and in the value of the main reserve currency had also negatively affected their current accounts.

5. What could developing countries expect from recovery? No increase appeared to be in sight in terms of private and official financial flows; as to trade, even if industrialized countries gradually dismantled protectionist measures, as they had promised to do, that was still only a medium-term prospect. Meanwhile, the developing countries bore the consequences of a deflationary adjustment and ran the risk of being left out of any recovery. Developing countries were being asked, in effect, to adjust to a recession induced basically by the restrictive policies of the industrialized countries, since current exchange rates did not represent long-term trends and the high rates of real interest resulted from budget deficits; the industrialized countries could well reverse their economic policies. Although balance-of-payments adjustments might be restrictive in the preliminary phases of the process, they were closely related, in the developing countries, to the need for structural adjustment. They would give those countries the capacity to export more and import less, and increased finance was therefore necessary if such medium-term objectives were to be achieved concurrently with balance-of-payments financing. Currently, SDR allocations seemed to be the most suitable way of providing for the required financing. On the other hand, developing countries should keep under control domestic consumption through greater reliance on fiscal policies. Such a transition from adjustment to an investment-led growth in developing countries would undoubtedly reinforce recovery in the industrialized countries.

6. Regular flows of resources to developing countries were not enough; they must be accompanied by a corresponding increase in access to the markets of industrialized countries. The industrialized countries must gradually roll back protectionist practices and embark upon structural adjustment programmes which would proceed simultaneously with the recovery process. Indeed the duration, strength and non-inflationary nature of global recovery depended entirely on the pace and scope of structural adjustments in industrialized countries. Conversely, the implementation of restrictive policies without structural adjustment might condemn the world economy to alternate between slow growth and recession.

7. The developing countries were called on to accept commitments to market-based structural adjustments in return for concessions on safeguards by industrialized countries. They were also required to liberalize their trade if they wished to benefit fully from trade expansion in the industrialized countries, which for the developing countries would amount to an abandonment of the special treatment embodied in Part IV of the General Agreement on Tariffs and Trade. In his opinion, an agreement on the safeguard clauses should not be made conditional on a restriction of developmental rights. It was often stated that developing countries could secure creditworthiness only through trade liberalization and the free functioning of market forces. Trade liberalization, however, was bound to lead to a change in the composition of developing country imports in favour of consumer goods, ultimately resulting in a slow-down of growth in those countries. That was why they were allowed a certain degree of protection under the rules of GATT. Moreover, trade liberalization did not ensure an efficient allocation of resources. Trade liberalization in developing countries should therefore be tied to objective criteria and not be linked to the concept of reciprocity.

8. The integration of developing countries into the global economic system constituted the crucial phase in North-South relations. A premature integration would be counter-productive. The conditions under which integration would take place would be determined by the extent to which industrialized countries were willing to implement structural adjustment, and unless such adjustment was firmly subjected to internationally agreed rules in those countries, the multilateral trading system would be afflicted with uncertainties and instability. In such an environment, developing countries would not be able successfully to implement export-oriented growth strategies which would ultimately integrate them fully into the world economy. In that respect, the experience of Turkey might have some relevance. Turkey had been implementing an economic stabilization programme since January 1980, with emphasis on restrictive monetary, fiscal and incomes policies, which reduced Government intervention and relied more on market forces. That programme had been accompanied by institutional reforms. In two years the rate of inflation had been brought down from a triple-digit figure to 25 per cent and exports had doubled. The rate of growth, though lower in comparison with the average of the 1970s, had none the less been the highest in the OECD area. In the light of its national experience, the Government of Turkey was convinced of the validity of its analysis and of the suggestions which it had elaborated with respect to global recovery.

Summary of statement made at the 181st plenary meeting, 10 June 1983, by Mr. Joel Milton Aliro-Omara, Minister for Commerce of Uganda

1. Mr. ALIRO-OMARA (Uganda) said that the choice of Yugoslavia as the venue for the Conference was particularly appropriate in view of the pioneering role which that country had played in the non-aligned movement and its contribution to the search for a new and just international economic order, of which the work of the Conference was part and parcel.

2. The facts, figures and opinions which had been presented thus far demonstrated that all the countries of the world were affected, to varying degrees, by the economic crisis. The purpose of the current session was to seek ways and means of reactivating the world economy. The recognition of the crucial importance of the principle of interdependence, while admittedly encouraging, was not enough, since the principle had to be translated into concrete action.

3. Without respect for that principle, countries could adopt inward-looking policies which would only aggravate the situation. There was no lack of examples of unilateral policies which had been introduced to curb inflation and which had led to unemployment, protectionism and, hence, to the contraction of world trade and investment opportunities.

4. His delegation was convinced that the world had enough resources to take measures which would lend substance to the principle of interdependence; the only hindrance was the lack of political will.

5. The current economic crisis, characterized by inflation, recession, unemployment, high interest rates, balance-of-payments deficits and a crushing debt burden, had hit the developing countries—especially the least developed among them—hardest. For those countries, the collapse of commodity prices had resulted in a serious shortfall in foreign exchange earnings.

6. Contrary to earlier analysis, the crisis was in no way cyclical. It had clearly shown the inadequacy of the existing international economic system, with its structural imbalances and inequalities. The only sure long-term cure was therefore to restructure the global economic system, particularly the monetary system, with a view to establishing a new international economic order. Recently, the non-aligned countries, in New Delhi, and the Group of 77, in Buenos Aires, had recommended positive and concrete solutions devised in a spirit of interdependence and multilateral co-operation. His delegation hoped that those recommendations would be considered by other groups in the same spirit and submitted to the Conference for adoption. Of particular importance was the programme for immediate measures adopted in New Delhi. It was imperative that the international community should take immediate, effective and concrete measures, such as those outlined in the programme, in order to rescue the economies of many countries.

7. While the negotiations on the Common Fund for Commodities had, of course, been concluded three years previously, the Agreement establishing the Fund still remained to be ratified. His delegation urged those

countries which had not already done so to sign and ratify the Agreement so that the Fund could become operational without further delay. Like the Integrated Programme for Commodities, the Fund was a vital instrument for the developing countries, since it would enable them to stabilize their export earnings and also to improve their production, processing and marketing capabilities. As one of the many developing countries which were heavily dependent on a few export commodities, Uganda attached great importance to the Common Fund and to the export price stabilization measures set out in the Buenos Aires Platform.

8. His delegation was disappointed at the failure to implement the Substantial New Programme of Action for the 1980s for the Least Developed Countries, which had nevertheless been adopted unanimously in 1981. He stressed the need to implement the decisions adopted by the Conference and expressed the hope that the international community would take immediate measures to implement the Substantial New Programme of Action.

9. It was especially important to implement Conference resolutions 98 (IV) and 123 (V) concerning the least developed countries and developing island and land-locked countries. The Group of 77 would present, at the current session, the draft resolutions adopted in Buenos Aires in favour of those countries, in a further attempt to draw attention to their plight and to the need to provide the resources necessary to solve their problems.

10. One of the areas requiring global attention was that of money and finance. In the developing countries, high interest rates, heavy debt burdens and balance-of-payments deficits had brought famine, unemployment, lower standards of living and negative economic growth-rates. All of those problems called for immediate action. His delegation reaffirmed its full support of the position taken by the Group of 77 in recommending the adoption of immediate and long-term measures.

11. The immediate measures would represent the first step towards a fundamental restructuring of the international monetary system. However, in order to be effective, they must be viewed within the framework of a long-term programme. His delegation expressed the hope that the Conference would take decisions on the crippling problems of interest rates, the cost of debt-servicing, and ODA, which had still not reached 0.7 per cent of the GNP of the developed countries.

12. Over the long term, it was important to restructure the monetary and financial institutions, which had been established to serve the interests of a few developed countries. Since that time, the situation had changed drastically. His delegation fully supported the initiative to convene an international monetary and financial conference for that purpose.

13. Protectionist practices had continued to spread and accounted, to a large extent, for the erosion of the multilateral trading system. His delegation called for deliberate measures to facilitate trade among nations. Quantitative and qualitative restrictions must be eliminated, together with tariff and non-tariff barriers, as well as psychological barriers, particularly those which hindered the export of goods and services from developing countries.

14. While the crisis was admittedly world-wide, it was the developing countries, and in particular the least developed among them, which were the hardest hit, as a result of external factors beyond their control. If the effects of such factors were to be minimized, economic policies likely to have international repercussions must be co-ordinated, and monetary, financial and industrial policies must be worked out with the greatest care.

15. For the short term, however, the richer countries should provide the developing countries with official concessional aid and ensure that the bulk of such aid went to the least developed countries, which found it difficult to attract commercial credit.

16. Thus far, there was every indication that all countries were more or less agreed on the causes of the crisis. It remained for them to adopt collectively the measures necessary to resolve it. His delegation hoped that the aspirations of the people of the countries participating in the Conference would not be shattered by its outcome.

Summary of statement made at the 186th plenary meeting, 15 June 1983, by Mr. Alexei P. Mikhailichenko, First Deputy Minister for Trade of the Ukrainian Soviet Socialist Republic

1. Mr. MIKHAILICHENKO (Ukrainian Soviet Socialist Republic) said that the sixth session of the Conference was being held at a time when world political and economic relations had seriously deteriorated owing to the polices of some Western Powers curtailing détente and co-operation. Since the arms race unleashed by imperialist circles was gravely undermining the possibilities of all countries to develop their economies peacefully, the relationship between disarmament and development had become of paramount importance. World trade and economic problems and development problems were indissolubly linked to solving mankind's most urgent problem: the elimination of the threat of war and the achievement of real disarmament measures. In that context, he drew attention to the detailed proposals put forward recently by the Soviet Union, which provided a basis for the cessation of the arms race and for transferring vast resources to peaceful construction and development. In view of the relationship between disarmament and development, sessions of the Trade and Development Board should devote more time to considering the trade and development aspects of disarmament and the UNCTAD secretariat should undertake more studies on the subject.

2. As in the past, the world economic situation suffered from the negative effects of the economic crisis in

the leading capitalist countries, where low productivity, unemployment and inflation had become familiar phenomena. Under those circumstances, the trade and economic policies of the developed capitalist countries towards the developing countries had become harsher, as manifested by increasing protectionism and trade restrictions and by the growing neo-colonialist exploitation of human and natural resources. A particularly negative role was played by transnational corporations which, having secured a dominant position over production and markets in many economic sectors in developing countries, violated those countries' sovereignty over their natural resources and interfered in their domestic affairs.

3. As a result of the tension built up by aggressive imperialist circles, some Western countries had increased discriminatory trade and economic measures against socialist countries. There was a range of such measures which aimed generally at restricting both exports to CMEA member countries and imports from them. The policy of imposing political conditions on the development of trade with the USSR and other socialist countries was clearly unacceptable and negative. Such a policy not only damaged the development of East-West trade and economic relations but also that of international trade as a whole. His delegation thought that UNCTAD, as a universal trade and economic organization, should play a more active role in the struggle against protectionism and discrimination in all world trade flows, by identifying impediments to the development of international trade, analysing the facts relating to violations of international trade rules and drawing the attention of Governments to the problems in that area. The decisions already adopted by United Nations bodies in relation to the restructuring of international trade and economic relations on an equitable and democratic basis constituted the justification for taking action against everything that impeded normal international trade and economic co-operation. The important issue was not so much to reform international trade rules, principles and regulations as to ensure that all States implemented already existing decisions, in particular the principles of international trade relations contained in the Charter of Economic Rights and Duties of States.

4. The restructuring of international trade should not serve the interests of transnational corporations and their policy of neo-colonialist expansion but should assist in making the national economies of developing countries self-sufficient and in facilitating the political and economic liberation of peoples.

5. Trade and economic relations between the socialist and developing countries should be widened and deepened. The fact that socialist countries developed their commercial, economic and other relations with the developing countries in accordance with the principles of equality, justice, mutual benefit and respect of sovereignty was a real contribution to the establishment of a new international economic order.

6. In the document submitted to the Conference entitled "Economic co-operation of the USSR with developing countries"[57] and in the statement by the head of the Soviet delegation in the general debate, the Soviet Union had provided specific data on the assistance it rendered to developing countries. The volume of that assistance had increased from 0.9 per cent of GNP in 1976 to 1.3 per cent in 1980-1981. The Ukrainian SSR was making its due contribution to that effort. It was a large-scale exporter of industrial equipment and commodities to many countries, including developing countries, within the framework of the external economic relations of the Soviet Union. Specialists from the Ukrainian SSR were working on construction sites in scores of developing countries in connection with projects being built with technical assistance from the Soviet Union. The Ukrainian SSR was also importing a large volume of goods, including manufactures, from 45 developing countries in Asia, Africa and Latin America. Those increasing imports were undoubtedly of benefit to developing States at a time when Western countries were using protectionist measures to limit their imports from them. The Ukrainian SSR was also providing training facilities. About 23,000 foreign students were currently studying in the Republic, mostly from the developing countries. Seminars on various subjects for experts from the developing countries had been organized jointly with ESCAP, ECA and UNEP. The Ukrainian SSR had also for many years been organizing jointly with UNIDO workshops for specialists in electrical welding and for metallurgical engineers.

7. International trade flows were interconnected, and disruption in some of them would inevitably have repercussions on others. The Conference must therefore consider all international trade flows, including those between socialist and developing countries and between socialist and industrialized capitalist countries. He ventured to hope that agreement would be reached on trade relations between countries with different social and economic systems.

8. The inclusion in the agenda of the sixth session of the Conference of the item on assistance to national liberation movements was timely. His delegation had always upheld the need to accord priority in all United Nations bodies and in other international organizations to giving comprehensive and resolute support to the struggles of peoples for their national and social liberation. The Conference at its current session must take decisions to ensure the speedy implementation of relevant UNCTAD resolutions designed to improve the effectiveness of assistance to the PLO, SWAPO and ANC.

9. His delegation considered that the current session might well be a major step towards establishing a new international economic order in the interest of all countries. That lofty aim should guide the institutional changes within UNCTAD currently under discussion. His delegation was prepared to consider the proposal of holding trade and development sessions at the ministerial level every two years and to examine within UNCTAD the possibility of creating a comprehensive international organization for trade and development. Like all other Group D delegations, his delegation was determined to make every effort to ensure that the present session of the Conference played the part expected of it in solving urgent commercial and economic problems.

[57] TD/302 (reproduced in volume I, annex VII).

Summary of statement made at the 177th plenary meeting, 9 June 1983, by Mr. Alexei N. Manzhulo, Deputy Minister for Foreign Trade of the Union of Soviet Socialist Republics

1. Mr. MANZHULO (Union of Soviet Socialist Republics) said that the economic shocks resulting from the deepest crisis in the capitalist economy for 50 years were closely interwoven with the growing threat to peace and international security. There were increasingly frequent appeals from the other side of the ocean to prepare for a "victory" in nuclear wars of varying dimensions. Spurred on by that militarist drive, imperialist foreign economic policy was growing more aggressive too. It was becoming increasingly evident that real progress could not be expected in the economic field, including the solution of trade and development problems, unless normal and correct relations between States were restored. It was a duty of every State to revert to détente and mutually beneficial co-operation, to solve the urgent problem of reducing armaments, especially nuclear weapons, and to secure the peaceful settlement of situations potentially leading to conflict.

2. His delegation had noted with satisfaction that the documents adopted by the non-aligned conference in New Delhi and by the Group of 77 in Buenos Aires had rightly denounced the arms race and had stressed the need to consolidate peace as the main prerequisite for progress towards development and the strengthening of international economic co-operation. The Soviet Union, too, was doing its best to ensure the triumph of reason in international affairs. Together with its partners in the socialist community, it had put forward radical proposals for the destruction of the material means of warfare and the establishment of political barriers to prevent the outbreak of war. He wished to reaffirm that the Soviet Union would not relax its efforts to eliminate the threat of war and to consolidate peace. It urged all other countries to do the same. The Soviet Union was deeply convinced that the détente of the 1970s was not a passing episode in the history of mankind. The policy of détente was by no means outmoded: the future belonged to it.

3. The period between the fifth and sixth sessions of the Conference had been characterized by the dramatic deterioration of a climate conducive to development. In many ways that was the outcome of the serious economic crisis in the developed capitalist countries, with its destructive impact on the developing countries. That offered glaring evidence of the destabilizing influence of the policy of major capitalist States, above all the United States of America, on the development process and international economic co-operation. One example was the policy of high interest rates with its dire consequences for a number of countries.

4. Most of the recent actions of the United Sates and some of its allies had been directly aimed at undermining international economic co-operation, enhancing discrimination, erecting all sorts of barriers to international trade and, most intolerable of all, using trade and economic relations as a means of exercising political pressure on the internal affairs of sovereign States. The most recent example was the stated intention of the participants at the Williamsburg summit meeting to approach East-West economic relations in the light of their "security interests". The growing demands addressed to developing countries to ensure a "favourable atmosphere" for foreign private capital, to secure freedom of action for transnational corporations and to abandon various social and economic projects could be regarded as similar phenomena. Behind those actions lay the desire to maintain in international relations a policy of inequality and diktat, in flagrant violation of fundamental principles of the Charter of the United Nations. The same forces were responsible for paralysing the process of restructuring international economic relations and the implementation of the programme of action for the establishment of a new international economic order.

5. As far as the Soviet Union was concerned, the period between the fifth and sixth sessions of the Conference had witnessed the steady growth of its national economy and the further expansion of its international business relations. The socialist economic system had once again proved that its development was governed by its own laws and that it had nothing to do with events in the world capitalist system. There was not and could not be any ground for appeals to the "common responsibility" of all the developed States to overcome the "development crisis" in African, Asian and Latin American countries. The question of responsibility could be addressed only in the light of the reality of the situation, namely, that two social and economic systems completely different in their nature applied diametrically opposite approaches to relations with developing countries. The Soviet Union and other socialist countries had been consistently pursuing a policy aimed at the expansion of mutually beneficial and equal businesslike co-operation with States belonging to different systems and at different levels of development, without any discrimination, and at strengthening confidence in economic relations.

6. USSR participation in international economic co-operation and in the solution of development problems could be summarized in the following figures. Between 1979 and 1982, Soviet foreign trade had increased by 50 per cent. That rapid expansion, at a time when world trade in general was in crisis, had significantly helped the position of the many countries which were the Soviet Union's business partners. Trade and economic co-operation with developing countries was the most dynamic sector: the turnover of trade with those countries between 1979 and 1982 had increased by 70 per cent and their share in Soviet foreign trade had increased from 19 to 21 per cent. Over the same period, Soviet assistance to developing countries had continued to increase: net economic aid to those countries in 1981 amounted to 8.1 billion roubles, or about 1.3 per cent of Soviet GNP. The corresponding ratio for 1976 was 0.9 per cent of GNP. Total aid over the 1976-1980 period had amounted to about 30 billion roubles. Soviet aid comprised concessional credits, grants, the services of Soviet experts on highly concessional terms, virtually

free training of national personnel and the cost of concessions to developing countries in foreign trade and transport.

7. The Soviet Union had given priority to the development of trade and economic co-operation with the least developed countries along the lines of the Substantial New Programme of Action for the 1980s for the Least Developed Countries, adopted in Paris in 1981. During 1979-1982, trade with that group had grown by 77 per cent and in 1981 economic aid by the Soviet Union to the least developed countries had exceeded 1.1 billion roubles, or 0.18 per cent of Soviet GNP.

8. It could be seen that in its assistance to developing countries, the Soviet Union was doing not less but far more than any Western country. Soviet aid was directed towards strengthening the sovereignty and economic independence of the countries with which it co-operated. In the early 1980s, Soviet aid had resulted in the construction of 1,700 economic projects. They were all fully owned by the developing countries concerned. There was no backflow of financial resources in the shape of profits from the operation of the units constructed, as was the case with the economic activity of Western monopolies in developing countries.

9. Subsequent to the fifth session of the Conference, the Soviet Union had contributed to efforts to restructure international economic relations and implement the programme for the establishment of a new international economic order. In particular, it had consistently supported the initiative for United Nations global negotiations; it had ratified the Convention on a Code of Conduct of Liner Conferences;[58] acceded to the United Nations Convention on the Law of the Sea;[59] participated constructively in multilateral UNCTAD negotiations on the Integrated Programme for Commodities; acceded to the *International Natural Rubber Agreement, 1979*;[60] co-operated within the framework of previous international agreements on wheat, sugar and cocoa; actively supported in UNCTAD and the General Assembly the *Set of Multilaterally Agreed Equitable Principles and Rules for the Control of Restrictive Business Practices*;[61] supported efforts to speed up the completion of negotiations on the codes of conduct for transnational corporations and for the transfer of technology; and supported broadening the scope of the draft international agreement on conditions of registration of ships.

10. His delegation had carefully studied the proposals of the Group of 77 submitted to the Conference at the current session. It was prepared to support those provisions of that document which aimed at the real restructuring of international economic relations on a just and democratic basis, contributing to mutually beneficial and equitable economic co-operation between all countries. However, there were other provisions which ignored the fundamental difference between the two social and economic systems and the essentially different nature of the relations of the countries concerned with developing countries. Such proposals were not acceptable.

11. Subject to that proviso, his delegation was ready to consider the proposals made by the non-aligned countries and the Group of 77 on the adoption of a programme of immediate measures in the field of commodities, trade, development, money and finance. Such a programme should not, however, be a substitute for the long-term solution of restructuring international economic relations. It must therefore be linked with the idea of global negotiations and should not damage or substitute for such negotiations in any way. The Soviet Union had consistently supported a round of negotiations on the basis of General Assembly resolution 34/138 of 14 December 1979—support which had been reiterated in the Prague Political Declaration of Socialist States in January 1983. Furthermore, if the Conference adopted a programme of immediate measures, the text must reflect the interconnection between disarmament and development and the need to implement urgent measures to curb the arms race. That would be entirely in the spirit of the relevant provisions contained in the Economic Declaration adopted at the Seventh Conference of Heads of State or Government of Non-Aligned Countries and in the Ministerial Declaration adopted at the Fifth Ministerial Meeting of the Group of 77. The Secretary-General of UNCTAD had rightly pointed out in his report[62] that rising armaments expenditure was not compatible with the process of world trade and development or the resurgence of national economies. The problem of disarmament should be a subject of continuing concern to UNCTAD. The Soviet Union favoured constant attention by UNCTAD to its activities related to the trade and economic aspects of disarmament.

12. One of the important tasks of the Conference was to restore confidence in the field of international economic relations. The Soviet Union was prepared to engage in an active search together with all the other States members of UNCTAD, for constructive solutions to overcome the dangers of increased and aggressive protectionism. Being the product of the inability of the Governments of Western countries to cope with the crisis in their economies, protectionism had already reduced world trade and had eliminated export concessions to developing countries. Its worst effect, however, had been to erode the very principles underlying the world trading system, namely, the confidence of trading partners and respect for international treaties. The Soviet Union therefore favoured strengthening UNCTAD activities against the discriminatory use of protectionist restrictions and attempts to institutionalize new and discriminatory forms of protectionism, to use protectionist policies as a means of exerting pressure upon other countries and to introduce trade restrictions for non-economic reasons. The Group of 77 had proposed an in-depth study by UNCTAD of the rules and principles governing international trade; that might give some useful results. However, it was necessary not only to make a study of principles but also to see to it that they were implemented in practice.

[58] See footnote 26.

[59] See footnote 36.

[60] United Nations publication, Sales No. E.80.II.D.5.

[61] United Nations publication, Sales No. E.81.II.D.5.

[62] TD/271 (reproduced in volume III), para. 68.

13. One important aspect of the restoration of confidence was trade between countries belonging to different social and economic systems, which UNCTAD had done much to develop. The foundations had been laid at the fifth session for a comprehensive resolution: political will was now required on the part of participants for negotiations to reach agreement. Realistically speaking, those involved in sanctions and embargoes on current trade with socialist countries could not be interested in the adoption of a constructive recommendation of the sixth session of the Conference, especially on East-West trade. However, a majority of countries favoured the development of trade between countries with different systems and that could constitute the basis of the search for mutually acceptable solutions.

14. As one of the largest producers, exporters and importers of raw materials, the Soviet Union favoured the efficient stabilization of the world commodity trade in the legitimate interests of both exporters and importers. The concept of non-interference in the operation of market forces, which reflected the interests of transnational corporations in preserving their ascendancy over commodity markets and the economies of developing countries, was not acceptable to the Soviet Union. It supported the proposal of the Group of 77 to restrict monopolistic control over the processing, transportation marketing and distribution of commodities and considered that the draft resolutions submitted by the Group of 77 could form the basis for mutually acceptable decisions on commodity problems. The approach of the Soviet Union and other socialist countries to the commodity issue had been stated in detail at the fifth session of the Conference.

15. By their nature, international financial relations and the operation of the existing monetary system concerned to a decisive degree relations existing within the world capitalist economy. The problem of the indebtedness of developing countries had been wholly caused by the operations of that economy. Due consideration should be given to that fact in seeking solutions. It was undoubtedly the case that increased access by borrowing countries to the markets of lending countries could constitute a way of alleviating the debt burden. In its relations with developing countries, the Soviet Union made extensive use of the repayment of loans by supplying goods both of a traditional kind and those produced in the plants built with Soviet aid. The debt burden could also be substantially alleviated by limiting the capital outflow from developing countries which resulted from the activities of foreign private capital in them. UNCTAD had hitherto paid insufficient attention to that aspect of monetary and financial relations. Lastly, the vicious and increasingly frequent practice in certain Western circles of using monetary and financial relations in order to exercise gross pressure on socialist and developing countries for purely political purposes must be resolutely denounced.

16. The Soviet Union attached great importance to the activities of Committee IV of the Conference. Its activities should not be reduced to a mere review of the current situation. Concrete decisions were required on the issues covered by its mandate. The Soviet Union favoured the prompt completion of the work on the international code of conduct for the transfer of technology and the limitation of the brain drain from newly independent States and compensation for their losses in that respect. It also supported increased attention to the establishment of the infrastructure of science and education within the framework of technical assistance to the developing countries. The idea of adopting a strategy of technological transformation for developing countries might not be devoid of interest, although it would require the co-ordinated efforts of a number of United Nations bodies, since it went beyond the competence of UNCTAD. It was desirable to complete before the seventh session of the Conference the useful work on preparing an international agreement on conditions for the registration of ships. UNCTAD should also draft an international agreement on container standards and undertake a preliminary study on the preparation of a code of conduct for multimodal transport operations. The competent authorities of the Soviet Union were considering the matter of acceding to the United Nations Convention on International Multimodal Transport of Goods.

17. The Soviet Union had considerable sympathy with efforts to increase economic co-operation among developing countries. That could serve as a real instrument of economic decolonization and as a means of struggle against the use by neo-colonizers of trade and economic ties to exert political pressure on newly independent States. In conclusion, he expressed his delegation's appreciation on the quality of the documentation prepared by the UNCTAD secretariat and gave his assurance that his delegation was firmly committed to participating actively and constructively in the work of the Conference.

Summary of statement made at the 187th plenary meeting, 15 June 1983, by Mr. Saeed Al-Ghaith, Minister of State for Cabinet Affairs of the United Arab Emirates

1. Mr. AL-GHAITH (United Arab Emirates) said that ever since its establishment UNCTAD had been devoting its energies to resolving the problems of the international economy. Unfortunately, since the fourth and fifth sessions of the Conference, despite some progress, there had been a deterioration in the world economic situation and a crisis arising out of structural imbalances. The crisis, which was the worst since the 1930s, affected all countries and all sectors of international trade. It was an ill which could not be cured by the occasional use of pain-killers. First of all, there had been the problem of inflation, then the problem of commodities, and then stagnation which had led to a genuine recession, giving rise to a very unfavourable trend in the terms of trade for the developing countries and a sharp drop in their export earnings.

2. The current principles of international trade were particularly harmful to the developing countries. Even the oil-producing countries showed a considerable decline in earnings. In order to overcome the crisis and ensure a profitable recovery for all countries, protectionist measures must be checked and structural adjustments made in conformity with the principles of equitable international trade relations.

3. The developing countries were witnessing the shrinkage of their financial resources and the growth of their external debt, which had now reached $700 billion, while ODA had decreased. In that situation, a climate of confidence must be created among nations so that they could shoulder their traditional responsibility for a programme of action to give fresh impetus to the world economy. The Arab members of OPEC provided considerable assistance to developing countries, although the drop in their export earnings was jeopardizing their own development projects. In particular, he referred to the role of the Abu Dhabi Fund for the economic development of the Arab countries. Other funds also served to provide assistance to the developing countries and would continue to do so. In 1983 his country had ratified the Agreement Establishing the Common Fund for Commodities.

4. He praised the efforts made by UNCTAD in support of the Palestinian, South African and Namibian liberation movements and stressed the value of the studies it had done on the economic situation in the territories occupied by Israel and those dominated by the *apartheid* régime; that situation was characterized by the abusive exploitation of natural and human resources. In conclusion, he gave an assurance that his delegation would play an active part in the work of the Conference in the hope that a positive contribution to the prosperity and well-being of all nations would emerge from it.

Summary of statement made at the 175th plenary meeting, 8 June 1983, by Mr. Roy Williams, Under-Secretary, Department of Trade of the United Kingdom of Great Britain and Northern Ireland

1. Mr. WILLIAMS (United Kingdom) said that his delegation wished to associate itself with the comments made at the previous meeting by the Minister for Economic Affairs of the Federal Republic of Germany, who had spoken on behalf of the European Economic Community and its member States. He would not go over the ground already covered in that statement but would pick out certain specific subjects which his delegation intended to address in greater detail in the course of the Conference.

2. He stressed the importance which his Government attached to the work of the Conference and expressed regret that, because of the General Election, the Minister for Trade of the United Kingdom had been obliged to cancel his plans to attend during the first week.

3. The recession that had occurred since the fifth session of the Conference had hit all countries. His own country had had to undertake very painful adjustment measures in many sectors of the economy. But the effects of the recession had been particularly acute in the developing countries and especially in the poorest among them.

4. The sixth session of the Conference was thus taking place at a critical moment. The world economy was just beginning to recover from a deep and prolonged recession. Interest rates had fallen, although not far enough, and major successes were being achieved in the battle against inflation. Nevertheless, the effects of the recession on the development process had been severe, with many developing countries experiencing a fall in per capita GNP and increases, sometimes sharp, in unemployment. In addition, in the current year a number of countries were facing the prospect of poor harvests due to exceptionally severe climatic conditions.

5. Against that difficult and uncertain background it was more than ever necessary to achieve constructive and workmanlike results in the North-South dialogue. Solutions must be found to the problems facing all countries, but no one country or group of countries could provide the answers alone. As a major trading nation and financial centre, the United Kingdom was deeply aware of the interdependence between the economies of the industrialized and developing countries and realized that it was in the common interest of all that participants should work at the Conference towards agreement on a realistic and practical approach to the complex of interconnecting problems in the fields of trade, commodities, debt, money and finance.

6. Many of the problems that would be discussed at the Conference were already the subject of urgent work in the appropriate international bodies, and some important decisions had been taken. For example, the IMF Interim Committee had agreed earlier in the year to advance the Eighth General Review of Quotas and to put in place a package of measures which would substantially increse the resources available to the Fund to support continuing adjustment efforts. IMF commitments in support of adjustment programmes had already risen to a total level of over $25 billion. The United Kingdom fully suported the increasingly important role which IMF had played, alongside the international financial community, in helping to cope with debt problems. The World Bank, too, was making an important contribution to tackling the problems of adjustment associated with the recession. The recent OECD ministerial meeting had shown a growing convergence of views among the industrialized countries of the West on a medium-term approach to sustaining the incipient economic recovery and had stressed the importance of the sixth session of the United Nations Conference on Trade and Development in fostering a dialogue on ways of ensuring that all countries benefited from economic recovery. The agreements reached at the Williamsburg summit meeting had underlined the determination of

those present to foster and strengthen the recovery and to ensure that it spread to all countries. Steps had there been taken towards the achievement of greater stability in exchange rates and emphasis had been placed on the need for an increased flow of resources to the poorer countries. The importance of a constructive dialogue at the current session of the Conference had been stressed and the spirit of understanding and co-operation evinced at the recent non-aligned summit conference in New Delhi and at the ministerial meeting of the Group of 77 in Buenos Aires had been welcomed.

7. Turning to the topics on the agenda, he said that, as regards commodities, his country would continue to work for the implementation of the Integrated Programme, of which a principal feature was the Common Fund. His Government's commitment was demonstrated by the fact that it had ratified the Agreement Establishing the Common Fund for Commodities as early as 1981.

8. On trade, his Government was committed to the maintenance of the open trading system and was conscious that the massive reduction of trade barriers since the Second World War had made a major contribution to the growth of the world economy. It therefore strongly supported the emphasis on the need to halt protectionism and to take full advantage of recovery to reduce trade barriers. It particularly wished to see progress in expanding trade between developed and developing countries and believed that it was for all countries to create the conditions for such expansion. It therefore strongly supported the programme of work agreed at the GATT ministerial session in November 1982.

9. The United Kingdom's record in withstanding protectionist pressure despite the recession stood comparison with that of other countries. Recent studies had shown that only 7 per cent of United Kingdom imports were subject to any kind of non-tariff barriers, including agricultural levies, and that nearly 80 per cent of its imports were free of both tariffs and non-tariff barriers. Over 80 per cent of products imported into the EEC countries from developing countries were free of customs duties and levies, and over 90 per cent of all imports from developing countries were eligible for GSP treatment or otherwise enjoyed free entry.

10. There were topics not included in the agenda which it might be of benefit to consider, however briefly. One such topic was the need to encourage the flow of private investment to the developing world. Official aid was not the only way by which developed countries could contribute to the development process, and private investment promoted industrialization, increased employment, introduced new skills, and could ease the financing problems of countries most burdened with debt. However, such investment would only take place if conditions in both the investor's own country and the host country were favourable.

11. The United Kingdom had made conscious and successful efforts to encourage its companies to invest in the third world. In 1981, British companies had directly invested over £860 million in developing countries, equivalent to 0.35 per cent of its GNP. Exchange controls had been lifted. Twenty-one bilateral investment promotion and protection agreements had been signed since 1975, and others were being negotiated. Along with its partners in EEC, his country was currently negotiating a multipartite agreement with the members of the Arab League. It had also provided Government-backed insurance for investors to cover certain non-commercial risks.

12. Those were some of the ways in which investing countries could encourage the flow of private investment overseas. But developing countries wishing to attract private investment also had a role to play by providing the atmosphere in which foreign investors could invest with confidence. He hoped that during the discussions at the Conference it would be possible to spend some time considering how all might work to create a climate which would encourage the flow of private investment and the establishment of joint ventures. At the same time, his country was acutely aware of the fact that for the poorest and least developed countries ODA would continue to be the main source of external financing, and it remained fully committed to support for those countries, which received the bulk of United Kingdom bilateral aid.

13. In his remarks on those issues at the opening of the Conference, the Secretary-General of the United Nations had referred to the need for national as well as multilateral action in solving the economic problems facing the world and to the need for countries themselves to adopt policies which furthered their own development. The United Kingdom fully supported those comments.

14. As to procedures, he drew attention to a valuable report by a Commonwealth Group of Experts,[63] under the chairmanship of Mr. Akporode Clark of Nigeria, which contained some thoughtful comments on the procedures for negotiations and some valuable suggestions on how they might be modified. He hoped that consideration might be given to some of those ideas.

15. In conclusion, he expressed his delegation's intention to approach the Conference in the spirit of good will already manifest and its determination to make a full contribution to a successful outcome of the discussions.

[63] See footnote 20.

Summary of statement made at the 185th plenary meeting, 14 June 1983, by Mr. Amir Habib Jamal, Minister without Portfolio, Office of the President, United Republic of Tanzania

1. Mr. JAMAL (United Republic of Tanzania) said that the international economic situation was so critical that, at its sixth session, the Conference must contribute towards making a start on resolving the deep structural crisis, with a view to setting up a new international economic order. His delegation whole-heartedly endorsed the Buenos Aires Platform, which was in full harmony with the Economic Declaration adopted at New Delhi by the non-aligned summit conference, and expressed the hope that the industrialized countries would demonstrate the necessary political will to enable the developing countries to discharge their obligations regarding the restructuring of the world economy in the direction of a more just and equitable international order.

2. The statements made by several industrialized countries had been heartening, in that the common perception of the problems revealed the possibility of appropriate national and international action. Certain immediate measures, particularly on behalf of the least developed countries, could not be delayed any longer. They concerned balance-of-payments support, disbursable import support, establishment of remunerative prices for their commodities through compensatory financing of the Stabex type[64] and also through the Common Fund and the Integrated Programme for Commodities. For all developing countries, access to markets and debt settlement were also matters of urgency.

3. Primary responsibility for managing their economies in a manner conducive to their development rested with the developing countries themselves. From the very first day of independence they must embark on a continuous process of structural adjustment in all sectors of economic and social life. The cause of the malaise afflicting the world economy did not lie with those countries, particularly the poorest. If anything, without them, the situation of the industrialized countries would be still worse. OECD, the UNCTAD secretariat and a number of economists had pointed to productivity, research, savings, rigidities in production structures, and too many decisions of a short-term nature jeopardizing long-term investment plans as being among the factors of the crisis. One *prima facie* conclusion was that the slow and somewhat tortuous evolution of an international order that had been potentially premised through the establishment of the Bretton Woods institutions had been interrupted by the pursuit of nationalistic objectives based on the possession of technological and military power. That had meant abandoning the logic which had motivated the founders of those institutions and which pointed towards a steady surrendering of sovereignty to international control and surveillance in the field of trade. It had been that logic which had led the industrialized countries, under the influence of the United States of America, to establish IDA in 1960, a historic milestone in human evolution which, like the General Assembly decision to convene the United Nations Conference on Trade and Development, had marked a turning-point in the development of mankind. That had given the developing countries not only cause for hope, but also some form of material assistance. That process had, however, been interrupted.

4. IDA had been a source of real help to the United Republic of Tanzania in building its physical and social infrastructure. Together with other helpers, the United Republic of Tanzania had been able in the 1960s to compensate for what it had lost in terms of trade in sisal. In the 1970s, it had had some difficult experiences, including the collapse of the East African Community, and they had been aggravated by the world economic crisis. The problems had been compounded by the errors which, at the best of times, could not have been avoided for a developing country like the United Republic of Tanzania, which had also had to shoulder a whole burden of adjustment, resulting from factors mainly outside its control. With recourse to private banking out of the question, the country had hoped that the World Bank and IMF would provide assistance and understanding, but they had insisted on applying a set of criteria with which even more developed countries would have had some difficulty in complying. His country had already perceived that, while IMF was a most useful source of technical assistance, it was relevant only to the needs of industrial societies. Given the conditions of the Tanzanian economy, monetary policies could only yield results over a relatively long period of time, once adequate investments had been made. In short, a per capita income of $200 was no qualification for a classical IMF programme, with its series of prescriptions.

5. In the 1970s, the United Republic of Tanzania had begun to acquire some light industrial activities aimed at import substitution. It was a necessity for the country, which believed that a policy of meeting basic needs through the establishment of industrial activities would receive international understanding and support. Having embarked on the task of restructuring the economy in order to carry out import substitution and to add further value to its own raw materials, it had come face to face with the contradictions inherent in having to reconcile the needs of short-term external and internal equilibrium and the much longer process of restructuring the economy.

6. The experience of the United Republic of Tanzania served to make a number of important points. Firstly, developing countries were engaged in a continuous process of structural adjustment. Secondly, every economy, large or small, developed a strain in one area or another from time to time, and when the necessary resources were not available nationally, there was no alternative to seeking assistance from outside. Thirdly, a least developed country did not receive any

[64] See footnote 5.

commercial bank loans since it was not considered creditworthy. It could only ask for assistance from friendly countries and seek short-term facilities from IMF and long-term structural adjustment loans from the World Bank. Fourthly, there was a limit to the assistance friendly countries could give. Fifth, IMF insisted on applying to the least developed countries conditions which could only be applied to an industrialized country. Sixth, the World Bank would not permit any allocation of funds without the poor developing country first concluding an arrangement with IMF. Finally, there was a cruel contradiction between the very short-term framework of an IMF programme and the medium-term and long-term framework of a structural adjustment programme. It was impossible for a country to seriously pursue long-term changes in its structures and at the same time struggle to obtain short-term results by concentrating on the micro-economic activities based on the existing profile of its economy.

7. The Managing Director of IMF had said in his statement[65] that the Fund was not prepared to give recognition to the special needs of the least developed countries, as the rest of the international community had done. He had also said that non-oil-exporting developing countries were expected to achieve a growth rate of about 2.5 per cent in 1983, while their current account deficit would decline to less than $70 billion, but he had not said a word about the prospects for the least developed countries, which, most unfortunately, were not expected to register any growth at all. It might be asked whether the Fund shared the almost universally held view that long-term economic growth for the industrialized countries was predicated on an early revival of the economies of developing countries. In that regard, a body of opinion advocated a special allocation of SDRs aimed specifically at stimulating development of the relatively underdeveloped countries.

8. He wondered whether the international community could avoid asking itself the questions he had just posed with regard to the evolution of the international economic system and the digression from its logical and ethical evolution. While IMF "disciplined" the United Republic of Tanzania and other similarly placed developing countries, which had not contributed to the malaise in the international economy, the international community had not much time left for taking the necessary remedial measures.

9. The primary function of IMF was to ensure that the balance-of-payments needs of the world's trading nations were met, as and when necessary, in the context of a sustained growth in world trade. It had been obvious from the start that adequate resources would have to be placed at the disposal of IMF and that those resources would have to be increased in proportion to the growth of world trade if IMF was to serve the purpose for which it had been created. In actual fact, however, the Fund's resources had diminished continuously in relation to world exports, and its function had been taken over by private banks.

10. It was possible, and necessary, to draw some important conclusions from that situation. It seemed that the necessary adjustments in the Articles of Agreement and in the resources of the Fund had not kept pace with the dynamic requirements of the logic of the Fund's establishment, or with the objective needs of the international community. It was possible to visualize quite a different scenario for the 1960s and 1970s if an adequately resourced Fund had been truly sensitive to the needs of countries at both extremes of the development scale. At one end, a new group of countries were just making their faltering entry into the complex field of the financial management of their recently monetized economies. At the other end, a powerful combination of capital and technology was leading to fiscal and monetary behaviour—both within and across national boundaries—which was quite contrary to IMF tenets. An IMF that was truly committed to maintaining a continuing equilibrium in the world economy would have leaned much more towards the fragile and incipient economies and, at the same time, would have demanded compliance from the forces which were cutting loose from the responsibility implied in the role of a particular currency being the *de facto* international trading and reserve limit. An orderly organic development of the Fund's policies and performance would have permitted a more orderly growth of trade, more sustained development, orderly exchange rate régimes, less unemployment and more effective containment of private banking.

11. An international conference, with the participation of all countries, to deal with money and finance, trade and development was an urgent need. As for private investment, the least developed countries needed both capital and technology; they also needed management skills to be developed. But all potential investors asked for infrastructure services, the introduction of which involved large-scale foreign exchange expenditure.

12. Many of the basic questions raised at the first session of the Conference still remained to be resolved at the sixth session. The question of remunerative prices for primary commodities still remained; the Common Fund had not seen the light of day; the transition from primary production to industrialization needed time and resources; IDA was poised on a razor's edge; the debt of the developing countries ran the risk of contributing to the collapse of private banking; energy had become a limited and expensive resource; the poor countries were going to the wall; and the unemployed in the industrialized world as yet did not see any glimpse of light. Yet the necessary resources existed; a 2 per cent reduction in defence expenditure by the industrialized countries would meet the minimum unsatisfied needs of poor developing countries, to which the Paris Conference had given the Substantial New Programme of Action for the 1980s for the Least Developed Countries and a feeling of hope.

13. The issues facing the international community were not just economic but fundamentally political and concerned man, his well-being and his self-respect. While the Conference deliberated, three freedom fighters had been executed by the racist régime of South Africa because they had chosen to take all the risks they could for the sake of the dignity of man. The manner

[65] See section C below.

and speed of dealing with those urgent matters, which cumulatively constituted the core of the world crisis, would determine whether democratic values would have the chance of taking firm root in developing societies, or whether authoritarianism, repression and the trampling of basic human rights would predominate. The response given to the main resolutions submitted to the Conference by the developing countries would not decide the fate of the world in the immediate future; it was, however, necessary to think of the following generation. In order to traverse the present critical moment in history, courage and imagination were needed as much as careful calculation of global costs and global benefits.

Summary of statement made at the 182nd plenary meeting, 13 June 1983, by Mr. Kenneth W. Dam, Deputy Secretary of State of the United States of America

1. Mr. DAM (United States of America) said that his country's participation in the sixth session of the Conference would be guided by four principles: that the achievement of the common goal of economic progress and development would require sustained effort on the part of all countries, both North and South; that it was essential to work in a constructive and co-operative environment to find realistic and workable solutions to the world's problems; that efforts should concentrate on reaching conclusions attainable within the context of UNCTAD; and that the central focus of international co-operation should be the strengthening of an open international trading, financial and investment system that nurtured growth for all countries.

2. The world was emerging from the longest recession of the post-war period, characterized by declines in economic activity and by stagnation and unemployment. For the developing countries, the world-wide recession had led to a serious income-earning problem. The only lasting solution to that problem, and also to the problems of the industrialized countries, was sustained economic growth, without renewed inflation. The industrialized countries had now begun to lead an expansion of the world economy. In the United States and elsewhere, inflation had declined, interest rates had almost halved and industrial production had risen. The challenge was now to turn that revival into a global recovery, with sustained growth for the rest of the 1980s and beyond.

3. World trade was the key to revival, the transmission belt by which recovery in the developed countries would produce faster growth in the developing countries. In 1980, the developing countries' export earnings of $580 billion had been 17 times as much as their net receipts of aid. Acceleration of growth in the industrial nations from about 2 per cent in 1983 to the OECD forecast of 4 per cent in 1984 and beyond would itself add $20 billion to $25 billion annually to the export earnings of non-oil-producing developing countries.

4. The United States, whose market was the world's largest and one of the most open, had contributed significantly to the growth and diversification of developing countries' exports. In 1981 it had purchased more than $120 billion in goods and services from developing countries, of which $70 billion consisted of imports from non-oil-producing developing countries. It had absorbed almost one quarter of all the exports of those countries and more than half of their exports of manufactured goods to OECD countries. Indeed, the growth in its imports of manufactured goods from developing countries had been especially strong—an average rate of 27 per cent per year during the 1970s. The United States market remained largely open: the average tariff on dutiable exports of developing countries was less than 5 per cent, and there were relatively few non-tariff barriers to trade. Large, growing, open markets were the main hope of the developing countries for dealing with their debt burdens and growth problems. The United States was committed to maintaining and expanding open markets.

5. The participants in the GATT ministerial session of November 1982 had pledged to refrain from taking or maintaining any measures inconsistent with the General Agreement on Tariffs and Trade. The OECD ministerial meeting of May 1983 had gone even further, with Ministers pledging to reverse protectionist trends. The heads of State or Government who had met recently at Williamsburg had agreed to halt protectionism and, as recovery proceeded, to reverse it by dismantling trade barriers; to work to achieve further trade liberalization negotiations in GATT, with particular emphasis on expanding trade with and among developing countries, and to continue consultations on proposals for a new GATT negotiating round.

6. Major co-operative efforts were needed to assure an open international trading system for all, with particular emphasis on the growth of developing countries during the rest of the century. A programme equal to the challenge of assuring an open trading system should include the following points. Nations should strengthen their commitments to resist protectionism, developed countries having particularly serious responsibilities in that regard because their constructive actions greatly benefited other countries as well as themselves. Preparations should begin now under GATT auspices for a major new international trade liberalization, with emphasis on reducing barriers to North-South trade through the mutual exchange of concessions. Expansion of trade among developing countries could also be promoted through trade-creating tariff reductions among developing countries themselves. The generalized preferences in developed countries should be continued and refined, and the United States, for its part, expected to move forward shortly with legislation renewing its generalized trade preferences for developing countries, with special measures to improve its use by those countries in need of benefits. GATT should be strengthened to spearhead new trade liberalization, particularly with developing countries, to bring greater discipline in the use of safeguards, and to improve dispute settlement

and the ground rules for agricultural trade. Lastly, technical assistance should be provided to the least developed countries to promote their trading capacity.

7. Efforts to promote a better climate for trade had particular relevance to the expansion of participation by developing countries in the processing, marketing, and distribution of commodities. Achieving trade objectives would accelerate the developing countries' role in those commodity-related activities where they had already demonstrated impressive growth. Nevertheless, the United States recognized the difficult problems faced by many developing countries heavily dependent upon commodity exports. Commodity prices had fallen by an average of 20 per cent from 1980 to 1982. The long-term answer to the problem was sustained, non-inflationary growth over the coming years. Since commodity agreements had not been successful, by and large, in reducing wide swings in commodity prices, it was not in anyone's interest to raise unrealistic expectations about the usefulness of new ones. The United States would continue to consider such agreements on a case-by-case basis but it saw a limited role for price stabilization agreements.

8. More effective, in his Government's view, had been arrangements to provide financing to commodity-exporting countries when their earnings temporarily fell. The United States would join other members of IMF in a constructive review of the IMF compensatory financing facility, a proven approach, rather than the creation of new institutions with overlapping purposes and smaller capital. It would consider participation in commodity agreements as "other measures" if they appeared to serve a useful function and meet appropriate criteria. For example, it had just decided to become a party to the *International Agreement on Jute and Jute Products, 1982*.[66] The United States was also willing to explore the possibility of establishing producer-consumer forums for commodities, unless they involved efforts to establish price stabilization agreements.

9. Such a programme for growth and trade was workable, but distribution of its benefits would depend on the domestic policies pursued by individual developing countries. Some of the fastest-growing economies in the world were those of East and South-East Asian countries which had liberal import régimes, adequate incentives for producers, and realistic prices, interest rates and exchange rates. Their experience demonstrated that the most critical contribution a country could make to its own development was the pursuit of appropriate domestic economic policies.

10. International financing institutions such as the World Bank, IMF, and the regional development banks, contrary to the claims of their critics, were proving in the current difficult period that they were vital and flexible instruments for supporting global recovery and economic development. The United States saw such international institutions as essential to the needs of developing countries. Since recent lending by IMF had drained its liquidity, the United States Administration strongly supported the proposed 47.4 per cent quota increase and the expansion of the General Arrangements to Borrow from $7 billion to $19 billion. The $8.4 billion United States contribution to those increases had recently been approved by the Senate. By providing good policy-advice and supplementary financing to ease the process of adjustment, IMF was contributing to the maintenance of economic and political stability. A more effective role for IMF, together with the multilateral banks, would ensure a resilient international financial system in the 1980s. Working together, those institutions could help developing countries move beyond short-term stabilization to long-term policies that strengthened market forces and allocated resources more efficiently. The result should be accelerated growth, not just stabilization.

11. The United States and other industrial countries had been actively co-operating over the past year with developing countries facing serious debt problems. Several Latin American countries, for example, had seen their progress halted by the burden of debt service. Initial steps had been taken to stabilize the financial situation by emergency international financing through IMF, and by austerity measures. A comprehensive strategy, which had been endorsed at Williamsburg, had been pursued. That strategy contained the following elements: effective adjustment and development policies by debtor nations; adequate private and official financing; more open markets; and world-wide economic recovery. A principal objective of that approach had been to preserve the affected countries' creditworthiness and ability to attract new private capital to help finance growth over coming years. Any alternative generalized approach which would sacrifice that objective would be a wasteful one for all parties.

12. Achieving those results might require more emphasis on problems of economic management by IMF, and more involvement of the World Bank in sound adjustment programmes. Such an approach helped attract increased private direct investment and other financing, to provide part of the capital the developing countries would need over the next decade. It augmented the direct role of the World Bank as intermediary between international capital markets and developing countries with limited direct access to those markets.

13. The main source of productive investment in all countries, both developing and industrialized, was domestic savings. Adequate incentives for people to produce, save and invest were at the heart of effective policies for sustained growth. The record of many developing countries in saving over the past decade had been especially strong. On the average, developing countries had devoted about one quarter of their GNP to investment, with 80 per cent of that investment financed by domestic savings. Foreign assistance was not a substitute for domestic savings. There was, in a sense, a pool of world savings, and foreign aid was taken from that pool. Foreign assistance had an important but limited role in economic development as a supplement to effectively mobilized domestic savings, particularly in the case of the low-income developing countries, where Governments had little or no direct access to international capital markets.

14. The United States continued to be the largest provider of ODA. In 1982 its assistance programme had

[66] See footnote 37.

totalled $8.2 billion, having risen from an average of $6.5 billion in 1980-1981. United States assistance efforts were focused on concrete development problems. At that very moment, for example, a world conference was being held in Washington on a treatment, developed with United States technology, to combat infant mortality stemming from dehydration, which might save the lives of 5 million children a year in the developing world.

15. In addition to the United States, the other 16 members of DAC had provided ODA of $20 billion in 1982. The combined contributions of all members had supported a current lending level of $18 billion annually by the multilateral development banks. The planned rate of annual increase ranged from 12 to 15 per cent, depending on the particular bank, during the current replenishment cycles. The World Bank's International Development Association was seen by the United States as a vital institution for aiding the poorest developing countries. President Reagan had pledged his support to meet the full United States commitment to the current replenishment of IDA, and the House of Representatives had approved for the current fiscal year the full amount requested by the Administration to meet that commitment.

16. In its efforts to meet the special needs of the lower-income developing countries, the United States viewed with great concern the economic crisis in Africa, to which President Mitterand of France had justifiably urged special attention. Falling per capita food production and low productivity in other economic sectors portended human tragedy and prolonged turmoil in many African societies unless those tendencies were reversed. As part of its policy to help affected nations deal with drought and other severe emergencies, the United States regularly supplied emergency food aid to many countries in Africa. Only the week before, his Government had approved a special, additional $25 million drought relief programme for southern Africa in the year ahead, bringing its total food aid to the affected countries in that region during fiscal 1983 to just under $100 million.

17. Emergency measures were not sufficient to resolve the situation in Africa. Initiatives such as the World Bank's programme of co-operation for development in Africa and donor participation in the Southern African Development Co-ordination Conference were required. Donors also needed to support urgent reform in agriculture by the Africans themselves. Development assistance and emergency measures could have no lasting impact in the absence of reforms such as market prices for farmers, exchange-rate policies that encouraged domestic food production, and the elimination of bias against agriculture in domestic investment and credit.

18. One of the goals should be the encouragement of foreign direct private investment, the role of which, owing to economic factors, was increasing relative to concessional aid. Over recent years, United States aid had increased at an annual rate of about 6 per cent whereas earnings from exports to the United States and the flow of United States direct investment to developing countries had grown during the 1970s by about 20 per cent a year. By the end of 1981, United States direct investment to developing countries had totalled $56 billion. International private investment offered a means for developing countries to supplement domestic savings and ODA, in addition to providing many economic benefits such as capital, know-how, technology and expanded employment and export, for the most part without the debt-service implications of commercial borrowing. In order to expand the flow of private investments to the developing world, developed and developing countries should establish ground rules creating favourable conditions. Examples of such conditions were the bilateral tax treaties, insurance understandings and investment agreements currently being negotiated between the United States and a growing number of countries. The United States was also ready to consider a programme of multilateral insurance of investment, as had been suggested by the World Bank.

19. Furthermore, his Government urged other Governments to consider the adverse effects that government intervention, such as performance requirements, could have on their own and the world economy. The United States would actively participate in continued work in multilateral institutions to address those problems. Furthermore, it encouraged adherence by all countries to the Paris Convention for the Protection of Industrial Property and the enactment of effective intellectual property laws. The absence of such laws was a major disincentive to investment in manufacturing facilities, research and development and the transfer of technology.

20. Economic development was a complex process which depended on the effective use of available resources. Differences in the level of economic progress resulted more from the policies pursued by individual countries than from the misfortunes of history or lack of natural resources. Some countries had dissipated resources in questionable investments or in subsidizing consumption. Others had failed to give that most precious resource, human initiative, the appropriate incentives and freedom to make the type of economic decisions which led to dynamic and durable growth.

21. UNCTAD was an important forum but his delegation was convinced its effectiveness could be increased by adopting more systematic and transparent management methods. The results of the deliberations at the sixth session of the Conference could be reflected in specific negotiations in many specialized institutions, and he was confident that the Conference could make significant progress towards resolving real problems in an atmosphere of co-operation and genuine dialogue. North and South were now in one boat and by working together they could catch the rising tide which would speed them on a course of recovery and growth.

Summary of statement made at the 184th plenary meeting, 14 June 1983, by Mr. Idrissa Yaya, Minister for Commerce, Industrial Development and Mines of Upper Volta

1. Mr. YAYA (Upper Volta) expressed the hope that at Belgrade the spirit of solidarity, which had been so manifest at the recent meeting of the Group of 77 at Buenos Aires, would prevail so that the developing countries might reach constructive compromises with their partners from the developed countries, for the current economic crisis was a world phenomenon which affected all international economic relations. The seriousness of the crisis was such that it might seem over-optimistic to base great hopes on the negotiations at the Conference. His delegation was convinced, however, that the similarity of problems might encourage all participants in their search for remedies which were just and beneficial to all.

2. The current economic situation was a consequence of irrational management of an international system based on inequity, waste and selfishness. Since the fifth session of the Conference, the economic relations between North and South had not improved to the point of enabling their respective economies to recover. That observation applied to all sectors.

3. The extent of the crisis had led certain countries to adopt a set of measures which had stifled vital sectors of the developing countries' economies. Protectionist measures were being introduced with the aim of preventing the access of products from the developing countries to markets in the developed countries. That phenomenon, combined with the sharp fall in commodity prices, had led to tragic situations in the developing countries, many of which were no longer able to honour their commitments on external debts or to cover the costs of their development programmes. What could be done to escape from that vicious circle when financial and monetary manipulations were impeding all efforts towards recovery?

4. The first action to be taken in such a situation was the restructuring of international trade and the stabilization of commodity prices. For countries such as Upper Volta, whose economy was based on agriculture and stock farming, most of the GDP consisted of unprocessed products from the rural sector. The chronic deficit in its trade balance was due to a persistent deterioration of prices. That deficit had risen from 10 billion CFA francs in 1971 to 72 billion in 1981. Exports regularly covered only 22 per cent of imports. To that must be added his country's dependence on imported energy. In 1981, oil imports had consumed 71 per cent of its export income, leaving a balance that was not even sufficient to cover the food bill, let alone the implementation of development programmes. To achieve economic and social recovery, Upper Volta had set the following priority targets: the attainment of food self-sufficiency in the next few years: improved public health coverage; the fight against illiteracy; and the modernization of its economy in order to make it more dynamic.

5. His country attached particular importance to the Agreement Establishing the Common Fund for Commodities, which it had already ratified, and it appealed to all States which had not yet ratified the Agreement to do so as soon as possible in order to enable it to enter into force by January 1984, as recommended by the Group of 77. With regard to the Substantial New Programme of Action for the 1980s for the Least Developed Countries, Upper Volta regretted that progress in its implementation was inadequate. Although some commitments entered into at the Paris Conference in September 1981 had in fact been fulfilled, he appealed to all countries which had not yet done so to honour their commitments without delay. At that Conference, the least developed countries had submitted specific programmes in connection with which round table meetings were to be held with the development assistance partners under the auspices of UNDP and the World Bank. So far, they had seen only three such round tables in Africa. Upper Volta was actively preparing to organize its own and hoped that those meetings would produce positive results.

6. The costly indebtedness of developing countries to the private capital market and public sources had introduced a new imbalance in their economies. The rise in interest rates, the movement of speculative capital and the instability of exchange rates had increased the financial burdens of developing countries to such an extent that many of them were obliged to limit or even abandon development projects. The ratio of Upper Volta's indebtedness to its GNP had risen from 6.3 per cent in 1973 to 23.6 per cent in 1981. In general, even if the ratio of public debt servicing costs to export income remained within reasonable limits, the increase in direct and indirect public debt as well as the deterioration of export prices were likely to increase the balance-of-payments deficit, especially since his country was having difficulty in borrowing on the private capital market because of the small volume of its exports, the modest level of its investments and its uncertain economic conditions.

7. Those figures not only indicated Upper Volta's share in the total indebtedness, which amounted to nearly $700 billion for all developing countries, but also reflected the effects of the deterioration of the present international economic systen. The recession from which the developing countries were suffering was more a crisis of the financial and monetary system than the result of their indebtedness. That was why his country supported the proposals made by the Group of 77 for a reform of the international monetary system that would provide for greater flexibility in the lending terms of IMF and the World Bank in favour of the developing countries. The proposal to increase to 45 per cent the developing countries' share in IMF quotas was extremely important. He wished to point out also that so far many developed countries had still not met the aid target of 0.7 per cent of their GNP.

8. Another important question was economic co-operation among developing countries which, though far from being a substitute for the North-South dialogue, would strengthen complementarity between the economies of the developing countries. In that con-

nection, the Arusha Programme for Collective Self-Reliance and the Caracas Programme of Action should be brought up to date and greater determination should be shown in implementing them.

9. His country was pleased to note that in April 1983 the Convention on a Code of Conduct for Liner Conferences[67] had collected the number of ratifications necessary for its entry into force. As a land-locked country, Upper Volta was particularly interested in the development of maritime transport, on which a large proportion of its trade depended. Transport costs often represented a considerable proportion of the prices of its exports and imports. It was therefore endeavouring to rationalize the routing of its goods at the national level as well as negotiating transit facilities with neighbouring States. Nevertheless, it looked forward to the decisions that would be taken at the international level to lessen the difficulties of land-locked countries.

[67] See footnote 26.

10. Upper Volta endorsed the conclusions of the Seventh Conference of Heads of State or Government of Non-Aligned Countries at New Delhi and would like the Conference at its current session to take them into account. The session was being held at a particularly difficult time for the economies of all countries, which was why some had called it a "rendezvous of uncertainty". Even though certain divergencies persisted between the North and the South, he was sure that, given the necessary political will, understanding would be possible. It was to be hoped that the genius of man, which had enabled him to conquer space and to produce increasingly destructive weapons, would enable him also to tackle problems which, although less romantic, were none the less essential for the future of mankind. If the Conference failed it would mean the total abdication of responsibilities. People had not travelled to Belgrade in order to let the situation worsen. Upper Volta ardently hoped that countries would abandon their national egoisms in the common interest.

Summary of statement made at the 186th plenary meeting, 15 June 1983, by Mr. José M. Araneo, Ambassador, Director of International Economic Affairs in the Ministry of External Relations of Uruguay

1. Mr. ARANEO (Uruguay) said that in the preceding year Latin America had suffered a decline of 3 per cent in per capita income, a fall in its terms of trade to the lowest level for 50 years, greatly increased unemployment and accelerated inflation. As a result, its foreign debt had increased considerably and differed from debt incurred in earlier periods in that over one half was owed to commercial banks. It was also characterized by increased interest rates and by unfavourable terms. A very high proportion of the exports of many developing countries would have to be devoted to debt servicing and there were grounds for thinking that there would be serious difficulty even in keeping up interest payments if prices of exports on international markets continued at their current level.

2. His delegation believed that a combination of international and national efforts would be required to overcome the current economic crisis. There was no doubt that, in an interdependent world, international recession was a global problem which required global solutions. Accordingly, a constructive policy of international co-operation was required to reactivate the world economy with priority action in the field of trade and international finance. His delegation was anxious to halt the deterioration in international economic co-operation, contribute to the achievement of a consensus in the North-South dialogue and strive earnestly and imaginatively to reverse the current trend towards bilateral arrangements, which favoured protectionism in trade.

3. Increasing protectionism, particularly on the part of industrialized countries, had four main results: it seriously aggravated the balance-of-payment problems of developing countries; it jeopardized the adjustment process, delaying structural adaptation to changes in technology and productivity and the optimal use of resources both at the national and international level; it harmed economic strategy based on international trade as a powerful growth-promoting factor, and it endangered the medium-term prospects of reactivating the world economy.

4. Uruguay's economy had been adversely affected by the application of restrictive measures on the part of some developed countries to its agricultural and industrial products and by the fact that some of its products had been shut out of other markets owing to the large-scale subsidization of their agricultural sectors by such countries.

5. With regard to financing, official flows had not increased sufficiently and reserves in most countries were static or even decreasing. In order to alleviate the problems of debt servicing, supplies of credit must be accelerated and repayment periods adjusted in accordance with the financial flows. In 1970, nearly 20 per cent of Latin American external debts had been repayable over a 15-year period, whereas currently only about 4 per cent were long-term credits. The Conference must come to reasonable arrangements which provided immediate assistance to developing countries with heavy debt burdens. His delegation favoured a stengthening of IMF and international and regional financing institutions, and an increase in SDRs.

6. His delegation was confident that a fruitful dialogue between all groups and countries would enable the Conference to adopt realistic and practical decisions which would assist economic growth and thus promote international peace and security.

Summary of statement made at the 174th plenary meeting, 7 June 1983, by Mr. José Alberto Zambrano Velasco, Minister for External Relations of Venezuela

1. Mr. ZAMBRANO VELASCO (Venezuela) said it was natural that it should be in Yugoslavia, a mosaic of peoples and cultures and the cradle of non-alignment, that nations from all over the world, both developed and developing, were meeting to seek a sincere and constructive dialogue. Through its President, Venezuela had addressed an appeal to the Governments of its region, on the occasion of the eighth session of the Latin American Council, to invite them to give all necessary political support to the preparations of the sixth session of the Conference. The current session was opening in more critical circumstances than previous sessions. According to the wish expressed at the Fifth Ministerial Meeting of the Group of 77 in Buenos Aires, it must provide the opportunity of transforming the spirit of co-operation among nations into practical results.

2. Concrete solutions should indeed result from that session, making it possible to solve the most pressing economic problems and to make a start on the deep-seated reform of a world economic system which was steadily deteriorating. The difficulties experienced by the third world for decades were accompanied by a deep-seated structural crisis which gave rise to tensions further aggravated by a never-ending arms race. Such a context obviously made dialogue and agreement more necessary than ever. No peace, no progress, no growth and no development would be possible if the position of either side remained intransigent. Moreover, the problems raised did not admit of partial or isolated solutions, much less imposed solutions. The sixth session provided an opportunity for seeking genuine solutions, in a suitable framework, through prompt and effective measures in which the entire international community would be prepared to take part.

3. At present certain indicators seemed to point to a recovery of the world economy. It order to confirm that trend, financial measures must be adopted to enable the third world countries to restore their balance of payments and gain access to the markets of the industrialized countries. Measures must also be taken to raise the prices of raw materials rapidly; in many cases those prices were at their lowest levels since the Great Depression of the 1930s. Those were conditions to be fulfilled if the third world countries were to escape from an increasingly dramatic situation and play the dynamic role which was theirs by right in the world economy.

4. The immediate measures he had just referred to must be supplemented by longer-term measures. With that in mind, the Conference should envisage the restructuring of international economic relations, which involved a deep-seated reform of the trade and payments system. A choice must be made in particular between a controlled trading system, foreshadowed by certain measures already taken, and the free-trade system symbolized by GATT. A similar choice must be made, between the effective use of SDRs and the present system, which was almost non-existent and posed problems for everyone. Such choices could be made only with the effective participation of the developing countries. In that connection UNCTAD had an important role to play in the global negotiations. Venezuela was convinced that, if they were undertaken rapidly, they would make it possible to avoid further threats and upheavals in the world economy and to build a just and rational economic future on a basis of co-operation. Many developing countries favoured global negotiations. His Government had noted with great satisfaction the wish to take part in such negotiations expressed by the head of Government of the Netherlands on the occasion of an official visit to Venezuela.

5. Referring to the questions of oil and external indebtedness, which were of particular concern to the Venezuelan Government, he recalled that the excessive monetary expansion policy of the 1960s had set off an inflationary process which had affected the entire world. At the end of 1973, the artificially low price of oil had risen sharply, causing a shock throughout the world economy. The importing developing countries had been particularly affected. The exporting developing countries had taken steps to moderate the effects of that situation. He recalled in particular the creation of the OPEC Special Fund, and also of IFAD, which was financed by contributions from member countries of OPEC and developed countries. Venezuela and Mexico had signed the San José Agreement to ensure oil supplies to a group of Central American and Caribbean countries and to grant soft long-term loans to finance the development projects of those countries. The OPEC countries had acted in order to establish a base price for oil and to stabilize the oil market.

6. The problem of indebtedness affected a large number of developing countries and its repercussions were felt throughout the world economy. The developing countries had generally contracted loans on terms that were too burdensome, and repayments absorbed an excessive share of their export earnings. In order to ensure debt servicing, they were obliged to cut back on imports, and the effect was not only damaging to their development prospects but reduced the markets open to creditor countries. Faced with that situation, the latter countries had organized themselves and it was therefore logical that the debtor countries should also co-ordinate their positions. UNCTAD assistance in resolving that serious issue would be very useful.

7. On the issues it was going to deal with at the present session, UNCTAD should envisage solutions which would take into account the concerns of all the third world countries, and in particular the least developed countries, island countries and land-locked countries. It should attach special importance to co-operation among developing countries, with which the countries of the Group of 77 were very much concerned. The conceptual bases of such co-operation had been defined at the Fourth Ministerial Meeting of the Group of 77 at Arusha in 1979, and the Caracas Programme of Action had enabled specific activities to be undertaken in various areas of common interest. At a time when North-South negotiations had come to a standstill, it

was of vital importance that the developing countries should extend and intensify their mutual relations.

8. At its sixth session the Conference found itself faced with a crucial alternative: either it would define a coherent and effective course of action for a rapid solution to the problems, paving the way for longer-term solutions, or else the world economy would sink into chaos from which it would be difficult, perhaps impossible, to extract itself. The alternative laid a heavy responsibility on all countries, but particularly on the rich countries, which must give convincing proof of their will to co-operate with the developing countries, without the argument that the crisis prevented them from taking part in joint action. Venezuela hoped that the work of the Conference would be imbued with the spirit of solidarity essential for seeking and implementing effective solutions to the present crisis.

Summary of statement made at the 182nd plenary meeting, 13 June 1983, by Mr. Nguyen Thuong, Permanent Representative of Viet Nam to the United Nations Office at Geneva

1. Mr. NGUYEN THUONG (Viet Nam) said that trade and development were intimately linked with international peace and stability, yet the sixth session of the Conference was meeting at a time when the international situation had been rendered more tense by the armaments race launched by imperialist and reactionary forces.

2. Speakers who had preceded him had outlined the characteristics of the world-wide recession with its fall in production, unprecedented rise in unemployment, stagnation in world trade for two years in succession, sharp fall in commodity prices and monetary instability. All those factors taken together confirmed the fact that the economic crisis was not merely a cyclical but a structural one. Beginning in the developed market-economy countries, the recession had had serious repercussions in the developing countries, especially the least developed ones, whose alarming situation had been aggravated by the disastrous economic policies of some developed countries, such as new forms of protectionism, the imposition by the transnational monopolies of the lowest commodity prices for 50 years—with a consequent loss for the export earnings of the developing countries of $21 billion in three years—and exorbitant interest rates. Those price and monetary policies combined had resulted in huge balance-of-payments deficits in the developing countries and debts and debt-servicing costs amounting to more than $600 billion. A particularly reprehensible aspect of those policies was the practice of certain large capitalist countries of using economic assistance as a means of pressure on developing countries and the imposition of blockades and embargoes against socialist and many developing countries.

3. Before adequate solutions could be applied, the causes of the present situation must be stressed. They were the inequality and injustice of the international market-economy system, including imperialist domination and its results, the present monetary, financial and trading policies of the most developed capitalist countries, aimed at getting out of the crisis themselves and leaving the burden of its consequences to fall on the developing countries, and the policy of those countries of creating international tension and instability.

4. The Conference must, of course, concentrate on the main problems related to the present crisis—on commodities, international trade, and monetary and financial issues. Radical changes in those fields were needed to lead in the long term to the establishment of a new international economic order. Meanwhile, urgent and co-ordinated measures were called for and should be accompanied by an improvement in the atmosphere of international relations.

5. The developed capitalist countries should abandon paternalistic attitudes towards the poorer countries and realize that their own economies were dependent to a large extent on those of the developing countries and that any improvement in the latter's economies would be reflected in their own.

6. He would venture to make a few suggestions. With respect to trade and commodities, there should be an end to protectionism and the necessary conditions should be created for the access of goods from the developing countries to the markets of the developed capitalist countries. There should be an end to all forms of restrictive practices, discrimination, economic pressure and embargoes. The GSP should be expanded. The Integrated Programme for Commodities must be implemented. In addition, new associations of producers and exporters for each commodity should be encouraged among the developing countries themselves together with the establishment of a council of associations of producers and exporters. In view of the manoeuvres of the monopoly companies aimed at manipulating commodity prices, the producing and exporting countries must unite and take measures to defend their legitimate interests, particularly in the present state of monetary instability.

7. The antiquated monetary system must be changed. The developing countries must play an appropriate role in the preparation and functioning of a new system in conformity with their present strength, which was very different from the situation which had prevailed in 1944. Increased development assistance—0.7 per cent of GNP, including 0.15 per cent for the least developed countries—was a legitimate aspiration of the developing countries. Because of their historical and present responsibility, the principal developed market-economy countries should pledge themselves to attain that objective by 1985. His country congratulated all those countries, to whatever system they belonged, which had already met or even passed the level of 1 per cent of their GNP, among them the Nordic countries, the Nertherlands, the Soviet Union and other socialist countries. During the long process of liberation, defence and national construction, Viet Nam had learned that the assistance provided by the USSR

and the socialist countries to developing countries was not only aimed at getting them out of current difficulties but at helping them to lay solid foundations for an independent economy.

8. In the interests of the developing and of the developed countries themselves, a solution to the crucial problem of the debts of the developing countries must be urgently sought. Negotiations should be undertaken to encourage some form of mutual assistance among the debtor countries, in ways to be determined, with the assistance of UNCTAD. The debt and debt-servicing burden of the developing countries should be reduced, *inter alia*, by a considerable reduction in interest rates. Such a solution should, moreover, accord the same treatment to all debtor countries regardless of their economic system or degree of industrialization and of their different resource potentialities.

9. In conformity with the views expressed at the recent summit conference of non-aligned countries, his delegation associated itself with the call to open global negotiations by 1984 at the latest: the veto of a single country should not allow them to be postponed further. Implementation of the Substantial New Programme of Action for the 1980s for the Least Developed Countries should be evaluated so as to give it a new impetus.

10. In the view of the developing countries, the following elements should be taken into account in any search for solutions to the complex problems of the present world economic situation. In the first place, international peace, security and stability must be preserved, détente encouraged and the arms race halted in order to create the necessary environment for trade and development, both world-wide and in each region. A radical transformation of international economic relations should be initiated with a view to the establishment of a new international economic order on a democratic and progressive basis. Global negotiations should be started. Aggressive economic policies and practices of all kinds should be ended immediately. Each developing country should work to consolidate and strengthen its independence and sovereignty, undertake progressive reforms and prepare an economic strategy with a view to ensuring its economic independence. Economic and scientific co-operation among developing countries should be strengthened with a view to establishing collective self-reliance. The diversification of economic relationships between countries of different economic and social systems and between developing and developed countries should be strengthened. All those activities, moreover, should be closely interrelated.

11. Viet Nam's policies had always been conducted with those aims in view and would continue to be so. While further strengthening its multifaceted co-operation with the Soviet Union and other socialist countries and its co-operation with the neighbouring States of the Lao People's Democratic Republic and the People's Republic of Kampuchea, Viet Nam was also strengthening its economic and technical co-operation relations with many developing countries, such as India and the countries of South-East Asia. At the same time, it encouraged good economic relations with developed market-economy countries, such as France, Sweden and others on a basis of equality and mutual advantage.

12. Since its establishment, UNCTAD had achieved positive results in expanding trade and development, especially among members of the Group of 77, and Viet Nam greatly appreciated its efforts. At the present time a few capitalist countries were trying to diminish the role of UNCTAD to the benefit of other organizations in which they had a preponderant say. Such an approach was detrimental to the search for solutions acceptable to all countries and, consequently, contrary to the interests of the international community.

13. The delegation of Viet Nam had come to the Conference with good will and in a constructive spirit. It would make every effort to contribute to the success of the Conference and to any actions undertaken by UNCTAD with a view to implementing its objectives.

Summary of statement made at the 187th plenary meeting, 15 June 1983, by Mr. Mohammad Huzam Al-Showhati, Minister for Economy and Industry of Yemen

1. Mr. AL-SHOWHATI (Yemen) observed that the sixth session of the Conference was taking place in a very different climate from that which had prevailed when UNCTAD had been founded 20 years before. The international situation was also very different from that of the crisis period of the 1930s. The present world economic situation was characterized by interdependence.

2. Many heads of State and Government, many heads of delegation and many senior officials in international organizations had already mentioned the dangers inherent in economic stagnation, the structural crisis and a recession marked by unemployment, protectionism, a fall in commodity prices and the growing external indebtedness of the developing countries, some of which could no longer even service their debts. The Buenos Aires Platform provided the solutions which must be adopted to overcome that structural crisis, and his country subscribed to the proposals which it contained.

3. Yemen, which was one of the least developed countries, was still in a state of underdevelopment attributable to the isolation in which it had existed until the 1962 revolution. It had not started tackling development tasks until it had become a member of IMF and the World Bank in 1970. All the loans, aid and grants received from friendly countries and international and regional institutions had been used to finance necessary studies and to execute infrastructure projects. Despite the progress of the past few years, however, his country needed even greater support and assistance in order to explore and exploit its natural resources and to develop its human potential. Unfortunately, at the end of 1982, it had suffered a disastrous earthquake which had exhausted the reserves it had been intending to devote mainly to the execution of its second five-year plan. At

its sixth session, the Conference should endorse resolution No. 23, which the Group of 77 had adopted at its Fifth Ministerial Meeting in Buenos Aires, and should call upon all developed countries and those developing countries which were in a position to do so to contribute generously through bilateral and multilateral channels to the relief efforts being made for the rehabilitation and reconstruction of the affected areas in his country. That text was on the same lines as General Assembly resolution 37/166 of 17 December 1982 and the similar appeal in the Economic Declaration adopted at the Seventh Conference of Heads of State or Government of Non-Aligned Countries.

4. Generally speaking, the situation of his country was like that of all the least developed countries: those countries were essentially suffering from the recession or economic stagnation, and a reduced influx of finance and technical aid, which had not been remedied by the international commitments entered into at the United Nations Conference on the Least Developed Countries in 1981.

5. To find a way out of the crisis, the international community should, at the sixth session of the Conference, first concern itself with the following: the removal of the protectionist and customs barriers between developed and developing countries; the acceleration of the ratification of the Agreement Establishing the Common Fund for Commodities, whose effective operation was essential in order to implement the Integrated Programme for Commodities; increasing the volume of ODA and bilateral assistance granted by the industrialized countries and surplus countries to the developing countries in the form of loans and grants, support also being provided by international institutions such as IMF, the World Bank and, in particular, IDA; promotion of the transfer of private capital from the developed to the developing countries in order to stimulate investment in the latter countries, and the transfer of modern technologies to enable those countries to exploit their natural resources.

6. Since peace and development were interrelated, in order to bring about development it was necessary to ensure peace and stability. The major Powers and the different blocs should show goodwill in that respect. The Arab world, which had been suffering for 30 years from a war of aggression conducted by the Zionist entity and its allies, and which was the victim of the expansionism of its aggressor, was obliged to devote the greater part of its resources intended for development to defence and to the restoration of the legitimate rights of the Arab peoples, especially the right of the Palestinian people to establish a State on its soil under the leadership of the PLO, the sole legitimate representative of the Palestinian people. The Conference should therefore subscribe to the resolution concerning the Palestinian people adopted by the Group of 77 at its Fifth Ministerial Meeting in Buenos Aires. The international community should also intervene to bring to an end the war between Iraq and the Islamic Republic of Iran which had been going on for the past three years.

7. Economic co-operation between the developing countries themselves was also a useful instrument to improve their stability and progress, and it complemented international co-operation. The Caracas Programme of Action was a platform of specific measures to be taken as a matter of urgency in order to promote such co-operation, which was an essential element in an integrated development strategy.

Summary of statement made at the 182nd plenary meeting, 13 June 1983, by Mr. Anton Vratuša, Chairman of the Committee on Foreign Policy Relations of the Federal Chamber of the Federal Assembly of Yugoslavia.

1. Mr. VRATUŠA (Yugoslavia) said that in 1981, when the Yugoslav Government had decided to host the sixth session of the Conference, the world economic situation had already become very difficult and international negotiations had stalled. Since then, the prolonged absence of common action had led to the further deepening of the crisis. The current session now afforded a unique opportunity to tackle serious problems and to combine efforts in seeking ways of overcoming them. Although approaches differed, there was sufficient scope for joint action, since the solution of the problems would promote peace and ensure the development of all countries.

2. Yugoslavia's position regarding the nature of the world economic crisis was identical with the conclusions adopted by the Seventh Conference of Heads of State or Government of Non-Aligned Countries at New Delhi and by the Fifth Ministerial Meeting of the Group of 77 in Buenos Aires. The crisis was characterized by global imbalances, in which food problems, energy shortages and the technological gap between the developed and developing countries were particularly pronounced. The disruptive effects of the crisis were most drastic in the developing countries' economies, in particular in those of the least developed countries. Consequently, it severely affected the overwhelming majority of the world's population, giving rise to growing political instability and general uncertainty in the world. In that context, he drew attention to one of the most absurd contradictions of the contemporary world, namely, that there were billions of people who lacked the basic necessities of life, while hundreds of billions of dollars were being spent on arms each year.

3. Certain signs of economic recovery observed in some developed countries should no doubt be welcomed. However, the crisis, having a deep and global character, required comprehensive measures to deal with it at both the national and the international level. In response to those exigencies, the New Delhi conference of non-aligned countries and the ministerial meeting of the Group of 77 at Buenos Aires had worked out a strategy, incorporating both a programme of urgent measures aimed at economic revitalization and measures to effect structural changes on the basis of the

concept of a new international economic order. The developing countries were convinced that such an approach was in the interests of all countries. In that context, the proposals for a world conference on development or on money and finance reflected the need to search for new lasting solutions, proceeding from the fact that interdependence was a reality. In that regard, the role of the United Nations system was irreplaceable. He particularly wished to stress the need to reach agreement on the launching of global negotiations as a framework for activities in the quest for solutions to international economic problems. The time for resolving the crisis was running out. The more the solutions were delayed, the greater the effort that would be needed to overcome the situation. In that context, he would like to dwell specifically on some problems for which solutions had been offered in the Buenos Aires Platform.

4. Much remained to be done before certain existing signs of economic recovery could be stabilized and translated into a longer-term and global process. The stimulation of demand at the national level alone would be insufficient to make the recovery a lasting process. What was lacking, for instance, was the revival of investment in fixed assets, which had been deterred by high interest rates in real terms. Measures to change economic structures and institutional frameworks were also lacking. In the absence of such measures, the present difficulties could be expected to reappear in an even stronger form after only a short respite.

5. There could be no stable and lasting economic recovery, even in the developed countries, without an economic reactivation and development of the developing countries. The need to channel efforts towards the developing countries was prompted not only by the fact that they were economically the most vulnerable to outside influences, and therefore the most severely affected by the economic crisis, but also and above all by the fact that it had become evident that those countries constituted an important new area of the world economy and could give it a dynamic impetus. It should not be forgotten that the dependence of developed countries' economies on world markets had doubled over the past 30 years, while at present developing countries purchased almost 40 per cent of the overall exports of processed goods of the developed countries.

6. For most developing countries, raw materials were still the main source of the foreign exchange needed to finance their economic development. Hundreds of millions of people were suffering because the world economic crisis did not permit a fair remuneration for their work. The acceptance of the Integrated Programme for Commodities and the Agreement Establishing the Common Fund for Commodities—regrettably, ratified by only half of the required number of countries—had marked an important step forward in accepting the basic principles of international trade in that sector. It was therefore deplorable that the most drastic decline in raw material prices had occurred precisely at a time when consensus on a coordinated action by the international community had been reached. It was essential to insist on the full implementation of the Integrated Programme and on an early signing and ratification of the Agreement by all those who had not yet done so.

7. Industrial goods were also becoming an increasingly important factor in the pattern of exports of developing countries, so that access to markets in the developed countries was crucial. Unfortunately, according to UNCTAD and GATT estimates, protectionism already affected half of the total volume of exports of industrial goods from the developing to the developed countries. There was also recourse to the so-called new protectionism, which was arbitrarily imposed on the weaker partners, outside the scope of existing international rules. It was characteristic that protectionism was particularly strong in the sectors in which the developing countries had already or would soon become competitive. The effects of such a practice were disastrous for the entire world economy, and for the developing countries in particular. That was one of the main reasons why international trade failed to encourage world economic activity and the process of structural adjustment.

8. Protectionism even had an adverse effect on the exports of the countries which had introduced it. Claims that the access of industrial products of the developing countries to the markets of developed countries provoked unemployment in the latter were unfounded. On the contrary, protectionism tended to retain the labour force in the developed countries in uncompetitive industrial sectors, which in turn stepped up pressure for subsidies, increased inflation and diminished overall economic performance. It was therefore urgent to adopt specific decisions with respect to protectionism and the other problems which had caused a decline in world trade, including the adoption of new rules and principles of international trade.

9. The medium- and long-term debts of the developing countries had increased seven and a half times since 1971, and in 1982 had reached the sum of over $600 billion. Moreover, their annual debt-servicing burden had increased twelvefold to $131 billion. That was one of the major obstacles to the reactivation of the world economy and the restructuring of the existing system of international economic relations. New loans, if provided, were no longer used for economic development but for debt servicing. In addition, the rescheduling of debts and the granting of new credits imposed such conditions on the developing countries that their difficulties were further aggravated.

10. Yugoslavia had achieved very dynamic growth after its liberation in 1945. However, like many other developing countries, in the past few years it had also been faced with the problem of external liquidity, hampering its further development. For increased interest payments on outstanding debt alone, Yugoslavia had had to pay about $2.5 billion during the three-year period to 1982. Nevertheless, it had managed to meet all its obligations on time, but with great sacrifice on the part of its population, and stagnation of production.

11. The above considerations led to the conclusion that it was imperative to adopt a different course. The problem of the debt burden could no longer be dealt with in a conventional and outdated manner. New approaches were needed which fully recognized the fact that the debtor countries were not responsible for the present crisis. The inadequate international monetary and financial system, and high interest rates attributable

not to market mechanisms but to monetary and fiscal policies, were but some elements testifying to that fact. The problem of debts should be resolved in the common interest of the creditor and debtor countries and in the context of its interrelation with other economic problems. The foreign debts of developing countries should be restructured in such a way as to help revitalize their economic development, eliminating restrictions connected with new loans. ODA to the least developed countries should be substantially increased. At the same time, it was necessary to stress the importance of the international financial institutions, whose role was highly appreciated. Yugoslavia supported the proposals for an adequate increase in their funds, but wished to emphasize the need for their democratization and for greater understanding of the untenable position of a growing number of developing countries owing to the world economic depression.

12. Financial and monetary questions were among the top priorities of the international community. That was also attested to by the proposals to convene a world conference on the subject. The summit conference of non-aligned countries had underlined the importance of universal participation at such a conference, the need to meet the development and other financial requirements of the international economy, particularly those of the developing countries, and the need for growth-oriented structural adjustment.

13. One of the top priority issues was measures aimed at immediate and full implementation of the Substantial New Programme of Action for the 1980s for the Least Developed Countries, to which the Yugoslav delegation pledged its whole-hearted support. Unlike many other issues, all countries without exception had agreed on the Programme, and it was incomprehensible that it had not yet been implemented.

14. He wished to draw attention to two other questions. The first was the role of UNCTAD in support of economic co-operation among developing countries, which was of vital importance not only for the more accelerated development of those countries but also for the speedier reactivation of the entire world economy. Since the role of UNCTAD in that respect was irreplaceable, the Yugoslav delegation urged the resolution of those questions in the manner proposed by the Group of 77 in the Buenos Aires Platform. Secondly, inequitable international economic relations and the gap between the developed and developing countries resulted mainly from the monopoly of technological power of the former. That gap could not be surmounted merely by technology transfer or by imitating existing models of industrial and economic development. Indigenous capacities for generating key technologies in the developing countries must also be developed. His delegation supported all actions and measures aimed at strengthening the technological capacity of the developing countries, particularly the further elaboration and improvement of the strategy for their technological transformation.

15. In conclusion, he emphasized that the Yugoslav delegation expected the Conference at its sixth session to adopt decisions which, first, contributed to the recovery of the world economy, particularly that of the developing countries; secondly, took necessary measures in all spheres of development to change the international economic system in accordance with the new international economic order; and, thirdly, adopted a programme orientation for the future work of UNCTAD. That course would create conditions to enable each country, irrespective of the level of its development and social system, to develop freely and assume its share of responsibility in building a world community of equal nations. It was in that light that his country had understood the expressions of appreciation it had heard at the Conference over the fact that the people of Yugoslavia were continuing to pursue resolutely Tito's policy of non-alignment and promotion of international co-operation.

Summary of statement made at the 184th plenary meeting, 14 June 1983, by Mr. Donge Nigu-Dia-Vanga, Secretary of State for Foreign Trade of Zaire

1. Mr. NIGU-DIA-VANGA (Zaire) said that the hopes which the establishment of UNCTAD had inspired among developing countries were being tested by the present long-standing crisis. The previous decade had been marked by an impressive number of initiatives by developing countries in UNCTAD and other international organizations to bring home the interdependent character of the economies of the industrialized and developing countries and to foster a joint search for constructive solutions in a spirit of solidarity and mutual interest. The most recent of those initiatives was the Buenos Aires Platform, a comprehensive document which contributed a call for dialogue and consensus. Zaire, as one of the authors of the document, supported all of its proposals. Although over two thirds of the world's population were affected by the crisis, the international community appeared indifferent to the continuing enormous waste of resources on excessive armaments at the expense of development and growth.

2. It was quite evident that the main sufferers from the current crisis were the developing countries, which up to the end of 1981 had constituted the mainstay of international trade. It also seemed established that it was unrealistic to imagine that lasting solutions could be found to the crisis, which was structural rather than cyclical, without far-reaching measures to adjust and change the structures of the existing economic system. The present structures had proved unable to withstand the protectionist pressures which had built up in recent years, in particular to the detriment of developing countries.

3. His delegation deplored the continual deterioration in the terms of trade for commodities, which in

1981-1982 alone had resulted in a loss of export earnings for developing countries estimated at over $20 billion. Zaire had been very badly affected by the drastic fall in the price of commodities, which accounted for over 80 per cent of its total export earnings. Zaire had placed great hopes in the rapid functioning of the Integrated Programme for Commodities and the Common Fund, and it was seriously concerned at the slow progress they were making. His delegation supported the secretariat's proposal that the Common Fund should become operational in January 1984 and also the proposal to initiate a series of interim agreements for a number of commodities of vital interest to developing countries on which negotiations had not yet resulted in agreement.

4. In 1982, for the first time since the Second World War, the volume of international trade had decreased by 2 per cent. Although principally caused by the recession, that decrease had been partly due to the protectionist measures adopted by most industrialized countries. Among concrete actions needed to reactivate the world economy were the progressive elimination of such measures, the stabilization of foreign exchange and interest rates and increased capital flows and ODA to developing countries. The resultant upturn in international trade would certainly be an effective way of reviving the economies of most developing countries and enabling them to meet their foreign obligations.

5. Developing countries had made a concerted effort to increase co-operation among themselves in order to weather the economic crisis. Zaire had actively participated in the numerous initiatives to set up subregional, regional and interregional groupings to expand South-South trade. It was to be hoped that the work of the Conference in that area would be equally constructive.

6. A particularly important problem for Zaire was access to the sea. With a total area of nearly 2.4 million square kilometres, it had only 37 kilometres of coast. It was therefore grateful to the international community for having adopted at the fifth session of the Conference resolution 110 (V) relating to the particular problems facing Zaire with regard to transport, transit and access to foreign markets. General Assembly resolutions 34/193 of 19 December 1979, 35/59 of 5 December 1980 and 36/139 of 16 December 1981 had been adopted on the same subject, and ECA was to organize a round-table meeting on the question. It was to be held at Kinshasa towards the end of June 1983, and his country hoped that the participating countries would help to find constructive solutions to the problem, which was of vital importance to the economy of Zaire.

7. His delegation firmly supported the appeals by previous speakers for implementation of the Substantial New Programme of Action for the 1980s for the Least Developed Countries.

8. In conclusion, he said that his delegation had noted with satisfaction the generally conciliatory tone adopted by delegations in the general debate. He hoped that the other groups would respond to the proposals in the Buenos Aires Platform with equally concrete, realistic and constructive counter-proposals so that the Conference could achieve positive results based on consensus.

Summary of statement made at the 192nd plenary meeting, 18 June 1983, by Mr. L. S. Subulwa, Minister of State, Ministry of Commerce and Industry of Zambia

1. Mr. SUBULWA (Zambia) said that the current economic crisis, surpassing even the Great Depression of the 1930s, had imposed incalculable costs on most economies, especially those of the developing countries. Its repercussions had been most pronounced in the areas of international trade, money and finance. Some solace might, however, be found in the optimistic messages emanating from the recent Williamsburg summit meeting.

2. However, the essential elements of the world economic crisis remained unchanged and the discussion at the Conference should be focused on economic recovery and development. The problems were man-made and it was not beyond man's powers to resolve them. For that reason, his delegation reiterated its total commitment to the position adopted recently by the Movement of Non-Aligned Countries and the Group of 77 and its hope that the Conference would achieve unity of purpose.

3. Questions of the world economy, international economic relations and development were of particular interest to the African countries, both individually and collectively. In that connection, the presentation to the Conference by the Executive Secretary of ECA of extracts from a resolution on the sixth session of the Conference[68] adopted by the Assembly of Heads of State and Government of the Organization of African Unity at its nineteenth ordinary session, held at Addis Ababa, had been both timely and appropriate. That resolution, which urged the developed countries to give serious consideration to the proposals contained in the Buenos Aires Platform, should be implemented to the benefit of the developing and developed countries alike in their efforts to achieve economic recovery.

4. The economies of most developing countries were dependent on the export of agricultural and mineral commodities, the price of which had been steadily falling on the international market, and they were thus particularly interested in commodity issues. There were a number of factors that directly or indirectly affected the pricing of commodities on the international market. Whereas the price of the commodities exported by the developing countries had been declining, that had not been so in the case of the manufactured products they imported from the developed countries. That factor, coupled with the problems of inflation in the major market-economy countries, with which most developing

[68] Distributed at the Conference under the symbol TD/L.226.

countries had strong trading and economic links, accounted for the slow growth of their economies.

5. His Government welcomed therefore the creation of the Common Fund for Commodities and had signed and ratified the Agreement establishing it. It was a very important component of the Integrated Programme for Commodities which, if implemented, could help to overcome some major weaknesses in the economic structures of many producers and exporters of primary commodities. It was to be hoped, therefore, that enough countries would sign the Agreement to render the Fund operational. It would then be important to consider the possibility of extending it to other primary products which had not been included at the initial stage. His Government was hoping to be assisted by the Programme in its process of diversification and its endeavours to exploit its other natural resources profitably for both domestic consumption and export.

6. The other issue of major importance facing the Conference was trade, which was an engine for growth and development in the case of many countries through its linkage with the other sectors of the economy. Trade had been rendered less effective in the fragile economies of developing countries by protectionist barriers, which were responsible for the failure to make optimum use of domestic resources and prevented developing countries from taking advantage of changes in technology and productivity. Protectionism afforded the countries engaged in such policies only short-lived benefits. Inward-looking economic or trade policies led to inefficiency and the perpetuation of obsolete technologies. It was thus in the interest of both developing and developed countries to agree on ways of solving that problem.

7. That did not mean that his delegation was unaware of the need to protect domestic industries from unwarrantable competition. The main point of concern was that protectionism had become the rule rather than the exception. The sixth session of the Conference should go down in history as the forum in which a climate was created conducive to the dismantling of such barriers. Otherwise efforts to diversify export markets were doomed to failure.

8. The developing countries felt encouraged by the attempts made by certain developed centrally planned economy countries to increase their intake of certain types of third world exports. In fact, the members of the Group of 77, in their efforts to achieve self-reliance, stressed the need for diversification to encompass markets in industrialized countries, both market economies and centrally planned economies. Protectionism in the latter, as in the former, would thus be contrary to some of the promises made at the Conference.

9. Any discussion of trade issues would be incomplete if it did not include the problems of land-locked countries. Their geographical location rendered those countries especially vulnerable to unpredictable occurrences and reduced their overall capability to cope with the problems of their extreme underdevelopment. Trade, as a vehicle of development, was not very effective in the land-locked countries because of their remoteness from the markets, compounded by infrastructural communication problems. His delegation strongly supported therefore all the measures proposed to deal with the transit problems of land-locked countries and encourage closer collaboration between the land-locked countries and their neighbouring transit States. Furthermore UNCTAD should, in close co-operation with other United Nations agencies and in consultation with the countries concerned, undertake the necessary studies or programmes of action to alleviate the transit problems of the land-locked countries.

10. The Buenos Aires Platform and the other documentation before the Conference on the issue of money and finance, and especially its relation to economic development, left no doubt as to the true meaning of interdependence. They described the origin of the crisis and the inability of the international monetary and financial system to cope adequately with the decline in the growth of world output and trade. The least developed countries were in desperate need of financial resources to help them to promote development, but, as his delegation had noted with great dismay, the recent payments deficits of most developing countries did not allow for sufficient adjustment while the conventional remedies were unable to cope with disinflation. In that connection, his Government strongly supported proposals and measures to ensure that the current negotiations led to the net transfer of resources in real terms, a process that should go hand in hand with efforts to reform the international monetary and financial system. Ways should also be devised, through dialogue and consensus, to compensate for the effects of imported inflation on the fragile economies of the developing countries.

11. The expansion of South-South co-operation was also important and his delegation supported the full implementation of Conference resolution 127 (V) on economic co-operation among developing countries and hoped that the Conference would instruct the Secretary-General of UNCTAD to spare no effort to mobilize resources for the full implementation of the strategies for such co-operation. The developing countries were ready to co-operate in that approach, which was based on collective self-reliance, and hoped that no impediments would be put in their way and that they would not be unjustifiably denied assistance when necessary.

12. Many other representatives of African countries had referred to the importance they attached to the principles laid down in the Lagos Plan of Action.[69] They thus considered participation in global negotiations, including the sessions of the Conference, to be meaningful in so far as the results helped their region to achieve some of the basic goals laid down in that Plan.

13. The South-South co-operation concept should be regarded not as a preparatory stage for confrontation with countries not members of the third world but as a necessary supportive mechanism of the international community. Zambia would spare no efforts in helping to establish or expand co-operative ventures with other developing countries, in which it participated actively at

[69] See footnote 7.

the regional and subregional levels. Lusaka had become the headquarters of one of the latest economic arrangements in the eastern and southern African subregion, the Preferential Trade Area for Eastern and Southern African States.

14. It was encouraging to note that United Nations organs such as UNDP and ECA were mobilizing resources to support programmes conceived by African subregional economic groupings. The Conference might therefore consider the possibility of requesting the Secretary-General of UNCTAD to render appropriate assistance to such arrangements and to strengthen and broaden the activities of the Division for Economic Co-operation among Developing Countries.

15. His delegation's stand on agenda item 13 (*f*) (Assistance to national liberation movements recognized by regional intergovernmental organizations) was clear. His country would remain committed to the realization of the aspirations of people not yet independent of all forms of oppression. That commitment had cost its economy dear but it was proud to be making sacrifices for the good of mankind. His Government was therefore determined that assistance to the liberation movements recognized by international organizations should become a common responsibility of the international community, as laid down in various General Assembly resolutions.

16. Lastly, his delegation proposed that the Conference should set up a small working group, consisting of very senior officials from a selected number of delegations, to review in depth the many statements delivered by the heads of State and Government and by leaders of delegations. Such an exercise would considerably enrich understanding of the issues that had been so expertly presented at the highest political level.

Summary of statement made at the 175th plenary meeting, 8 June 1983, by Mr. Bernard T. G. Chidzero, Minister for Finance, Economic Planning and Development of Zimbabwe

1. Mr. CHIDZERO (Zimbabwe) said that his delegation was particularly happy that the Conference was taking place in the capital of the great Socialist Federal Republic of Yugoslavia, the fountainhead of the Movement of Non-Aligned Countries and home of the legendary world leader Marshal Tito. The warm welcome and generous hospitality extended by the host country should be matched by constructive debate, purposeful negotiations and tangible results to set the world economy on the path of recovery and development.

2. The Conference was meeting at a time of deepening malaise in international economic relations. The many issues before it, including acute balance-of-payments problems, chronic current-account deficits, the huge debts of developing countries and their accompanying debt-service ratios, growing protectionism and declining or depressed commodity prices were no mere abstractions but a sad commentary on man's failure to control and develop in an orderly and harmonious process his social and economic environment, although at the same time his unprecedented mastery of science and technology had enabled him to produce at colossal cost deadly weapons of mass destruction.

3. It should be possible for man to turn with equal imagination and vigour to the issues of trade, money and finance and the related problems of commodities and services, and find effective and lasting solutions. He was encouraged by the recognition of the problems and the pledge for requisite action in the Williamsburg Declaration on Economic Recovery. However, international co-operation should transcend conferences, declarations and resolutions and translate itself into concrete actions, co-ordinated national policies and effective international policy measures.

4. His own country, though young and inexperienced in world affairs, had an immediate understanding of some of the major problems which plagued the world. Because it was land-locked, it inderstood what dependency meant and therefore the necessity for interdependence. Because the North-South polarization and the dimensions of development were mirrored in its national economy, Zimbabwe understood the interests and positions of different groups of countries and at the international level the necessity for commensurate measures and actions. Similarly, because of the critical importance of Zimbabwe's agricultural sector and a growing manufacturing sector, it could not but be sensitive to the evils of protectionism.

5. While Zimbabwe was taking every possible measure at the national level, the external environment remained hostile, and it would press for agreement on measures to be taken in the areas of trade, money and finance and on the principles to be followed, in the conviction that the necessary follow-up decisions and implementing actions would be taken in the appropriate bodies or forums.

6. Zimbabwe's efforts and experience in regional and international co-operation led it to lend full weight to economic and technical co-operation among developing countries. There was need to demonstrate beyond any doubt the capacity of developing countries to develop mutually beneficial structures for international economic co-operation. Thus, Africa looked at the Lagos Plan of Action[70] as a framework within which colonial economic structures, which sustained underdevelopment and unequal trade, would give way to an integrated African economy and lead to development patterns compatible with the aspirations of its peoples.

7. As a front line State in the struggle for political emancipation and economic independence within the framework of equitable international co-operation and interdependence, Zimbabwe supported the cause of liberation movements and hence of international efforts in that regard, always conscious of the centrality of man in all its activities.

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[70] See footnote 7.

8. The Secretary-General of UNCTAD had poignantly entitled his report to the Conference "Development and recovery: the realities of the new interdependence".[71] Zimbabwe fully supported both the immediate measures and the long-term structural changes called for in commodities, trade and money and finance.

9. At the New Delhi summit conference of non-aligned countries, Zimbabwe's Prime Minister, Mr. Mugabe, had expressed the view that "the quest for a new international economic order must remain our absolute objective, whatever the obstacles and however forbidding the task". Zimbabwe therefore fully supported initiatives for meaningful and constructive changes and in particular reform of the international monetary and financial system. It was in favour of the proposed conference of ministers of finance and the launching of the global round of negotiations.

10. Mr. Mugabe had also firmly stated that such fundamental reforms and changes "should not deflect us from taking immediate or short-term measures aimed at recovery in the world economy". He had expressed the hope that the sixth session of the Conference would provide a real opportunity to come to grips with the central issues and make a decisive contribution to appropriate follow-up action.

11. Despite laudable and successful efforts in industrialized countries to curb inflation and effect proper demand management, a very high price had been paid, which was devastating for developing countries. There was massive unemployment in the industrialized countries themselves, world trade had contracted by some 12 per cent in 1982, and protectionism was growing, to say nothing of the 30 per cent record decline in commodity prices and the stagnation, even decline, in the growth rates of virtually all non-oil-producing countries.

12. The time had come to reflate the world economy, to strike out on the path to recovery and development. But to do that the trading system needed lubrication, and in any case, additional resources needed to be made available, particularly through such international institutions as the World Bank, IMF, regional banks, UNDP and IFAD.

13. On the question of creation of new SDRs, Zimbabwe took a positive stance. It should be possible to carry out that programme without unleashing inflation and in such a way as to stimulate demand and growth in developing countries and propel the whole world economy forward.

14. The signs of an upturn and possible recovery were, in Zimbabwe's view, only incipient and still too fragile. Concerted action had to be taken to ensure real and sustained recovery with a speedy growth impact on developing countries.

15. Zimbabwe was encouraged by the commitment expressed in the Williamsburg Declaration on Economic Recovery to do away with protectionism and to give developing countries the highest priority. It looked forward to the consolidation of that position at the Conference and to speedy follow-up action. It had also noted with encouragement the views expressed on that occasion with regard to the debts of developing countries, aid to developing countries, technology, energy, East-West trade, exchange-rate policy and policies for productivity and employment. But it was perturbed by the silence in the Williamsburg Declaration concerning commodity prices. He urged that the commodity issue be addressed fully at the current session of the Conference.

16. He also urged that the necessary action be taken by all nations for the Common Fund for Commodities to become operational by January 1984. Zimbabwe was utterly dismayed at the apparent failure of the world community to meet the objectives of the Substantial New Programme of Action for the 1980s for the Least Developed Countries; those countries had suffered the most and they were the most in need of international action.

17. The present session of the Conference was a historic and momentous occasion, given the background of prolonged and pervasive recession and the imperative for concerted action. The nations of the world were represented: they must strike the path to recovery and development and give posterity cause for pride and gratitude.

[71] TD/271, reproduced in volume III. The report was also issued separately (United Nations publication, Sales No. E.84.II.D.4).

B. UNITED NATIONS SECRETARIAT*

Statement made at the 172nd plenary meeting, 6 June 1983, by Mr. Javier Pérez de Cuéllar, Secretary-General of the United Nations**

It is a great pleasure for me to address this important Conference which is being held at a most appropriate time and place. Our host city, Belgrade, is associated with, among other things, the coming into being of the non-aligned movement. It is also the capital of the country which, inspired by the vision of the late Marshal Tito—to whose memory I would like to pay tribute—has played a leading role in the dialogue relating to international economic co-operation. If questions relating to development and the need to construct a new international economic order are prominent on the world's agenda today, it is to large extent due to the approaches and perspectives suggested by Yugoslavia and the leadership of the third world countries. UNCTAD itself owes its inception to the stimulus of the non-aligned movement.

We are meeting here at a moment which is full of both promise and challenge. In the economic sphere, international affairs have reached a critical juncture unparalleled in recent times. This presents an opportunity that needs to be fully seized. What the situation demands is not a mere formulation of certain positions, but purposeful initiatives leading to action. Let me indicate some relevant characteristics of the global economic situation facing this Conference.

In the first place, the world economy now appears to be undergoing a transition. After the severest recession since the Second World War—severe particularly for the developing countries—we see the first signs of recovery, at least in some industrial countries. But serious questions continue to be raised over the breadth and durability of the recovery. Admittedly, it will take time before its benefits are available to the developing countries. Looking farther ahead, there is a danger that the world economy may not resume the high rate of growth experienced in the past decades. Yet several long-term challenges now confront us: the continued growth of population in the third world, where three quarters of humanity lives; the plight of hundreds of millions suffering from hunger, malnutrition and unemployment; the problems of structural adjustment, particularly those relating to the energy transition, both in the developed and in the developing countries. The only answer to these challenges lies in a high level of growth in the world economy, including a vigorous pace of development in the third world.

Secondly, the interdependence of the North and South has not only increased but has also been strikingly brought to the fore recently. In the long run, this interdependence is bound to increase. The financial system of the industrialized countries is now fully involved in the development process. The prosperity of that system depends, to a significant extent, on the ability of the developing countries smoothly to service their debts out of growing incomes. Serious structural issues, which moreover have been accentuated by the lack of capital investment, need to be resolved in the economies of the industrial countries. The ability of these countries to generate productive employment in the services sectors and the high technology industries requires a harmonious process of industrial adjustment based on dynamic trade, not only among themselves, but also with the developing countries. Revival of trade, in turn, will be facilitated by the expansion of markets in the developing countries, which constitute an important source of dynamism in the world economy. In brief, one cannot foresee healthy recovery or growth in the industrial countries if the developing countries are relegated to a slow pace of economic development.

It is paradoxical that, precisely when we are confronted by such severe economic problems and precisely when interdependence has assumed such concrete shape, the spirit of multilateral co-operation is in danger of significant deterioration. Such co-operation has worked in the past and has been the corner-stone of the impressive gains made in the last three decades. In a world which is becoming increasingly complex and is faced with greater challenges, this co-operation is more necessary than ever. In my conversations with leaders of the various countries of the world, I have frequently been struck by the contrast between a recognition of the severity of our problems and the willingness to tackle them, on the one hand, and a feeling that little or nothing is being achieved in the dozens of North-South economic gatherings that are held one after the other.

I would strongly urge that this feeling of failure and frustration must come to an end—and I think that this Conference is a good place to start.

What are the tasks facing this Conference?

The first imperative, to my mind, is the adoption of urgent measures to arrest the decline in the rhythm of economic activity in the developing countries and to ensure that the pace of development recovers its previous vigour. Most of these measures are fully elaborated in the documentation before you, prepared under the guidance of my esteemed and most able colleague, Gamani Corea, the Secretary-General of UNCTAD. I

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* Unless otherwise indicated, the texts reproduced here are those that appeared in the relevant summary records (TD/SR...), incorporating editorial modifications.

** The statement by the Secretary-General of the United Nations is reproduced in full, as it appeared in document TD/295.

leave it to him to take these up in detail, but I wish to underline the four broad and interrelated areas in which I feel urgent action is particularly needed and feasible:

(1) Strengthening the liquidity position of the developing countries through IMF as well as in other ways; serious thought should be given to the possibility of making a special allocation of SDRs in the near future;

(2) Increasing aid, especially through multilateral institutions and particularly to the low-income countries; the flow of non-concessional finance, including private investment, should also be increased;

(3) Strengthening and stabilizing commodity markets and earnings: I attach great importance to the entry into operation of the Common Fund for Commodities at an early date; this should be supplemented by other compensatory mechanisms;

(4) Halting and rolling back protectionist measures against the developing countries.

May I add that, in each of these areas, special attention should be paid to the least developed countries which are particularly vulnerable and, therefore, deserving of special international effort.

The second imperative is that these measures should be adopted as an integral part of the efforts to revive the global economy. I have referred to the encouraging signs of recovery in some industrial countries but such recovery needs to be consolidated and extended to the rest of the world. This would mean a greater degree of concert, particularly to bring down interest rates, to reduce volatility in exchange rates and contain protectionist pressures, while continuing to be vigilant against inflation.

I note that, at their meeting in Williamsburg last week, the seven major industrial countries have taken a step in the direction of encouraging such non-inflationary growth. Prospects in the socialist countries of eastern Europe also appear to be moving out of the recent stagnation. These developments should increase the flexibility of the industrial countries to respond to the needs of the developing countries.

The measures in favour of the developing countries which I have outlined should be viewed by all the industrial countries in a global perspective. In that perspective, recovery in the North and reinvigorated development in the South must go hand in hand.

The third imperative is to make sure that these international measures are supplemented by appropriate domestic policies. In international gatherings, the supposition becomes easy that solutions to all our problems are to be found in the international sphere. This, I believe, is a mistake. Domestic policies to fight inflation, to encourage efficient investment and structural adjustment and maintain fiscal and monetary balance are an essential condition for progress. In saying this, I am conscious of the admirable efforts made in recent years, particularly by developing countries, to undertake serious domestic adjustments. Economic co-operation among developing countries has also strengthened, and this needs further encouragement.

The fourth imperative concerns longer-range issues. The severity of the current economic difficulties, and the broader issues confronting the world economy, have prompted many, in recent times, including the developed countries, to raise questions relating to the basic framework of international economic relations covering especially the trading, monetary and financial systems. The institutions that have supported economic growth and development in the last three decades have indeed served the international community well. While they need to be strengthened on the lines that I mentioned, their functioning and the rules of the game also need to be adapted and reformed to enable them to cope with the challenges of a perpetually evolving world situation. This is a dual objective, with no internal contradiction. Your Conference needs to address these issues also. In that framework, ways and means should be sought to enable UNCTAD to strengthen its role.

I know it is easier to pose all these questions than to find the answers. I would be the last to underestimate the difficulties involved. The issues are complex, and their solutions pose problems to Governments. There are even different approaches and interpretations of the causes and urgencies of the present situation. But action should not be delayed on this account. There are areas where time is the critical factor and in which common interests have already been identified. Where immediate action may be difficult, we should at least agree to search for solutions. In this regard, some interesting suggestions have been made by the Committee for Development Planning of the United Nations at its recent session.

Every opportunity of making some progress should be taken and this Conference certainly presents an important one. I know that the launching of global negotiations is on the international agenda. I am also aware of the proposal of the Movement of Non-Aligned Countries to call an international conference on money and finance for development. Others have made parallel suggestions. These matters will have to be fully considered in the coming months. But a successful outcome here at this Conference will greatly improve the climate of international co-operation, help to ease differences and disagreements and increase the chances for progress in subsequent exchanges.

I have been encouraged in my assessment of the prospects for this Conference by the positive and flexible attitude shown by all sides, as exemplified by the Buenos Aires Platform. This trend, away from polemics and oriented towards positive action, needs to be promoted further. For this, the way is to demonstrate that such an approach yields results. In this connection, I am also heartened by such recent developments as the commitment made by industrial countries at the Williamsburg summit meeting, to engage, and I quote, "with understanding and co-operation in the forthcoming meeting of the United Nations Conference on Trade and Development in Belgrade".

In order to translate this favourable reciprocal disposition into actions, I would like to suggest, for the consideration of member States, the advisability of arranging to be represented, in the final, decisive stages of this Conference, at a high governmental level, with the

political authority needed to adopt the determinations which are required.

I would sum up as follows: the problems confronting the world economy are grave; the developing countries have been severely hit as a result; solutions to the problems have been aired; interdependence has been convincingly demonstrated; a flexible negotiating stance has been in evidence. There remains the need to work out a consensus for action. Action is needed to reduce tensions; action is needed to demonstrate the capacity and determination of Governments to solve common problems; action is needed to give confidence to the working of our international institutions. Above all, action is needed to offer a glimmer of hope to those hundreds of millions who today see no prospect except that of unemployment and continued deprivation.

I am, of course, acutely aware of the close relationship between the economic and social well-being of peoples and the peace and security of nations. Peace, on the global level, will depend, in large measure, on the sharing by all countries in the world's economic progress. Peace will be seriously threatened if this sense of sharing should weaken. The great challenge for this Conference is to help to develop the spirit of partnership between North and South on which the balance of humanity's economic enterprise and its political equilibrium greatly depend.

Statement made at the 173rd plenary meeting, 7 June 1983, by Mr. Gamani Corea, Secretary-General of UNCTAD*

Allow me to extend a warm welcome to all participants and say how encouraged I am by the exceptionally high level of representation at this Conference.

To the Government of Yugoslavia that is hosting the Conference I wish to convey my sincere gratitude and thanks. Our venue, I believe, is a propitious one. We meet in a country that has played so outstanding a role in international affairs. We meet in a city that launched the non-aligned movement. Here in Belgrade, we are all, I am sure, ever conscious of that giant of history, the late President Tito. Had he been with us, he would have drawn satisfaction, I like to think, that this meeting is convening here in Belgrade.

The venue, as I said, is propitious, Mr. President, but this is also because it gives us the advantage of your leadership as President of this Conference. With your eminence and your experience we feel assured that this Conference will be ably guided. We look forward to your leadership and I would like to pledge to you the warm and whole-hearted co-operation of all of us in the secretariat of UNCTAD.

We have been deeply impressed by the efficiency and spirit of collaboration of the Yugoslav authorities at all levels in the organization of this Conference. This, together with the impressive facilities of the Sava Centar, augurs well for our meeting.

I want also to say how deeply I appreciate the presence of the Secretary-General of the United Nations, Mr. Javier Pérez de Cuéllar, at the opening of the Conference. In his address yesterday he gave us most valuable guidance and provided us with the essential orientations for our work. I am indebted to him for his constant interest and support throughout the preparatory process for this Conference. To Mr. Jean Ripert, the Director-General for Development and International Economic Co-operation, I would also like to convey my sincere thanks for his assistance and encouragement in the preparatory process. I hope that this Conference, through its deliberations and through its outcome, will contribute to the strength and efficacy of the United Nations system itself.

The sixth session of the Conference is the culmination of a preparatory process of exceptional intensity. There have been many elements in this process—a well-focused agenda, a set of substantive documents presented in time, and a process of pre-Conference dialogue. But the session also convenes in the wake of a number of major events, which have been concerned with the issues before this Conference. Never before has a session convened in such close proximity in time to such events as the summit conference of non-aligned countries, the ministerial meeting of the OECD countries, and the summit meeting of seven of the leading industrialized countries. There has, I believe, been a certain momentum generated by this sequence of meetings which could help this Conference here in Belgrade. In fact, each of them made specific references to our meeting. The Fifth Ministerial Meeting of the Group of 77 in Buenos Aires, convening specially in preparation for this session, broke new ground. Never before were draft resolutions on every item of the agenda formulated and presented so well in advance of the Conference itself. I believe that this in itself is a valuable contribution to our work. We all appreciate, I am sure, that the President of Argentina, General Reynaldo Bignone, will personally present to us today the Buenos Aires proposals.

From the outset, I have been conscious of the setting in which this global Conference—which brings together the developed market-economy countries, the socialist countries and the developing countries—would be meeting. It is not only that this Conference convenes against a background of crisis, of recession, without parallel in the post-war period; it is also that it convenes at a point in time when changes of a longer-term character are having their impact on, and have become interwoven with, the immediate situation. This is why I have felt from the beginning that the Conference has two opportunities, two responsibilities—to work out a response to the immediate crisis and, at the same time, to reflect on the longer-term processes and to provide orientations for the future. It is each of these tasks,

* The statement by the Secretary-General of UNCTAD is reproduced in full, as it appeared in document TD/296.

when taken together and in a manner that reflects the growing interactions between countries—the developed countries, the socialist countries and the developing countries—that would give historical significance to this Conference.

Not so long ago, when we first began to give thought to the sixth session of the Conference, we were conscious of a mood of pessimism about the implications of the economic situation for international dialogue. It was a time when, in many industrialized countries, the reversal of inflationary forces was seen as the primary objective of economic policy—despite the consequences for employment and growth. The forces of contraction were then being nursed and reinforced by policy measures themselves. Today, I believe this cloud has begun to lift—partly because of an awareness that the situation is too critical to be allowed to continue, and partly because significant gains have been registered in the fight against inflation. The stage has thus been set for a change in mood and, with it, for a change in the direction of policy.

I sense also another change. The crisis has demonstrated a relationship which was not well perceived earlier because it was then not so evident. This is the relationship of the developing countries to the world economy and the role played by them in the global processes of contraction and expansion. This had sometimes been described in terms of growing interdependence. But to my mind, what is important is not just the fact of interdependence but the changing character of this interdependence. Today, it is not only that the fortunes of the developed countries affect the developing countries; it is also that, increasingly, the situation in the developing countries has its repercussions, whether negative or positive, on the industrialized countries and on the world economy. When developing countries face difficulties in servicing their debts, or in sustaining their imports, or in carrying through their development programmes, there are consequences for the world's financial and banking system, consequences for the industrialized countries themselves, affecting their exports, their investment and their levels of employment. The corollary to this, surely, is that, on the positive side, growth and accelerated development in the developing countries would invigorate recovery and reinforce expansion in the industrialized countries and strengthen the world economy. I believe that it is this changing relationship, relatively new in a historical sense, that gives to this session its long-term significance, as well as its best prospect for success.

The theme of recovery and development that has emerged as the central theme of the Conference reflects this change in the character of relationships and the needs which are dictated by it. I have been encouraged by the general response to this theme. It is reflected in one way or another—to a greater or lesser degree—in the declarations that have emerged from the several events to which I have earlier referred. The task of the Conference, as I see it, is to translate this awareness, this understanding, into actions and policies supported by concrete measures. This Conference should be the occasion for reaching decisions and conclusions on what is needed to bring about and give strength to two processes which are mutually reinforcing, processes which encompass the recovery of the economies of the industrialized countries, on the one hand, and the reactivation of development, on the other. I would like to stress that we cannot, in the least, be assured that these two processes are already under way. The signs of an incipient turn-around in some indicators in certain of the industrialized countries are welcome, but they are too tentative, too partial, to signal a full-scale and general recovery of even the industrialized countries of the West. The stagnation in development still continues and in virtually all the developing countries contraction and cut-backs remain the order of the day. That is why the Conference has a vital task before it. The need for action is as urgent as ever before and it is to these actions that the Conference must address itself.

There seems to be already, as evidenced at recent meetings, an appreciation of, and a measure of agreement on, the main ingredients for a recovery in the developed market-economy countries. They include a downward movement in rates of interest, which still remain excessively high in real terms; greater stability in exchange rates, which have been all too volatile up to now; a new focus on growth and expansion, but in the context of a greater co-ordination of macro-economic policies; and a reversal of the trend towards protectionism, which has seriously undermined the world trading system and is an obstruction to recovery. These elements will undoubtedly bring benefits to the developing countries as well. But what this Conference can do in particular is to add the second major dimension to world economic recovery—the reactivation of development. I do not believe that the recovery in the industrialized countries and the mechanisms of transmission will be strong enough to launch this process without deliberate and further actions. On the other hand, I am convinced that a failure to reactivate development would frustrate and negate the recovery of the industrialized countries themselves.

In the several documents presented to the Conference we have attempted to indicate what some of these actions might be. The reactivation of development requires actions in three major subject areas on the agenda of this Conference—the area of commodities, the area of trade and the area of money and finance. The process of development in the developing countries has been gravely affected by adverse developments in each of these areas: by a collapse of commodity prices and earnings, by increasing obstacles to their exports, and by shrinking financial flows. These are, each of them, the major aspects of the crisis facing developing countries and the acceleration of development demands effective policy measures to help reverse these trends. It is the task of this Conference to formulate and agree upon such measures—as interrelated actions whose impact will be felt when taken as a whole.

In the area of commodities, we have stressed the vital importance of giving an emergency dimension to the implementation of the Integrated Programme. The Conference must focus on ending the delay in the establishment of the Common Fund—a needless delay which has deprived the international community of an important instrument whose creation was urged so strongly by the developing countries themselves. The Conference must help end the frustration in establishing agreements

on price stabilization, by endorsing speedier and more effective approaches which deal with the problems of individual commodities in a more integrated fashion. The Conference must give attention to the help that compensatory financing can provide in the present situation by giving a strong thrust to the improvement and enlargement of facilities for such financing. The Conference must take steps that ensure faster progress in the crucial areas of the marketing, processing and distribution of commodities. For commodity issues, we have a framework in the Integrated Programme; the task is to make this effective.

Trade is a major subject of the Conference and there must be a significant response from the Conference to the many problems that have arisen in this area. The need to reverse protectionist trends is relevant to the recovery process of all countries. But it is a vital necessity for the reactivation of development. With barriers to their exports, the developing countries are obstructed not only in terms of their capacity to service their debts but also in the very pursuit of development itself. The Conference must find ways to give greater credibility to the principle of a standstill. It is an unhappy fact that restrictions on trade continue to appear despite the numerous pledges that have already been made—even recently. But the Conference must go further. It must also decide upon and support the need for a process aimed at dismantling, progressively, the existing barriers in the context of a new climate of economic recovery.

The Conference has to pronounce itself on requirements and actions in the area of money and finance. An interrelated approach to recovery and development is virtually impossible without actions in this area. The developing countries are today faced with a desperate shortage of financial resources, and immediate relief is truly the key to the early activation of development. It is in this area that actions can indeed be relatively quick acting. Our studies have indicated a need for additional financial flows of between $85 and $140 billion to developing countries over the next two years. To help meet this need the Conference can support and endorse actions on many fronts—actions that enlarge resource flows from multinational financial institutions, from official development assistance, from private capital markets, from technical assistance agencies and from private investors. In our proposals we have given particular emphasis to the potential for quick action provided by the instrument of special drawing rights, and I trust this Conference will give serious attention to it. We have also placed emphasis on the particularly desperate situation facing the poorest countries. The Conference must help remedy the lag in implementation of the programme for the least developed countries agreed to in Paris in 1981. The Conference must pronounce itself on the debt situation of developing countries and endorse approaches that contribute to the relief of their problems.

On reflecting on the urgent actions that are needed in these areas—in the context of a programme for recovery and development—I have been struck by the fact that what we are seeking today is not so much to negotiate major innovations in policy, but rather to give effect to approaches and goals which have for long been the subject of consensus in the international community. There is already a consensus on the need to impart strength and stability to commodity markets—as reflected in the Integrated Programme. What is called for now is a commitment to make this consensus effective. In trade, there has for long been a consensus on the need for an open and non-discriminatory trading system and for the preferential treatment of developing countries. What we are seeking today is to realize this commitment by reversing the trends that have negated it. In the area of money and finance, there has for long been a consensus on the need of developing countries for financial resources. Recent trends have been inconsistent with this objective and what is required now is essentially a reversal of these trends.

I have talked about the actions needed to promote recovery and development. But the present situation does not reflect only short-term developments. It is also the product of longer-term forces. The Conference should, as its agenda suggests, address itself to these underlying forces—both because of their link with the immediate situation and because of their crucial importance to the prospects for the rest of the 1980s. In the report I have presented to you[72] I have drawn attention to some of the relevant issues. The prospects for the world economy in the year to come are vitally dependent on how smoothly and how strongly a number of processes unfold. These prospects are dependent on the tempo and vitality of structural adjustment in the industrialized countries, on the degree to which linkages could be forged and strengthened with the socialist countries, and on the momentum of trade and other exchanges among the developing countries themselves. These are not processes that could be assumed merely to unfold spontaneously. They have to be the object of policy; they have to be the object of national policy in all groups of countries; they have to be the object of international policy; and they have to be the object of the co-ordination of national and international policies. The longer-term prospect for development and global expansion will also be enhanced by determined efforts to reduce military expenditures thereby reducing the strains which these expenditures impose on national economies and on the world economy as a whole.

The prospect for the years ahead are also crucially dependent on the interaction between these processes and the systems that support them, and on the way in which these systems evolve. The adaptation of the systems, their reform if one prefers that word, is not a requirement for any one group of countries. In the present context, it is a requirement for all countries. It is a fact that the changes and the stresses of recent years have affected these systems—in the area of trade and in the area of money and finance. Already there is a growing acceptance, in many quarters, of the need to examine these systems, to adapt them and to strengthen them. The proposal for a world monetary conference, for example, found expression at the summit conference of non-aligned countries, at the ministerial meeting of the Group of 77, at the ministerial meeting of OECD and at the Williamsburg meeting. The Conference can,

[72] TD/271, reproduced in volume III. The report was also issued separately (United Nations publication, Sales No. E.84.II.D.4).

I believe, give momentum to the deliberations and negotiations that might evolve in the future. It cannot, of course, spell out or negotiate the character of future systems in all its complexity. But it could recognize the need for adaptation and suggest some broad orientations that would contribute towards work in this area. In doing so it will assist the future dialogue, not only in UNCTAD but in other forums as well.

The task of this Conference, then, is to reach agreement on each of the major areas on the agenda—commodities, trade and money and finance—and to weave their essential elements into the canvas of the overall crisis in both its short-term and long-term aspects as envisaged in a separate agenda item. The unique contribution that the Conference can make at its sixth session, as I said before, is to respond to the crisis by actions which reflect the interrelationships between issues.

There are other items as well on the agenda of the Conference. I have already referred to the special problems of the least developed countries for which a strong response is vitally needed at his juncture. But I would also wish to draw your attention to the several sub-items which are encompassed under a single heading but which relate to crucial aspects of the present and future work of UNCTAD. I hope that this Conference will give a strong impetus to this work: in areas such as technology—where a strategy for technological transformation has been proposed and where the code on the transfer of technology remains incomplete—and in areas such as shipping, land-locked and island developing countries, economic co-operation among developing countries, and trade between countries with different economic and special systems. I hope, too, that this Conference will give an impetus to the future role of UNCTAD itself—not only through its discussion on the institutional item, but also through its actions on substantive issues. UNCTAD has to respond to the challenge of the 1980s and to discharge its responsibilities as a vital forum dealing with international economic issues.

I have endeavoured in the course of these remarks to highlight some of the principal issues which this Conference must address. I think it is important that the problems and the difficulties which countries continue to face today should not foster a defensive psychology—a psychology for inaction. These difficulties are not, after all, the background to this Conference; they are its very subject. Just as we cannot rest assured that recovery is already under way and that no further actions are needed, we cannot argue either that the recovery is so fragile, so tentative, that no further actions are possible. The actions this Conference is called upon to take are not dependent on recovery. Their very purpose is to promote it.

In international relations there are, inevitably, conflicts of interest. But the strongest basis for the success of this Conference, I believe, is the common interest of all countries in overcoming the problems that beset the world economy—the common interest in the recovery of the industrialized countries, the common interest in reactivating development, the common interest in laying a sound foundation for long-term growth and the common interest in adapting and strengthening the supportive framework for international economic relations. It is because of this common interest that I have underlined the special character of the sixth session of the Conference and urged that it not be viewed in traditional terms. But the challenge before Governments, before this Conference, is to translate this common interest into policies, into measures and into actions—not necessarily with finality and in the fullest detail in every case, but with genuine content. Success in doing so would end the stalemate in international dialogue and negotiations and improve the climate for the future of this process. It would also create a new confidence and a new faith in the capacity of Governments, the capacity of the international community, to overcome the problems that confront all countries and all peoples. It is with this hope, above all, that I extend to you my every wish for success.

Summary of statement made at the 186th plenary meeting, 15 June 1983, by Mr. Jan Martenson, Under-Secretary-General, Department for Disarmament Affairs

1. Mr. MARTENSON (Department for Disarmament Affairs) said that even a cursory glance at the agenda clearly showed that the issues being discussed at the Conference represented a kind of check-list of the so far unfulfilled targets aiming at a stable and wholesome international economy. It was a truism to say that much remained to be done regarding both the general world economic situation and the new international economic order as well as in more specific areas, such as international interactions over commodities, finances, trade and technology. Underlying all those concerns was a desire to use the world's finite resources productively for socio-economic development. The decisions reached could represent an agenda for action and would reflect a spirit of international co-operation which might eventually break the stalemate currently prevailing in several multilateral negotiating forums. The Secretary-General had urged in his address to the session that the "feeling of failure and frustration must come to an end" and had concluded his statement by emphasizing the close relationship between the economic well-being of peoples and the peace and security of nations.

2. The need to comprehend the interaction between disarmament, security and development had acquired an added urgency. On the one hand, the world economic performance had been slowing down for several years and the signs of a modest recovery in some industrialized countries did not necessarily ensure that the worst was over. The growth in world output had continued to decline; there had been a marked decrease in the expansion of world trade; balance-of-payments problems had been aggravated; inflationary pressures continued to persist; unemployment was steadily growing. On the other hand, international arms expenditures had shown an upward spurt over the preceding five

years in contrast to a certain levelling-off that had been witnessed throughout the 1970s. World military spending by 1983 was estimated at nearly $800 billion which, after adjustment for inflation, represented a more than fourfold increase since the Second World War.

3. An important part of world industrial production was pre-empted for military requirements. The value of world international production given over to military use, according to a cautious estimate, was approximately 30 per cent of world military expenditure, which, for 1982, represented an industrial output (at current prices) of over $180 billion. Also, world expenditure on military research and development had accounted for roughly one fourth of the entire world expenditure on research and development for all purposes, increasing from $13 billion (at current prices) in 1960 to over $35 billion in 1980.

4. Those and similar trends had moved the issue of global arms expenditures and its effects on the global economy into the forefront of international concern. It was questionable whether the world could afford to sustain even its current levels of arms expenditures, let alone incur still heavier ones.

5. There were some seemingly persuasive economic arguments in support of military expenditures. The broad economic benefits attributed to arms expenditures continued to be impressive: military spending was expected to create employment; arms exports were viewed as contributing to solutions to balance-of-payments problems; and investments in military research and development were seen as having positive spin-offs for the civilian sectors of the economy. However, the mere fact that a certain level of employment or a favourable margin of balance of payments or a positive spin-off for civilian productivity had accompanied a certain level of military spending or a given volume of arms exports or a specific amount of military research and development did not necessarily prove that autonomous civilian allocations of a similar magnitude would not have had an equally stimulating effect on the economy. In the long run, in fact, arms expenditures depressed rather than stimulated economic performance.

6. When factors of production were lying idle, or when the degree of their utilization did not correspond to their productive capacity, military outlays might stimulate the economy in the short run by providing additional national product and by creating additional demand. That explained why some societies with unutilized or underutilized resources might not experience any immediate negative economic consequences from initial military outlays. However, when the factors of production were fully utilized, steadily high or increasing military expenditures were likely to depress economic performance both directly, by displacing investment, and indirectly, by constraining productivity. Civilian productivity depended largely on the research and development effort which currently seemed biased in favour of military technology.

7. In the United Nations, that line of reasoning had frequently been advanced, not least by the expert groups appointed by the Secretary-General to study the economic and social consequences of arms expenditures. The latest report on the subject[73] had been released during the thirty-seventh session of the General Assembly. In addition to the impact of national military expenditures on national economies, the global economic consequences of the arms race had also been comprehensively analysed in another expert report on the relationship between disarmament and development.[74]

8. At least four of the conclusions of those studies deserved to be emphasized.

9. In the first place, it appeared that the stimulating effects of arms expenditures on the economy had been misplaced and/or exaggerated. Many civilian sectors of modern industry were, to some extent, related to the technological impetus of the military sector, but those civilian spin-offs did not justify the statement that autonomous investments in the research and development of the transport or aviation sector would not have produced the technological results yielded as a by-product of primary investments in military research and development. In fact, historical comparisons of the economic performance of some major industrialized countries showed that those concentrating heavily on military technology experienced slower rates of economic growth than those which were not leading developers in the military field. Only 20 per cent of the results of the military research and development, for example, were known to be used in any notable way for civilian purposes.

10. Secondly, irrespective of their current levels of development, both the industrialized and the developing countries were vulnerable to the negative consequences of their arms expenditures, whether their economies were market, centrally planned or mixed. For market economies, problems like inflation and unemployment were likely to be exacerbated by their military outlays. In the centrally planned economies, supply-side constraints on economic growth were, to a certain extent, aggravated by their military outlays. Regarding the developing countries, the socio-economic opportunity costs of their military efforts were hard to ignore. The *World Development Report, 1981*[75] showed that virtually all those developing countries which had reduced their military expenditures as a percentage of GNP during the period 1972-1978 showed an increase in their percentage outlays on health and education.

11. Thirdly, for the international economy as a whole, the economic burden of global military spending had become heavier, even at its current level. Further increases in the rates of military spending during a slowdown of economic performance would produce a still heavier burden.

12. Lastly, despite the fact that the developing countries collectively did not account for a sizeable share of world-wide military spending, they were doubly vulnerable to its negative economic consequences: first, in proportion to the military spending they incurred

[73] A/37/386. The report was subsequently issued with the title *Economic and Social Consequences of the Arms Race and of Military Expenditures* (United Nations publication, Sales No. E.83.IX.2).

[74] A/36/356 and Corr.1. The report was subsequently issued with the title *The Relationship between Disarmament and Development* (United Nations publication, Sales No. E.82.IX.1).

[75] Washington, D.C., World Bank, 1981.

themselves; and secondly, owing to the depressing effect of military expenditures on the economic performance of the industrialized countries with which their economic interaction was crucial to accelerate their own economic performance.

13. The socio-economic problems of the developing countries were central to any international forum dealing with developmental issues. According to the latest report of the Secretary-General on the economic and social consequences of the arms race and of military expenditures, those countries would have about 5 billion of an estimated world population of 6.4 billion by the end of the year 2000. They would be adding at least 500 million people to their labour force between 1975 and the end of the century, and virtually 95 per cent of an estimated total of some 630 million poor people in the world would be living in those countries. Providing gainful employment to the additional labour force and satisfying the basic needs of a growing number could not be resolved in complete isolation from the international economic context. The goals of the International Development Strategy had been established on the assumption that the industrialized world would move along a relatively inflation-free, nearly full-employment, path of sustained acceleration of economic growth. The task of the Strategy was to devise measures to integrate the developing countries into a world economy moving ahead at a relatively stable and predictable rate. Contemporary conditions, however, were quite different: increased instability in world output and prices, accompanied by a fall in the economic performance of the industrialized countries, had made the international economic environment less predictable and less favourable. One reaction to that change had been to suggest a lowering of development objectives. However, that might render the international economic system itself more unstable because, as suggested by several developmental forums, an accelerated pace of economic growth by the developing countries was likely to provide a significant stimulus to the economic performance of the industrialized countries. Concerted action in pursuit of that objective might also overcome the current paradoxical situation whereby low growth for the developing countries was unsustainable from the viewpoint of their own social dynamics, while high growth for them did not seem to be feasible in the context of the existing international economic situation.

14. The Secretary-General's report on the relationship between disarmament and development convincingly argued that an accelerated pace of economic performance by the developing countries would contribute significantly towards defusing international political tensions and might, indeed, lead indirectly to East-West détente. By adding political arguments to the economic arguments in relation to military expenditures, that report strengthened the case for a halt and then a reversal of the arms race. Slow progress in disarmament, however, indicated that nations continued to meet their perceived national security needs regardless of the economic costs.

15. The arms race was a symptom, not a cause. Disarmament could not be carried out in a political vacuum. There was also a close interrelationship between disarmament and security. The nature of the relationship among countries obviously affected their willingness to perceive security in other than military terms. Therefore, confidence among States must be increased to make disarmament possible. However, like disarmament, confidence was not a condition that could be created of and by itself. Progress in disarmament would increase confidence among nations, but progress would be small unless differences which inspired distrust could simultaneously be tackled with the breadth of vision necessary to see the more productive security which was achievable through compromise, restraint and a harmonization of national goals.

16. Disarmament could not be achieved overnight. Each State had a legitimate right to its national security. What must be striven for, however, was the realization that national security could not continue to be sought at still higher levels in a spiralling arms race, not least with respect to nuclear weapons where a confrontation could lead to devastating consequences for the whole of mankind. The race must be halted and revered and the levels of armaments brought down in an equitable, balanced and verifiable manner so as to ensure the right of each State to undiminished security, leading towards the perhaps distant, but necessary, goal of general and complete disarmament under effective international control.

17. The extent to which the United Nations could be effective in resolving conflicts, in alleviating economic inequalities and human suffering and in building the elements of a consistent world order would significantly promote the growth of trust essential for the success of a disarmament programme. It should not be forgotten that the United Nations was the best tool for peace that was available. Like all tools, it had to be used, and that required the political will of the member countries. The United Nations was as strong or as weak as the Member States allowed it to be.

18. By viewing both the arms race and underdevelopment as threats to international security, it should be possible to argue convincingly that disarmament and development would contribute to a more secure world. The relationship between disarmament and development, through its crucial linkage to security considerations, was a two-way concept in which development was both a beneficiary of and an investment in the process of disarmament. That perspective must be incorporated into the perceptions and activities of the United Nations system.

19. It was encouraging to note that the *Trade and Development Report, 1982* already contained a separate section on that subject, entitled "Armaments expenditure and disarmament: some consequences for development"[16] and that in paragraph 68 of his current report[17] the Secretary-General of UNCTAD drew attention to those issues, stressing that heavy armaments expenditure was a factor underlying the current world economic crisis. Several aspects of that problem might need to be explored further. He hoped that UNCTAD would encourage the attempts of the international community to ensure that development did not become a casualty of the arms race.

[16] United Nations publication, Sales No. E.82.II.D.12, part IV, chap. 3.

[17] TD/271, reproduced in volume III. The report was also issued separately (United Nations publication, Sales No. E.84.II.D.4).

Summary of statement made at the 183rd plenary meeting, 13 June 1983, by Mr. B. B. Arzadon, Chief, International Trade Division, Economic and Social Commission for Asia and the Pacific

1. Mr. ARZADON (Economic and Social Commission for Asia and the Pacific) said that the sixth session of the Conference was being held at a time when the world economy was experiencing its most serious crisis since the 1930s, with a sudden slow-down in growth, a decline in production, and a fall in the value of international trade, together with persistently high levels of unemployment and inflation, the expansion of the money supply and unstable currencies. The result was a global economic situation in which the developing countries could hardly hope to make any progress in their development efforts, especially since their initiatives were encountering the harsh protectionist measures taken by more and more countries, which had thus placed further obstacles in the way of trade, most of them contrary to internationally-agreed rules. Such measures had undeniably helped to perpetuate inefficient production structures, harmed productivity and curbed economic growth.

2. The developing countries had been dealt a severe blow: their commodity prices had fallen to their lowest level for 50 years; their exports of manufactured goods in which they had only recently gained a comparative advantage had run up against stiffer restrictions, often applied in a discriminatory manner; their balance-of-payments deficits and external indebtedness were assuming alarming proportions; and their ability to meet the demands of growth and adjustment had been greatly weakened.

3. Per capita GDP in the least developed countries had recently declined, mainly owing to the foreign trade situation, the reduction in ODA and the inevitable decline in investments. In spite of improved budgetary options, the already very low standards of living of their impoverished populations had fallen still further. The hopes raised by the Substantial New Programme of Action for the 1980s for the Least Developed Countries had vanished with the decline in per capita income in those countries, whose capacity to import essential goods had been seriously diminished by the decrease in their export earnings. The development outlook for those countries was thus rather gloomy.

4. The GATT ministerial session at Geneva in November 1982 had adopted a declaration renewing the pledge to comply with all the obligations accepted under the General Agreement and to refrain from any action incompatible with that Agreement. That session had had the merit of showing that trade problems could no longer be tackled without considering their causes, in other words, the changes in competitive relationships at the international level, the failure to adapt the international monetary and financial system and the implementation of irrational national policies on trade, production and employment.

5. The ESCAP region comprised countries with diverse cultures and civilizations, which also differed in area, size of population and level of development. In that region lived 80 per cent of the world's poorest inhabitants and more than half the world's total population. As all groups of countries were represented in that region, all the different aspects and degrees of intensity of the crisis were to be found there.

6. Although the countries of Asia and the Pacific had succeeded in cushioning the blow better than countries in other parts of the world, all of them had none the less been affected by the recession, to varying extents: the terms of trade had worsened by 35 to 40 per cent between 1979 and 1981, export earnings had dropped very sharply in 1981 and 1982 since commodity prices had declined by half in real terms as compared with 1950, and exports of manufactured goods had continued to fall. As a result of the stagnation in foreign investments and aid flows, the increase in current-account deficits had caused a serious worsening of the balance-of-payments position of nearly all the developing countries in the region.

7. In many countries of the region which had weathered the crisis with remarkable success in 1980 and 1981, growth had slowed down in 1982. Industrialization, which was making steady progress, had come to a standstill. For most of those countries, the resumption of economic growth and industrialization would depend largely on the removal of barriers to trade and the revival of foreign investment and transfer of technology. The decline in ODA in real terms had dealt a severe blow to the least developed and land-locked countries of the region, and to a number of island developing countries.

8. It was against that sombre background that the Executive Secretary of ESCAP had decided to entrust to a group of experts the task of formulating the Commission's contribution to the preparation of the sixth session of the Conference. Composed of experts from the public and private sectors, developed countries, newly industrialized countries, developing countries and countries classified among the least developed, that group had studied some of the major international economic issues on the agenda for the sixth session in the light of the actual situation in the ESCAP region. As a contribution to the search for an international co-operation framework likely to produce a solution to the world economic crisis and the problems of the 1980s, he wished to sum up the main conclusions reached by that group.

9. No problem could be dealt with in isolation, as all problems relating to monetary, trade and financial matters and primary commodities were interdependent and required the co-operation of all members of the international community.

10. At the sixth session, the Conference must reach agreement on immediate measures to help countries to cope with their current difficulties and also initiate long-term international action to solve the structural problems which were the cause of the world crisis. As far as commodities were concerned, the immediate measures

should include the liberalization and development of compensatory financing facilities, the expansion and improvement of schemes such as Stabex[78] and the stabilization of prices through the regulation of supply. With regard to trade, arrangements must be agreed on for the maintenance of the *status quo* in respect of quantitative restrictions and to monitor the implementation of those arrangements, under which the countries concerned should undertake to reduce the restrictions gradually until they were completely eliminated. In the monetary and financial field, the following measures should be adopted: an increase in IMF quotas, an improvement in the terms on which the Fund intervened, fresh issues of SDRs, the sale of gold held by IMF in order to replenish the Trust Fund, the improvement and development of IBRD lending procedures, such as programme loans and structural adjustment loans, sufficient provision of resources for multilateral institutions such as IDA and UNDP, and a commitment regarding an agreed rate of increase for ODA.

11. With reference to longer-term structural measures, several matters called for priority attention. The Integrated Programme for Commodities should continue to serve as a basis for international action. It was essential that the Common Fund and the new international commodity agreements should become operative as soon as possible; in that connection, a strengthening of co-operation between producers should be given priority. The following steps should be taken for each product on the basis of long-term scenarios prepared in a global perspective: definition of an international co-operation strategy to stabilize commodity prices, promotion of investment and valorization, orderly structural adjustments and diversification. Financing facilities in that sector should be liberalized and extra resources should be released for investment, especially in the mining of mineral resources.

12. In the field of trade, the world trading system must be considered as a whole and an analysis must be made of the major international imbalances, which were due to the many distortions of the principle of open and non-discriminatory trade. At the sixth session, international negotiations might be initiated in order to define the new ground rules and to adapt existing institutional arrangements to the present needs of international trade. The necessary adjustments should be made in order to enable industrial structures and trading systems to be adapted to the growing industrial capacity of developing countries and to changes in comparative advantage; that required the establishment of a framework of international co-operation to remove protectionist barriers.

13. With reference to financial matters, the multilateral control of international monetary and financial relations should be strengthened, which entailed the creation of an international reserve currency, closer supervision of existing reserve currencies and the establishment of an exchange rate system more likely to create international liquidity. Private monetary markets should also be reorganized.

14. The importance of the external consequences of the domestic policies pursued by the industrialized countries must be acknowledged. The establishment of intergovernmental consultative machinery would make it possible to harmonize domestic policies in the light of the objectives of global development and the expansion of trade.

15. The need to strengthen economic co-operation among developing countries had become even more urgent in view of the low growth expected in the immediate future in the developed countries. Trade between developing countries had proved to be very dynamic and conditions were now propitious for further expansion. To support such expansion, a global system of trade preferences, for example, might be envisaged, supported by arrangements in the monetary and financial fields, so as to speed up structural changes in the economies of the developing countries and to sustain increases in output.

16. The ESCAP region had high expectations of the outcome of the sixth session of the Conference. Its potential in all fields—co-operation between commodity producers, dynamic structural adjustments to promote rapid industrialization, expansion of trade between developing countries—showed that world economic recovery was possible and that the interests of developed and developing countries were fundamentally interrelated.

17. At its most recent session, ESCAP had expressed the hope that the sixth session of the Conference would lead to the adoption of a series of measures designed to strengthen international economic co-operation and to promote the establishment of an equitable multilateral economic system. The ESCAP secretariat would spare no effort to contribute to the implementation of any decisions and resolutions that the Conference might adopt.

18. The millions of inhabitants of the ESCAP region had placed high hopes in the sixth session, which could lead to an international consensus on the nature and causes of the continuing world crisis and could formulate pragmatic recommendations to put the world economy back on the path of growth and to ensure the participation of the developing countries on an equal footing. The experience, wisdom and competence of all the eminent participants in the Conference constituted a guarantee of success.

[78] See footnote 5.

Summary of statement made at the 179th plenary meeting, 9 June 1983, by Mr. Enrique Iglesias, Executive Secretary of the Economic Commission for Latin America

1. Mr. IGLESIAS (Economic Commission for Latin America) said that the official position of the Latin American countries had been conveyed to the Conference by the highest authorities in those countries, in particular by the President of Argentina and in the important and constructive message from the recent Buenos Aires meeting, which would be one of the major contributions to the success of the present Conference.

2. The crisis currently affecting mankind as a whole was one of the most acute in recent decades, by reason both of the political problems and of the complex technical problems involved. The present session of UNCTAD could contribute in three ways. First, it could serve as a dialogue on the nature of the crisis and its relationship with the various factors involved. It was necessary both to understand the crisis and to identify the solution. Secondly, it could back up the urgent measures needed in the light of the gravity of the current situation and promote long-term structural measures designed to establish a new system of economic relations. Thirdly, it could encourage the developing countries in their efforts to help themselves. There was now a renewed opportunity to strengthen the ties of economic co-operation among the developing countries, if not as a complete solution, at least as a contribution to solving their problems.

3. The nature of the current economic crisis had been amply expounded in the documents submitted by the UNCTAD secretariat and had been elaborated by all speakers. There was certainly a general consensus that the present crisis affected every country, without exception. It was a structural and cyclical crisis, and the outcome might place the world in a very different situation, with a system of economic relations very different from that of the past.

4. For Latin America it was the worst crisis for 50 years, and Latin America would unfortunately have to make greater adjustments than any other region. Its economic effects had seriously endangered installed capacity—and it took many years to build up economic capital in public and private enterprises—to say nothing of the social effects of inflation in all countries: unemployment and drastic cuts in real wages.

5. The auguries for 1983 so far were certainly not encouraging. Concern about the current outcome was based on three hypotheses which must be analysed to ascertain their ability to meet the present situation: that the current reactivation would provide an answer to the basic problems of the day; that the policy of adjustment was the essential and appropriate policy; and that the trade-development-finance relationship was working in a dynamic form in the present-day world. There were certainly signs of economic recovery in a few countries—increased production and improvement in the inflationary situation and some fall in nominal interest rates. But the Conference had just heard the representatives of international organizations voicing warnings about maintenance of the rate of recovery if interest rates remained at present levels. Those warnings were very serious for Latin American countries, since reactivation would only have real meaning if there was a rapid recovery in the price of raw materials, if there was a significant abatement of protectionism against the Latin American countries' manufactured products, if interest rates were substantially reduced and if the flow of private and public capital was restored. Subject to those four conditions, recovery and reactivation would constitute a solution for the Latin American countries. They believed, however, that some of the comments made at the 177th plenary meeting by the President of the World Bank[79] were a matter for concern—for example, his statement that he did not foresee a return to the past pattern of trade in the 1980s, but rather the persistence of protectionist barriers and obstacles to the expansion of the developing countries' trade. The Secretary-General of OECD had also expressed concern, and had spoken of the slow recovery of world trade levels as a whole. If they were correct, it would have to be admitted that reactivation as such could not provide the answer to the immediate problems and that, at best, there would be a period in which the problems of adjustment would pale into insignificance while the economic and social effects worsened in the immediate future.

6. According to the second hypothesis, all countries would inevitably have to pay the price of adjustment, and it would be unrealistic to think that it could be transferred to the international economy as a whole. However, what was of concern from the point of view of the Latin American countries was the magnitude of the adjustment in terms of the vast disequilibrium in the balance of payments, due to causes which were the responsibility of the individual countries, although a large part had to do with causes outside the control of the economies of those countries. He was referring particularly to the dramatic fall in the price of basic commodities to levels close to those of the 1930s, and to the burden of debt servicing. In 1982, 40 per cent of Latin America's exports served to pay interest charges, and in some countries between 10 and 12 per cent of GNP was currently being used to pay the high interest rates on outstanding debts. That emphasized the fact that the crisis differed in depth from those of past years and would require special measures in addition to the current mechanisms being operated through international co-operation by IMF and by private banks in the industrialized countries. Doubts remained concerning the capacity to face up to the adjustment without serious damage to those countries' productive capacity which could affect their economic recovery. How then, he asked, was it possible to subject the process of adjustment to such a burden of austerity without taking account of the political and social aspects created thereby in present circumstances in many economies?

7. The third hypothesis had to do with the trade-finance-development relationship. It was certainly clear

[79] See section C below.

that the trade-finance relationship was clearer than ever today and that it was accepted in international economy that only on the basis of an increase in trade flows or improvement in prices or lowering of the developed countries' barriers could the developing countries face up to their obligations.

8. The Director-General of GATT[79] had expressed great concern at the persistence of barriers which, if not lifted, would make it impossible to face up to the adjustments planned under the present machinery for international co-operation. The three hypotheses he had outlined could constitute the three lines of policy on the basis of which the Latin American region could once more play a dynamic part in international trade. First of all, reactivation was absolutely essential, but it must include measures to enable the developing countries to fulfil their dynamic role in stimulating international trade. The Conference had just heard the representative of Tunisia[80] state that 30 per cent of the developed countries' exports went to the developing countries, which showed that the developing countries could become an important factor in the reactivation of the international economy. Secondly, financing of trade to meet immediate problems must be achieved not so much by deferring adjustments indefinitely as by ensuring that costs were economically and socially supportable. The cost of debt rescheduling had effectively cancelled out the recent decreases in interest rates. It was not debt servicing that was a matter of concern but the trimming down and vertical fall in development credits, in commercial credits for financing external trade and in private investment. Thus the current problem was not only interest servicing but the spectacular drop in financial earnings, which had fallen by 50 per cent from 1981 to 1982. As financial flows were restored, the rate of growth could at least improve to more acceptable levels than the present ones. Lastly, many representatives had stressed the importance of lowering protectionist barriers.

9. It was important to consider the impact of the current crisis on internal resources and on the pressing need for appropriate policies to meet the present challenges, and especially the hard lesson of living through a period of excessive dependence on external resources.

10. The Latin American region now regarded the strengthening of the machinery for regional co-operation as a challenge and a great opportunity, and in that connection he referred to the initiative of the President of Ecuador concerning collective efforts to mobilize regional resources.

11. The sixth session of the Conference undoubtedly offered an important new opportunity to put international co-operation to the test at all levels. That meant a large measure of pragmatism and realism in the short term, without losing sight of the important long-term challenges.

12. In UNCTAD, the topics of trade, development and finance were identified as part of one and the same problem. No other body could give those topics the global focus that UNCTAD was able to give them. Hence the importance of emphasis on the absolute need for trade, finance and development to form a unity of focus and of policy.

13. The time had come for an intelligent attitude towards the convergence of interests of the industrialized countries at the economic level, and in the field of financial co-operation, with those of the developing countries. It was important to regard the future with optimism, since there was reason to think in terms of an international economy in which all those taking part would devote their energy towards solving urgent problems and those of the developing countries in particular.

[80] See section A.2 above.

Summary of statement made at the 186th plenary meeting, 15 June 1983, by Mr. Adebayo Adedeji, Executive Secretary of the Economic Commission for Africa

1. Mr. ADEDEJI (Economic Commission for Africa) said that of all the developing continents, Africa, which embraced the greatest number of least developed States, had been the one which had felt most severely the burden of adjustment to the crisis. There was no doubt whatsoever that the least developed African countries, whose number had increased from 21 to 26 since the fifth session of the Conference, had been the hardest hit. In fact, according to a survey conducted by ECA on the socio-economic conditions in African least developed countries during the period 1981-1982, there was real stagnation in their overall growth performance, with an average annual growth rate of 3.6 per cent.

2. Although there were disparities in agricultural performance in individual countries, the sector had registered an overall annual growth rate of 2.3 per cent, to be attributed mainly to the priority given to agriculture by all the African least developed countries. However, the manufacturing sector had experienced a decline in output as a result of the lack of foreign exchange to import essential inputs and spare parts for existing industries, and that had led to serious underutilization of installed capacities. The exports of the African least developed countries (mainly agricultural primary commodities) had also declined considerably, both in volume and in value, as a result of the decrease in world demand and in the prices for primary commodities.

3. On the other hand, imports had continued to rise steadily, at an annual rate of over 5 per cent, resulting in worsening balance-of-payments deficits. To counteract those destabilizing factors, the least developed African countries had themselves evolved specific adjustment policies, including reforms in agrarian land tenure systems, increased producer prices and the establishment of support structures in productive sectors, agricultural credits and price stabilization schemes.

4. Since the unanimous adoption of the Substantial New Programme of Action for the 1980s for the Least Developed Countries at the United Nations Conference on the Least Developed Countries held in Paris in September 1981, seven country review meetings had been held in Africa with the assistance and participation, on the one hand, of UNDP, the World Bank, UNCTAD and ECA as well as other organizations of the United Nations system, and, on the other hand, of the donor countries and institutions. While it was too early to assess the full import of those seven meetings in terms of the commitments that had been made, it was the unanimous view of the ECA Conference of Ministers, based on the recommendation of the third meeting of the Conference of Ministers of African Least Developed Countries, held at Addis Ababa in April 1983, that the review meetings organized to date had not fully met the expectations of the least developed countries since the commitments made by donor countries, organizations and institutions had failed to match the provisions of the Substantial New Programme of Action.

5. Since the Paris Conference, ECA had convened annually the Conference of Ministers of African Least Developed Countries, whose primary purpose was to monitor the progress made in implementing the Substantial New Programme of Action. The Commission's evaluation of the progress so far achieved in that implementation, with particular emphasis on the preparation and organization of country review meetings, the trends and prospects of aid flows, and modalities and measures for its implementation at the national, regional and global levels gave cause for concern about the ability of the international community to fulfil its commitments. The Commission was particularly concerned at the declining trend in aid flows and the hardening terms and conditions of aid, which had adversely affected the implementation of medium-term investment programmes.

6. At the end of its session, the ECA Conference of Ministers had adopted two resolutions, one on measures for accelerating the implementation of the Substantial New Programme of Action and the other on the first round of the review meetings. In connection with the organization of future review meetings with donors, the Ministers had held consultations amongst themselves and with the lead agencies on the basis of which a tentative schedule of the remaining country review meetings in the African region up to the second half of 1984 had been agreed upon. He and the Secretary-General of UNCTAD had been mandated to request the Conference to recommend to the General Assembly that those meetings be held within the agreed time-frame and not as envisaged in paragraph 114 of the Substantial New Programme of Action.

7. With regard to measures for accelerating the implementation for the Substantial New Programme of Action, the Ministers had requested the Conference at its current session to urge the international community, particularly the major donor countries and institutions, to honour the commitments they had made at the Paris Conference regarding an increase in ODA to multilateral financing institutions to the level of 0.7 per cent of donor GNP and an increase in assistance on a bilateral basis to the least developed countries to 0.15 per cent of GNP. According to indicative figures of the international resource flows to the least developed countries based on the pledges of donors, it was estimated that donor countries might provide $8 billion per year by 1985 instead of the $14.1 billion envisaged in the Substantial New Programme of Action. If the necessary structural adjustment measures were to be adopted by the least developed countries within the framework of the Substantial New Programme of Action before the mid-term review in 1985, it was all the more imperative that the Paris commitments should be transformed into tangible finance and material resource flows to those countries to enable them successfully to implement their medium-term investment programmes, which were based on the Substantial New Programme of Action.

8. The situation of the non-African least developed countries was not much better. The problems of the land-locked, semi-land-locked and island countries also called for special attention, whether or not they were least developed countries.

9. The African region, as a whole, had suffered greatly since the fifth session of the Conference. There had been a general deterioration in the performance of agriculture, with Africa becoming a net importer of food.

10. Another negative aspect had been the region's continued and increasingly marked dependence on external trade. Its export trade had continued to be characterized by a very rigid structure, with primary commodity exports playing, more than ever before, a dominant role in the acquisition of foreign exchange earnings, with the result that, when the world prices of the principal commodity exports had collapsed, the region, as a whole, had found itself unable to support even minimum growth rates. In contrast, there had been increased dependence on foreign sources of supply of manufactured goods, and in particular of food, which were imported at inflated prices.

11. The result had been Africa's serious external indebtedness which, though not as severe as that of other developing regions, had been growing substantially, particularly in the light of the region's relatively low capacity to sustain a significant amount of short-term and medium-term debt servicing. The cumulative effect of the world economic crisis was manifested in the imbalances in industrial structures, due to the heavy reliance of many industries on imported raw materials, spare parts and other inputs.

12. In May 1983, on the occasion of the silver jubilee of ECA, its secretariat had prepared two studies, one entitled "Twenty-five years of service to African development and integration" and the other "ECA and Africa's Development 1983-2008: a preliminary perspective study". Their objectives were to analyse past and current qualitative and quantitative socio-economic indicators on the basis of which a long-term perspective of future development prospects could be examined in order to design strategies and policies to attain the objectives of the Lagos Plan of Action and Final Act of Lagos.[81]

[81] See footnote 7.

13. On the basis of those studies, two development scenarios had been envisaged. The first, based on the analysis of past trends, showed that if current policies were pursued in the light of mounting protectionism on the part of the industrialized world, a downward trend in international resource flow and, in particular, the continued reluctance to transfer appropriate technology and other necessary support measures, Africa would remain dependent on the manufactures of industrialized countries, continue to import huge quantities of energy and food as well as agricultural and industrial inputs, such as fertilizers, agricultural implements and tools and other intermediate products for simple processing. The cumulative effect on the already fragile African economy was too serious to contemplate. Virtually all the members of ECA would have to be officially designated as least developed countries.

14. The second scenario was based on the assumption that an economic environment would be created in which the African countries enunciated various managed adjustment programmes and policies backed by a genuine commitment by the international community in areas such as industrial co-operation and increased transfer of technology, increase in the flow and the level of financial and material resources for the implementation of medium-term investment programmes and stabilization of commodity prices; that would produce self-reliant and self-sustained economies in Africa.

15. The objectives of the Lagos Plan of Action and Final Act could be realized only if the second scenario were doggedly pursued.

16. The Lagos Plan of Action challenged all African countries to ensure full and carefully thought-out complementarities between the various sectors and subsectors of the African economy at national, subregional and regional levels, taking fully into account Africa's legitimate interests in international trade, financial and other fields *vis-à-vis* the outside world. The Plan was therefore of both conceptual and practical significance to African countries in their perception of the international economic negotiations of which the current session of the Conference constituted an integral and critical part.

17. The Lagos Plan of Action also challenged the entire international community, particularly the industrialized developed countries, regarding their genuine desire to help Africa out of its current economic quagmire and assist in converting it into a true partner in the international economic community. That not only called for a massive transfer of resources to Africa but also for a full understanding of and respect for Africa's perception of its priorities and strategies for socio-economic transformation.

18. For their part, the States members of ECA had, since the fifth session of the Conference, clearly demonstrated their own will and their capability for taking action that fell within their own purview by entering into, or initiating negotiations on, specific regional arrangements. One of the major achievements had undoubtedly been the Preferential Trade Area for Eastern and Southern African States, established in December 1981. To date, 14 Governments had signed the Treaty and it was hoped that the remaining six would do so shortly. It should, perhaps, be emphasized, that, despite its name, it was more than a trade organization, since the protocols annexed to the Treaty covered practically all the key development sectors.

19. Another significant development had been the progress made towards the establishment of the Economic Community of Central African States in pursuance of the Libreville Declaration of 19 December 1981, which had been signed by 11 heads of State and Government of that subregion. It was hoped that it would be possible for the same heads of State and Government to sign the Treaty establishing the Community before the end of 1983.

20. In other words, by taking action at their own level, whenever possible, in spite of the many attendant difficulties, the States members of ECA felt they were entitled to urge the international community, and especially the developed world, to do its share.

21. It was in that spirit and against that background that not only ECA, at its silver jubilee session, but also the Assembly of Heads of State and Government of OAU at its nineteenth session, had seen fit to adopt some very carefully thought-out resolutions regarding the sixth session of the United Nations Conference on Trade and Development.

22. In that connection, he read out the operative part of a resolution[82] adopted the previous week by the Assembly of Heads of State and Government of OAU at Addis Ababa, which he was sure his colleagues from OAU would be pleased to circulate in its entirety to participants.

23. It was clear from that resolution that Africa and its hundreds of millions of people had their eyes firmly focused on the Conference and were looking forward to its successful conclusion. He trusted that they would not be disappointed.

[82] Resolution AHG/Res.116 (XIX).

Summary of statement made at the 186th plenary meeting, 15 June 1983, by Mr. Sidney Dell, Executive Director of the United Nations Centre on Transnational Corporations

1. Mr. DELL (United Nations Centre on Transnational Corporations), after recalling his participation under Mr. Prebisch and Mr. Malinowski in the creation of UNCTAD, said that its record could not be assessed simply in terms of the success or failure of its negotiations over the years, although some of the achievements had been considerable. Although the process of international negotiation and decision-making had undoubtedly proved more arduous and complex than had been envisaged when it was established, UNCTAD

had taken the only route that was possible. The effort to reason and persuade would sooner or later lead to a greater convergence of views than that prevailing today.

2. The concern of the United Nations Centre on Transnational Corporations was with the contribution that those corporations could make to the development process. Their capabilities not only in terms of capital resources but also of management and technology could be of great value if they could be directed into channels supportive of development and consistent with national goals. It was frequently suggested that, as a stimulus to development, private foreign investment was a superior alternative to public capital flows since it had to stand the tests of efficiency and profitability. It was argued that Governments had only to create a favourable climate for foreign investment, avoid impediments to the transfer of profits and capital and provide assurances regarding the long-term prospects of foreign-controlled business ventures. Unfortunately, however, except for trade financing and, in certain countries, investment in mineral development, most of the low-income developing countries were unable to attract private direct investment, no matter how favourable an investment climate they created or what incentives they provided.

3. Of the total identified inflow of capital into non-oil-producing developing countries in 1981, amounting to about $100 billion, approximately two thirds had come from private sources, of which about $14 billion consisted of net inflows of direct investment. Private lending and direct investment were directed mainly to a handful of the relatively more advanced developing countries. In 1981, a mere four countries had accounted for about three quarters of the loans made by commercial banks in developed countries to non-OPEC developing countries and for about one quarter of the flow of foreign direct investment from developed to developing countries. In 1980, about half the bank loans and about half the flow of foreign direct investment had gone to the same four countries.

4. Thus, however attractive it might seem to reduce the burden of aid on the budgets of donor Governments by stepping up the flow of private resources, the theory was unrealistic for the great majority of developing countries. Private capital, whether loan capital or direct investment, could not replace inflows of public capital, simply because private lenders and investors considered the inducements to commit their resources to relatively poor countries inadequate. For potential investors it was a matter of the unattractiveness of poor countries in terms of profit-making opportunities, and for commercial bankers the poorer economies did not satisfy the bankers' criteria of creditworthiness.

5. It would thus be difficult to bring about a major shift from public to private sources of capital flow to developing countries without at the same time reducing the share of the low-income recipients of that flow. Indeed, it was no accident that the much better growth performance of middle-income developing countries than of low-income countries during the 1970s had been associated with a decline in the low-income countries' share in total capital flows. That was due to the fact that the recycling of petrodollars by the commercial banks responded, quite naturally, to considerations of creditworthiness, while the flow of ODA to the low-income countries lagged far behind the expansion of lending by the banks.

6. That did not, of course, imply any criticism of transnational corporations and banks. They were not development agencies in the usual sense. Their responsibilities were mainly to their shareholders. None the less the potential role of transnational corporations in world development was an important one. Recognizing that, the Economic and Social Council had stressed the need to maximize the positive contribution of transnational corporations to the development process while minimizing their negative influences.

7. Important progress had been recorded towards those objectives in recent years in the strengthening of the negotiating capability of host developing countries in their dealings with transnational corporations. That was particularly true of petroleum and mining and, in some countries, of the manufacturing sector as well. A host country's share of benefits in a particular transaction depended on a number of factors, such as the proven resource or market potential of the country, the perceptions of transnational corporations as to the economic prospects of the country, competition among corporations for the particular project in question, external and internal economic pressures as well as the experience, sophistication and negotiating skills of the country's officials.

8. Recent trends indicated a similar improvement in respect of resource projects. In consequence, many of the features considered by those countries to be objectionable in mineral agreements two decades before had now disappeared or been attenuated. Those features had included long contract terms, inordinately large contract areas, modest fiscal impositions on corporations, inadequate work provisions, exclusive control by foreign companies of virtually all aspects of mineral development such as exploration, production, marketing, management and pricing, arbitrary accounting procedures, absence of economic linkages, inadequate development provisions such as those relating to training and employment of local personnel and transfer of technology, ineffectual requirements for monitoring the operations of foreign companies, and the virtual exclusion of the host country's law from the régime governing the contract.

9. That traditional concession format no longer prevailed. A wide variety of new contractual arrangements, such as modernized concessions, joint ventures, production-sharing agreements, service contracts, turnkey contracts, compensation agreements and technical assistance agreements, had emerged, all designed to ensure to the host country increased financial and economic benefits, effective control of and participation in the resource projects, and meaningful integration of the projects with the domestic economy of the host country.

10. The total picture that emerged from the Centre's recent survey of developments within the past decade was one of a greater measure of equity and balance in the relations between host countries and transnational corporations in the resource sector. Those developments were reflected not only in new agreements but also in the

renegotiation of long-term agreements concluded both before and after the attainment of national independence. It was increasingly being recognized that renegotiation was not necessarily the product of an irresponsible exercise of sovereign power. The need for periodic review of contractual régimes was in fact inherent in the nature of resource projects, which were particularly susceptible to changes in circumstances or unforeseen situations.

11. The evolution of contractual arrangements between host developing countries and transnational corporations in the manufacturing sector had been rather more uneven. In a number of developing countries, particularly the newly industrializing countries, there had been a significant enhancement of the negotiating position of governmental agencies and national entities in such transactions as turnkey contracts, joint ventures and technology transfer agreements, and various forms of industrial co-operation. That process had often been reinforced by national legislation defining the parameters of such relationships. On the other hand, in the great majority of developing countries that did not offer major attractions to manufacturing investment in the form of large or rapidly growing markets, bargaining positions in relations with transnational corporations had not been strengthened to the same degree, if at all, even where greater sophistication in the bargaining process had been acquired.

12. The concern of UNCTAD with problems relating to primary commodities prompted him to refer to two sets of issues arising in that context and involving transnational corporations. The first concerned the apparent decline of expenditure for the exploration and development of new oil and gas resources by transnational corporations in developing countries. Data on seismic prospecting and the number of exploratory wells drilled in developing countries suggested that, during the second half of the 1970s, the leading transnational oil corporations had redirected their investments from developing countries towards locations that they considered to be less exposed to risk. Although developing countries and some multilateral institutions had been able to some extent to compensate for that decrease, the funds available for oil and gas exploration and development were in the aggregate far below the level of the investment requirements of the oil-importing developing countries. That situation was a matter of serious concern not only to those countries but to the international community as a whole.

13. The second set of issues concerned control over the output of primary products and the downstream activities related to them. By the middle of the 1970s, ownership by transnational corporations of facilities producing and, to a lesser extent, processing petroleum, natural gas, non-fuel minerals and agricultural export commodities had been greatly reduced through nationalization by host countries. After a sharp rise in the number of nationalization measures during the early 1970s, the number of such measures had reached a peak in 1974 and 1975, declining markedly thereafter. Many developing countries were now shifting their attention to downstream activities—processing, marketing and distribution—in which transnational corporations continued to play a key role, with the objective of obtaining a greater share of the benefits associated with those activities. Various approaches were being tried out to that end, and nationalization was no longer always considered to be the best way of achieving the desired result. Increased processing of primary commodities was, of course, an evolution that UNCTAD had always favoured as a springboard for industrialization.

14. The prospects for mutually beneficial co-operation between developing countries and transnational corporations would be greatly enhanced if agreement could be reached on a United Nations code of conduct on transnational corporations. The negotiations on such a code had taken six years thus far and, although considerable progress had been made, a number of important problems remained to be solved. There was some weariness and impatience among delegations, but negotiation of all the complex issues contained in the proposed code was bound to take time, especially since they included issues among the most contentious in North-South relations. But there was no alternative to a multilateral régime in the field of private foreign investment, any more than in the field of international trade. The disorderly situation that had arisen in world trade as a result of the failure to apply the rules of GATT was a clear warning to the international community not to allow the multilateral approach in relation to foreign investment to fall by the wayside.

15. The adoption of a code of conduct would be beneficial for all concerned—host countries, home countries and the transnational corporations themselves. Particularly for some of the less developed countries that had had relatively little experience in dealing with transnational corporations, the code would be of great assistance. It would also provide useful assurances to transnational corporations observing the standards laid down.

16. The process of negotiating the various clauses of the code had already been highly beneficial in itself, by helping all parties to the negotiations as well as the transnational corporations to gain a better understanding of the views of others. The number of transnational corporations that now acted as if the code had already come into effect was probably quite large, and there were probably also many host countries which, partly as a result of insights obtained during the negotiations on the code, had adjusted their concept of the appropriate treatment to be accorded to transnational corporations in the directions proposed by the code.

17. The code was needed for its own sake, but the process of negotiating it suggested that a forum was required in which questions concerning the relations between host countries, home countries and transnational corporations could be aired from time to time and, where appropriate, made the subject of new agreements or understandings on a multilateral basis. It would be natural for the Commission on Transnational Corporations to assume that responsibility, alongside the responsibilities of UNCTAD in the fields of restrictive business practices and the transfer of technology.

18. In conclusion, he said that the development potential of transnational corporations could not be realized in a world of continuing uncertainty and instability, and of growing barriers to trade. There were

legitimate concerns about the inflationary risks of economic recovery. But the risks inherent in prolonged suppression of world development were surely much greater. Inflation had to be tackled effectively, but that could not mean setting aside every other objective of the international community. Not the least of the tasks of the Conference was to reach agreement on a better balance of international objectives and policies, so that the momentum of world development could be restored.

Summary of statement made at the 183rd plenary meeting, 13 June 1983, by Mr. Rafael M. Salas, Executive Director of the United Nations Fund for Population Activities

1. Mr. SALAS (United Nations Fund for Population Activities) said that demography was the basis for development planning, as population determined demand for goods and services and formed a basic input in the productive system. The population of the world had been growing for a long time, but the consequences of that growth had been really felt only since the 1960s. Present indications were that the growth rate had reached a peak and that the trend was downward. In spite of that decline, the annual increments in total population would remain high until the end of the present century and it would take several decades for the growth rate to reach an equilibrium.

2. The population of the world had risen from 2.5 billion in 1950 to 4.6 billion in 1983 and was projected to rise to 6.1 billion by the year 2000. It was projected to stabilize at about the 10 billion level by the end of the twenty-first century. By the year 2000, 80 per cent of the world population would be living in the developing countries, where the birth rates were highest. The importance of the linkages between population and resources available for development were therefore quite clear. Whatever the nature of the problems of those interrelationships, the developing countries should not allow themselves to be deflected from the path of development that they had chosen, especially since the economic disparities between them and the developed countries were growing.

3. Fertility decline was dependent on a host of social, economic and cultural factors, which should be taken into consideration in strategies for development. A sound strategy would in particular moderate the impact of accelerating urbanization; that had become an increasing concern for developing countries, where, according to forecast, three out of every four cities of over 5 million inhabitants would be located in the year 2000.

4. A reduction of the disparities in living standards between developing and developed countries was connected to a number of issues listed on the agenda of the Conference, such as exports of agricultural products, the terms of trade, the transfer of technology, and bilateral and multilateral aid. Each of those issues had an impact on population and vice versa. In national and international development strategies, population was not yet dealt with as it ought to be, that is, as an endogenous factor in planning, and yet experience had proved that it was as important as any other economic variable. It was therefore important to identify those factors which population influenced most and to incorporate them in development planning as a whole. Admittedly, in the past, that had been no easy task, given the paucity of population data. However, since the World Population Conference at Bucharest in 1974, more detailed data had been available and the developing countries themselves had acquired some experience in population programming and its interrelationships with economic programming.

5. Governments would be meeting again in August 1984 to assess the population situation in the world and to decide on future action. In the meantime, he urged all countries to pay more attention to population in economic planning; he hoped that the Conference would endeavour to ensure that population was regarded as an elemental factor in development.

Summary of statement made at the 180th plenary meeting, 10 June 1983, by Mr. Abd-El Rahman Khane, Executive Director of the United Nations Industrial Development Organization

1. Mr. KHANE (United Nations Industrial Development Organization) said that after the world had witnessed such a rapid rise in affluence in the industrialized countries following the massive destruction of the Second World War, very few in the early 1970s could have expected that the bubble might burst around the middle of that decade and, particularly, that it would happen in the rich countries. Consequently, adjustment policies had been tried in a state of confusion and disorder in the world economy, which had built up steadily to develop into a most disturbing phenomenon of stagflation. Some industrialized countries had entered the decade of the 1980s determined to combat inflation as the primary objective of macro-economic policy. Relative success had been achieved, but at the expense of a further downward spiral of economic activity and growing unemployment, resulting in an unemployment figure of over 30 million people in the OECD countries. On the other hand, the deepening recession in the industrialized countries had begun to affect the developing countries in the early 1980s by reducing the prices of their commodities as well as the volume and value of their manufactured exports to the North.

2. Moreover, it had become clear that the cost and burden of international adjustment arising from the

recession had disproportionately fallen upon the countries least able to bear that cost, namely, the developing countries as a whole. Growth rates in those countries had dropped alarmingly, leading to dangerously expanding external deficits. The foreign debts of the third world as a whole now exceeded $600 billion. According to the latest trade data from GATT, more than one half of the decline of $130 billion in world trade during 1982 had been borne by the developing countries, although they accounted for only one fourth of such trade. Growing protectionism in the industrialized countries was increasingly adding to the problems of the developing countries which, as a consequence, were less and less in a position to pay for their development needs and service the enormous external debts which they had incurred over the last decade. As a result, they had already cut their imports by $85 billion in the past two years.

3. Recognizing the emerging new interdependence in the global economy, the Seventh Conference of Heads of State or Government of Non-Aligned Countries at New Delhi had highlighted the intimate link between economic recovery in the North and an activation of the development process in the South, and had urged the North to recognize that special measures were essential for activating development in the South, if recovery in the North was to be dynamic and durable.

4. As had been so pertinently emphasized by the Secretary-General of UNCTAD, the most crucial question before the international community at the present time was whether or not to recognize the nature of the new global interdependence and admit the dual necessity of inducing recovery in the North by activating development in the South through special measures. There appeared to be two schools of thought. On the one hand, there was the view that economic recovery in the North had begun and would be sufficient to bring prosperity to the rest of the world without any other special measures being undertaken. Implicit in that view was confidence in the strength and durability of an economic upturn in the United States of America, as well as the belief that economic resurgence in one part of the global economy would inevitably "trickle down" to the rest. The second school of thought believed that the present recession was not merely cyclical but structural in nature and called for international restructuring and adjustment. According to that view, recovery in the industrialized countries themselves could not be sustained without specific measures to activate development in the third world.

5. As the seven richest countries in the world at the recent Williamsburg meeting seemed to have decided in favour of the "trickle-down" theory, despite its lack of effectiveness during the last two to three decades, the only alternative lay in expanded South-South economic co-operation, which, *inter alia,* would help the developing countries to deal with the industrialized countries on a more equitable and balanced footing and would reduce the vulnerability of their economies to shocks originating from those countries.

6. The need for global structural changes and adjustments could not, however, be denied. Such changes would more significantly affect industry, for industrialization appeared to be the only way for the third world to raise the standard of living of its peoples and achieve a new international economic order. UNIDO believed that industrialization of the third world must be pursued because of the tendency of commodity terms of trade to continue to deteriorate against manufactured goods, because of the necessity to provide further employment opportunities and, finally, in order to reduce to the greatest extent the vulnerability of social and economic development.

7. The mandate of UNIDO was to assist developing countries to industrialize. Its largest programme related to the granting of technical assistance in the industrial technology field. At the same time, it was naturally concerned with the major inputs in the process of industrialization, namely, finance, energy and human resources.

8. One result of the international financial system's efforts to avoid collapse, mainly by rescheduling debts and mounting large financial rescue operations, was likely to be a further polarization of commercial financial flows to a small number of developing countries. With ODA tending to decline, the bulk of the developing countries might find themselves more and more excluded from a share in international commercial financing, particularly for industry, which required long-term finance on appropriate terms.

9. Domestic savings for supporting industrial investment in developing countries played an important role; nevertheless, the need to make large imports of capital goods mainly from the industrialized countries would still leave a huge gap in foreign exchange resources to be filled by external flows. Admittedly, one source was direct foreign investment by enterprises from the North and there were encouraging signs that direct foreign investment might increase as more and more developing countries became capable of absorbing and guiding such inflows. A large gap would still remain to be filled, however. In that connection, a major initiative undertaken by UNIDO recently had been a proposal for member countries to join together in setting up an International Bank for Industrial Development, which would operate as a commercial venture, borrowing from the international capital and money markets and lending to viable industrial projects in developing countries.

10. Since one fifth of the exports of licences, know-how and related services from the industrialized countries were purchased by developing countries, the technical assistance provided by UNIDO was specifically directed to assisting developing countries in establishing or strengthening their technological capabilities in the selection, acquisition and development of technology. One active UNIDO programme in that regard provided advice on new developments in technology, and it was currently promoting the establishment of an International Centre for Genetic Engineering and Biotechnology.

11. Most recently, and concurrently with the work of UNCTAD towards the acceptance of an international code of conduct on the transfer of technology, UNIDO, through its System of Consultations, had devoted a large part of its activities to the elaboration of, and gaining acceptance for, a series of guidelines, checklists, model contracts and licensing agreements in a

number of vital industrial branches, including fertilizers, pharmaceuticals, food processing, iron and steel, and capital goods. UNIDO saw its System of Consultations as an essential instrument for the restructuring of world industry and the technological transformation of the developing countries. The System was also used to monitor world trends in specific industrial branches, so that developing countries might be able to anticipate and avoid problems in relation to their industrialization process. Such practical UNIDO activity was being carried out with the active participation and co-operation of other United Nations agencies, particularly UNCTAD. UNIDO would be prepared to offer its active co-operation in any other joint activity which might lead to a more effective and fair transfer of industrial technology to developing countries, and would welcome wider co-operation in its own efforts in that respect.

12. Case studies had shown that successful developing country enterprises were those which integrated new technologies into their operations through a number of small changes over a period of years. That concept emphasized the importance of improving human resources in the developing countries, in step with their efforts to develop and industrialize. UNIDO endeavoured to build into its technical assistance projects provision for the training of human resources. In view of the developing countries' enormous needs for technologists, he urged them to do their best to invest at least 2 per cent of their GNP in scientific and technological education in order to build a durable and independent foundation for their social and economic development.

13. In a year's time, the Fourth General Conference of UNIDO would be convened to consider specific problems concerning the industrialization of the developing countries. Meanwhile, the present session afforded yet another opportunity and challenge for the international community to get a deep sense of the intimate interdependence of its members. He trusted that it would help to bring back hope with political courage and wisdom so that mankind could work out its own salvation rather than condemn itself to destruction.

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Statement made at the 181st plenary meeting, 10 June 1983, by Mr. Raúl Prebisch, first Secretary-General of UNCTAD*

Mr. President, I would like to thank you very sincerely for giving me the floor, and I would also like to thank my old and very dear friend Gamani Corea for very kindly observing the established ritual of inviting the first Secretary-General of UNCTAD to its meetings. I accept the honour with great pleasure, and I shall make use of the opportunity for a few reflections on the serious crisis affecting the entire world at the present time.

When we began our task some 20 years ago, there was the beginning of the great wave of prosperity which ended in the first half of the 1970s. What a contrast with the present time, when we are facing a very deep and complex crisis. One of the most noteworthy features commented on here by almost all speakers is the use of the monetary instrument to cope with inflation. This is one of the most serious manifestations of the present crisis, leading to high interest rates such as had never previously been found persistently in the developed capitalist world. Certainly we have recently seen some decline in the rates—the real rates are still historically very high—and there has also been some recovery in economic activitiy.

There are nevertheless serious doubts as to the continuation of this recovery of the economy. I share these doubts, because in my opinion we have not dealt with the factors underlying the crisis, factors of a structural character. I have tried to explain this in a report I presented to the Secretary-General, which I understand is at the disposal of representatives and observers, in which I deal with the problems of the crisis of capitalism and international trade. I believe that basically we are witnessing a phenomenon of structural imbalance which has been getting worse and which began before the rise in oil prices. The fact is that the distributive battle between the social groups to have their share of the fruits of the increase in productivity under the system, a struggle accentuated by State participation, as regards both civil and military expenditure, has been leading to a tendency towards imbalance between the rate of consumption and expenditure and the rate of accumulation of reproductive capital which is essential to the growth of employment and productivity.

This cannot be corrected by the monetary instrument; it requires more radical measures which are slow in coming. Meanwhile, the repercussions of this crisis on the developing countries are very serious, as well as on the very epicentre of the crisis, the United States of America, and the rest of the world's economy.

I shall not dwell on the manifestations of this phenomenon, which has been commented on during the few days since this session began, but I certainly would like to mention one at least of these phenomena because of its serious and urgent nature, namely, the accumulation of short-term and medium-term debts. I do not think that the amount of these debts is exceptional in relation to the real capacity of our countries to pay, but it certainly is so in respect of the rather severe payment terms and the extremely high interest rates.

This is one of the consequences of a high degree of imprudence and lack of foresight in the financial world.

* Speaking at the invitation of the President. The statement is reproduced in full, as it appeared in document TD/303.

We have set aside IMF, a non-profit-making inter-State body, and we have given a free hand to the operations of private international banking, which obeys no regulatory principles. Internally, all the countries of the world, on the basis of long experience, had succeeded in regulating the printing of money, but the operations of private international banking have not been regulated in any way; their only guide has been the profit motive. The profit motive is extremely important as a factor in promoting development, a factor continually creating new goods and better goods; but the notion of profit in the financial field means creating more money and more worthless money, in other words inflationary currency. This is what has happened, without any Government bothering during the years of euphoria to put a brake on these operations for the inflationary creation of dollars on the Eurodollar market, because for each Eurodollar taken out of the United States by its inflationary process, one, two, three or four additional dollars were created, and the countries were urged to make use of this easy and abundant credit, in some cases on a highly justified basis to meet, for example, the increase in oil prices, and in other cases as an incentive to the privileged consumer society or an exaggerated policy of investment, the consequences of which we are witnessing at present.

I would like to express my great concern and to speak very frankly on this point. There are those who consider that a slight improvement in the prices of primary commodities or in economic activities in the developed countries will solve the problem of indebtedness. This in my opinion is an extremely serious mistake, and indeed a number of econometric exercises have been carried out in which various scenarios are thought up. In one of them it is demonstrated statistically that a slight improvement in world trade and in prices will solve the problem of indebtedness. And what is this exercise based on? On the idea that by restricting imports to the necessary extent it will be possible to pay for servicing the debts.

I would recommend those who make this type of econometric calculation to include other variables—structural, political and psycho-social variables—and to see whether their inclusion, the compression of internal economic activities and the increase in unemployment are not going to make the model produce positively explosive results.

I think it would be a wise precaution to seek definitive arrangements for the problem of indebtedness. What has been done hitherto as a result of the perseverance and energy of Mr. de Larosière, the Executive Director of IMF, is praiseworthy from every point of view; but we cannot go on in this way. The countries cannot go on accumulating new debts to pay rates of interest which continue to be high, as well as the commissions and charges of every kind added to them. I do not think there should be speculation as to the possibility that some countries may be disposed to cut down even further on their economies in order to pay for debt servicing. The financial world need have no illusions, nor should it believe that between debtors and creditors, satisfactory solutions can be found.

The solution to this problem must be sought at the political level. It is essential to seek at this level ways of stretching out generously the payment terms for debts and drastically reducing interest rates. Obviously this will mean a certain amount of cost, and in some cases the cost may be very heavy. But it will in any event be minimal in comparison with the cost which the same reactivation of economy would have to bear in the event of a financial collapse, such as was in the offing only a few weeks ago. We must not play with fire in this matter: it is one of the most pressing political responsibilities of both centre and periphery to seek ways and means of establishing, so to speak, a general framework into which individual negotiations can be inserted.

I was saying that this crisis had serious repercussions on the peripheral countries. These are well known, and I venture to say that our countries should not wait for the reactivation of the developed countries to gain impetus before undertaking their own reactivation. This is not an easy matter. What is needed is a cautious expansion of credit, which will first and foremost bring about an increase in imports. It is essential to follow a severely selective policy. No country can import more than it is capable of paying for with its exports; it must cut its coat according to the cloth. There are two theories in this regard. The conventional theory is that market forces must be allowed free play, and if there is an imbalance, the economy must be squeezed until the import demand coincides with exports. This is a disastrous policy. I believe that we should have the courage to go in for a selective import policy, as we did in the 1930s, and for substantially lower interest rates with the consequent control mechanisms. We are well aware that this has serious complications. But Governments have to choose between two solutions, either to continue with high unemployment and low domestic earnings, with the enormous risks this involves, or to face certain unorthodox, unconventional measures for reactivating the economy. These too have their cutting edges, as I cannot deny; but I would infinitely prefer the second alternative to the first, and in this I am guided not only by economic considerations but by social and political considerations which cannot be set aside in a realistic analysis of the concrete facts.

Speaking of selective policy, I would like to refer to the well-known fact that there can be no serious question at the moment of equilibrium in the balance of payments with an increase in exports. I feel that this policy must be pursued with great vigour; but let us have no illusions: unless and until the world's economy is reactivated, we shall not achieve substantial results in this direction, and even if we did achieve a lasting reactivation of the world's economy, we should still have no illusions that through this means alone we are going to solve our problems of external imbalance. I would like to warn those who think along these lines, and to tell them that underlying all this too there is a structural problem of imbalance, which we have seen in the past, and which is characteristic of peripheral development because of the structural discrepancies between periphery and centre. Let us not forget that during the long years of prosperity enjoyed by the industrial countries, while there was a very marked liberalization of trade between them, it is a well-known fact, and the

UNCTAD studies have demonstrated it, that this liberalization meant only the crumbs from the rich man's table for the developing countries. In the light of this experience, we must not expect much from this possible reactivation of the world's economy. I have reasons enough for thinking in this way, having reached the conclusion that by observing that in the historic development of the great world centres, increase in productivity has not led to a systematic decline in prices, but has increased earnings, while the demand arising from them has been lavished on a constant diversification of goods and services resulting from technical progress. The development process in the industrial centres has thus not been achieved as a result of a phenomenon of falling prices, except in the case of goods originating from innovations which have already ceased to be so. Hence the competition for exports by the periphery based on a decline in prices creates problems for the centre, and necessitates a displacement of the labour force. In the course of technical progress, this displacement has favoured diversification of demand and the increase in productivity has brought with it the capital needed for new investments calculated to satisfy the diversification of demand, while peripheral competition through lower prices does not have these defects. It has a negative impact on the earnings of undertakings and deprives them of adequate capital to respond to the displacement of the labour force.

Let us not disregard this hard fact. It is one thing for the centre to admit readily primary commodities at falling prices, it is another for it to admit industrial products from the periphery at falling prices.

When all is said and done, it is not a good thing for the countries of the periphery to compete by means of prices which force them to lose a substantial part of their increased productivity, nor does it suit the centre. The conclusion is suggested in the studies carried out by the UNCTAD secretariat in this sphere. It is suggested—there is no development as yet, but I think there will have to be—that there might be new types of growth of imports not involving disturbance for any of the parties, new formulae which could be inserted into the multilateral machinery of GATT, with reciprocal safeguards for this or that group of countries.

What I mean by this is that it would be falling a prey to an inadmissible delusion to believe at the present time that the markets of the developed countries will be opened up, as many developing countries have thought in view of the prosperity of the developed countries. This prosperity has dazzled many countries, has blinded them, and has led them to abandon import substitution, of which it was even said that it was a malefic invention of ECLA, and that the whole solution of the problem lay in increasing exports of manufactures. That was a vigorous policy, but it had unfortunately led to the abandonment of import substitution. The pendulum swung from one extreme to the other, and here too we must have recourse to a combination of measures. I think it is inescapable, not as an economic measure but rather as a long-term dynamic measure, to embark on new forms of import substitution on a broader scale than merely through the national markets. I consider that we should take a very realistic attitude and opt for those lines in which substitution can be made with economies of scale through understandings between developing countries and other developing countries. Here again we have to look for new formulae taking advantage of both the good and the bad experience of the past.

This does not involve any doctrinaire preference. I would state the problem as follows: our countries need to accelerate their rate of economic development, at least to attain a rate that will enable them to absorb productively the increase in their active population and at the same time gradually to make good use of the vast mass of manpower whose productivity at the lower levels of the system has remained very poor. This is an economic, social, and politically inescapable problem on which efforts must be focused. Another of the adverse consequences of those years of prosperity in the centres, apart from the positive consequences, is that this considerable increase in productivity that we have had at the periphery—it has undoubtedly been considerable—has only in part been devoted to the accumulation of reproductive capital. An important share has gone to the privileged consumer society at the expense of the accumulation of reproductive capital. Let us not blame only the developed countries for our ills. We have committed serious errors in our countries, in some more and in others less, and we have to make use of this experience also. This sustained growth we ought to arrive at will also mean increased demand for imports from the developed world; if we are unable to export more commodities and more manufactures, despite our efforts, there is no other way of paying for these growing imports except by restricting—substituting imports of all the goods in which we have already acquired technological competence, or could acquire it, in order to be able to import freely the other goods which technology is constantly launching on the markets, where the role of our economies will be a substantial factor in increasing productivity. I refer particularly to capital goods, consumer goods and the new goods which technology is launching, particularly in electronics. With respect to substitution products, there is possibly a policy, a carefully selective policy, on which agreement might be reached between public and private enterprises in our countries or public and private enterprises of the centres, including the socialist countries, which I believe might participate fruitfully in this type of co-production, concerted or articulated production in a series of specific goods and in accordance with certain norms agreed on by Governments. Such co-production agreements, of course, have to be made under the aegis and with the intervention of Governments without prejudice to the possibility of later leaving the market forces to expand their role.

Here I see a very promising field, both in Latin America and in other developing countries, through the combination of common forces. There are countries in other regions in which efficient and impressive production of capital goods has been achieved. There is no reason for not securing some combination of forces in this respect. This leads me to another fundamental conclusion. In the face of all the ills which this crisis entails, we may also glimpse some positive consequences. One of them is that the dynamic role of the periphery in the development of the international economy had begun to

be recognized for the first time in the history of capitalist development. We know very well that the periphery has always played a passive role. It could take on and is now taking on an active role. Very impressive figures concerning the proportion of the exports from the centres to the periphery have been mentioned here. I believe that a great and sustained effort to make use of this dynamic potential of the periphery would be in the common interest. We know that productivity in the industrialized countries has fallen, and apart from cyclical factors this is in my view due to the structural imbalance that has led to the slow-down in the rate of investment of reproductive capital. Trade between the centres and the periphery could have an increasingly important role in increasing the productivity of the centres through the purchase there of high technology goods in which the central economies have a high productivity level. In turn, the periphery could supply, in addition to commodities, industrial goods of gradually increasing complexity but, for obvious reasons, with a lower technological coefficient and lower productivity than that of the centres. At some very distant time we shall achieve technological homogeneity; but let us not have any premature illusions in this respect. Let us look at the hard facts as they are today.

In other words, we are concerned with a type of trade which will obviously have favourable consequences for all parties. I have called this a historical turn of events or a historical revolution since, if we look carefully, the development of the periphery has historically been of interest to the centres only to the extent that it directly or indirectly concerned the centres' own interests. The development of the periphery has not interested them in any social depth. It is a problem which the developed world has disregarded and goes on disregarding. This is the first time in capitalist development that the periphery has been able to interest the centres as a dynamic factor, always assuming that the growing exports of goods with a high technological content from the developed countries can be paid for with exports of manufactures from the periphery; and here I refer to the new forms of trade. But these new forms are insufficient. As the exports to the periphery rapidly increase, there will be a growing likelihood of displacement of the labor force from activities affected by peripheral competition to higher productivity activities. This is the new dynamic link which will mean that the central economies will have to concern themselves for the first time with peripheral development in social depth, since this is obviously in the interest of their own development and the increase in their own dynamism, as contrasted with what occurred in earlier stages of economic development.

But there is a fundamental condition to this: firstly, there has to be an initial impetus to the expansion of exports in response to the enormous potential demand of the periphery. In this respect, the provision of financial resources is of fundamental importance. I am reassured by the words we have just heard from Mr. Clausen, the President of the World Bank,[83] demonstrating his concern for appreciably increasing the operations of the World Bank and its affiliates, particularly the operation directed towards the relatively less developed countries. I greatly fear that, in the present world situation, this mobilization of resources, while extremely positive, is also limited until the markets recover and the debt is discharged and ceases to be a weighty factor for both the centres and the periphery.

Things being as they are, if we are unable to count on all the resources we need, why not have recourse to the creation of drawing rights? I do believe this will be necessary, until such time as an international monetary reform has been achieved, as a means of channelling additional resources to be placed at the disposal of the World Bank, the regional banks or other organizations. The creation of international currencies costs nothing, but it has been of benefit largely to the central economies, since they hold most of the distribution quotas—an injustice to which UNCTAD drew attention in the early years, when a group of experts was formed in which Gamani Corea participated with distinction, and in which the link between the international creation of currency and economic development, in the form of drawing rights or in any other form, was recommended. I consider that the time has come to endeavour to channel these new resources in one form or other, not so as to ease debts—that is not the solution—but to provide new resources for the expansion of world trade and to contribute to a lowering of average interest rates. Part of the resources of the World Bank and of the regional banks has to be obtained from the market, and continuing high real rates of interest will make such resources costly. It will thus be necessary to combine them with a resource which costs nothing, such as the creation of international currency, in order to reduce interest rates, perhaps substantially, and to stimulate those trading operations which are of mutual benefit to the centres and the periphery. I believe that we have before us the possibility of an extremely interesting development which will in some way temper the concern which the present state of world affairs arouses in all of us.

Let me say in conclusion that I do not believe we are witnessing the decline of the system. No! How could we think of the decline of the system when despite all our troubles, technology had continued to advance and still promises us impressive and amazing increases in productivity in various areas, from electronics to biogenetics? How can we speak of the decline of the system? I would say rather that there is a decline in thinking, a problem of lack of adaptation of the macroeconomic ideas of development, both in the centres and at the periphery, a lack of adaptation to economic requirements. Economics as a theory has lagged behind, while new technological ideas have constantly sprung up.

Economics is still thinking in terms of nineteenth-century ideas. It is a disturbing phenomenon. New ideas are needed. A Spanish poet of the last generation said: "Traveller, there is no path; the path is made as you go". I believe that we have begun to go and that we can create new ideas to mark the future path. I doubt very much whether the academic economists of the North or of the periphery will change their ideas. I place my hopes in some who have succeeded in divesting themselves of dogma, above all those of the new generation, provided we do not systematically brainwash

[83] See section C below.

them, as we have done in Latin America particularly, with certain ideas from the sophisticated centres. These ideas must be taken with a highly critical approach and renewed, and I consider that the periphery can contribute a great deal to the renewal of thinking. It is not that I do not believe in market forces; the market is an element of great economic and political value. But it is not everything; we must look at what are the underlying structures and the power relationships arising from these structures and from the exchanges operating constantly within them.

This crisis, with all the ills it implies, might have the virtue of bringing forth such new economists with new ideas, along with new political figures capable of debating with the economists and discerning the value of these new ideas, and capable of generating new forms of action.

C. SPECIALIZED AGENCIES, GATT AND INTERNATIONAL TRADE CENTRE UNCTAD/GATT*,**

Summary of statement made at the 176th plenary meeting, 8 June 1983, by Mr. Edouard Saouma, Director-General of the Food and Agriculture Organization of the United Nations

1. Mr. SAOUMA (Food and Agriculture Organization of the United Nations) said that the economic crisis was a symptom of a political malaise. Austerity being unpopular, Governments were unwilling to impose, at both the international level and the domestic level, the painful measures needed to restore the situation and put an end to anarchy in the exchange rates and markets. The crisis had not, of course, spared the agricultural sector, which had seen its prices collapse, in the developed and the developing countries alike.

2. The situation of the agricultural sector could be analysed primarily in terms of the problem of food security, which was governed by production and by distribution, which meant trade. With respect to production, which had been quite impressive in most developing countries, there were nevertheless two danger signals. The crisis had led to a decline in world fertilizer production, owing to a lack of investment, so that there was a danger that food production might not keep up with the rise in population. Secondly, there had been a drop in financial aid to the agriculture of low-income food-deficit countries. There was no evidence that the drop in such assistance, which was mainly multilateral, had been compensated for by an increase in bilateral assistance. Technical assistance for agriculture had been severely affected by the shortfall in UNDP resources and the inadequate funding of FAO action programmes. Paradoxically, the world currently had a glut of cereals due to good harvests: demand was down and stocks were abundant. There was thus no danger of a critical shortage, but almost half those stocks were held in the United States of America and consisted largely of coarse grains used mainly for livestock feed.

3. It was the trade component of food security that posed the greatest problem. The developing countries had been importing a constantly increasing proportion of their basic food supplies, particularly cereals, in order to feed their growing populations and rapidly expanding livestock industries. The degree of such dependence varied from region to region and from country to country, but it was greatest in Africa. Pending an increase in their production sufficient to reduce that dependence, the food-deficit countries had to export an increasing quantity of non-food products in order to import food. Trade was thus a vital necessity for them, and hence the serious consequences of the collapse in commodity prices.

4. In order to help cope with the cyclical problems of world trade, FAO intended to support the Integrated Programme for Commodities. There was no reason to be discouraged by the difficulty of concluding commodity agreements. The FAO intergovernmental commodity groups enabled Governments, through consultations, to obtain a better understanding of the problems, and that understanding could result in informal arrangements or guidelines and co-operation agreements for particular products. Moreover, the extension of the IMF compensatory financing facility had made it possible to compensate for the excess cost of cereal imports. It ought to be possible to extend the coverage to imports of fertilizers and other inputs. Generally speaking, he shared the view of the UNCTAD secretariat regarding a new comprehensive facility which would complement the existing facilities of IMF and of the Stabex scheme[84] of EEC.

5. In the long term, the problem of the developing countries with regard to food was how to earn foreign exchange to pay for their ever-increasing imports, since the markets for most tropical products were declining. The solution might, perhaps, require a liberalization of customs régimes so as not to penalize exporters of processed tropical products and a strengthening of the preferential trade arrangements for developing countries. At the same time, trade connections among those countries should be developed. The practical methods of doing so had still to be defined and FAO, for its part, was giving the matter increasing attention.

6. The situation of the third world was rendered still worse by the competition in the agricultural sector between developed and developing countries. As technology progressed, the competition of the developed world would intensify by reason of the fall in costs and diversification, particularly into the manufactures of synthetic substitutes. It was thus necessary to find a middle way between the two extremes: the developing countries should strive to improve the efficiency of their production so as to lower their prices; for their part, the developed countries should open up their markets instead of entrenching themselves behind protectionist barriers. Such a solution could be facilitated by the Second Account of the Common Fund for Commodities, which was taking on a symbolic value for North-South relations. At its Fifth Ministerial Meeting,

* Under rule 80 of the rules of procedure.

** The texts reproduced here are those that appeared in the relevant summary records (TD/SR. ...), incorporating editorial modifications.

[84] See footnote 5.

the Group of 77 had urged that the Fund should begin operations not later than 1 January 1984. That was all the more necessary in that many projects were ready, including some prepared by FAO, and that financing had been pledged.

7. In contemporary society, there was a basic choice to be made which indirectly affected food: namely, arms or development. The arms race was swallowing up enormous sums, representing 4.5 per cent of world GNP, which could be more usefully employed to feed the population of the planet. There should be more respect for the spirit of the Charter of the United Nations, which forbade the use of armed force save in the common interest, and a return to a healthier breakdown of expenditure.

8. Furthermore, the resolutions of the international organizations, which were approved in principle without any serious attempt to put them into practice, should be scrupulously applied. The hypocrisy of denouncing evils such as protectionism while erecting trade barriers, or of supporting the idea of the interdependence of countries while reducing aid, should be abandoned.

9. The contemporary world needed a new consensus going beyond the limits of mere trade. Collaboration was needed to solve the problems and to ensure that the resolutions and decisions of the international organizations did not remain dead letters. In particular, that consensus should be directed towards action to assist the poorest countries and peoples, however great the difficulties of the rest of the world. He hoped that the sixth session of the Conference would be able to take the first steps towards such a consensus.

Summary of statement made at the 177th plenary meeting, 9 June 1983, by Mr. A. W. Clausen, President of the World Bank

1. Mr. CLAUSEN (World Bank) said that in spite of signs of recovery in the world economy there was no cause for complacency, for much more had to be accomplished if there was to be, in the 1980s, an improvement over the relatively slow growth of the 1970s.

2. After reviewing the situation and problems of both the industrial and the developing countries, he turned to the question of trade. The world had come to a crossroads in its approach to trade. In his view, strengthening liberal trade was essential to world-wide recovery, for otherwise trade barriers would accumulate, with adverse effects on the development prospects of all countries. He applauded the resolve of the major trading nations to strengthen the trading system and reduce protection, as demonstrated in May 1983 at the OECD ministerial meeting in Paris and at the Williamsburg summit meeting.

3. Developing countries had an especially high stake in trade. Open and expanding trade had been crucial to their rapid economic growth and structural transformation. The best way for developing countries to revive their economies, and indeed the only way for indebted countries finally to overcome their current financial difficulties, was to expand exports. The success of the countries that had pursued outward-looking development strategies had been thoroughly documented through studies done by the World Bank and others. It was clear that such strategies improved resource allocation, boosted growth and made countries better able to withstand external shocks.

4. Access to markets in industrial countries was an essential complement to outward-looking strategies on the part of developing countries. Industrial countries should welcome competitive imports from developing countries and allow their own resources to be gradually reallocated to reflect shifts in comparative advantage. The wide differences in production costs between industrial and developing countries offered a powerful opportunity to stimulate economic efficiency and higher real incomes on both sides through trade. Adjustment could be painful, but it was difficult to imagine how industrial countries could return to a pattern of sustained economic expansion without such stimulation from developing countries. Newly industrializing countries must gradually move up the scale of manufacturing sophistication, thereby allowing the next lower rung of developing countries to become increasingly competitive in simpler, more labour-intensive lines of manufacturing.

5. Barriers to imports from developing countries tended to frustrate that dynamic process. Quantitative restrictions, such as the Multifibre Arrangement,[85] were particularly onerous because they assigned quotas on the basis of past exports, thus locking out competitive lower-income developing countries.

6. All developing countries had gained increased access to export markets from GATT negotiations because multilateral trading rules assured all nations the same access that big trading partners negotiated. However, while some developing countries had been very active in multilateral trade negotiations, many had not participated fully. The developing countries could have gained more if more of them had participated actively. Because the main participants in GATT trade negotiations had been the industrial countries, issues of concern mainly to the developing countries—escalating tariffs and barriers to trade in agriculture, textiles and clothing—had been virtually excluded from the agenda. The average tariff on developing country exports was higher than the average tariff on industrial country exports, and there were more non-tariff restrictions on the former than on the latter.

7. Given the importance and the possible difficulty of expanding developing country exports in the 1980s,

[85] Arrangement regarding International Trade in Textiles (see GATT, *Basic Instruments and Selected Documents, Twenty-first Supplement* (Sales No. GATT/1975-1), p. 3).

developing countries needed to assess carefully the benefits of more active participation in GATT. Although they had managed to obtain special and differential treatment, the relatively small and uncertain benefits of those arrangements might not make up for the cost of not taking full advantage of the trade liberalization process.

8. Industrial countries should stop erecting new barriers and dismantle existing ones. It was particularly damaging when barriers to trade were erected outside the GATT arrangement, often indirectly and covertly. At the same time, the possibility of imposing temporary import restrictions was a useful safety valve, and it would be far more difficult to mobilize support for liberal trade policies if that possibility were not allowed. The process of reviewing requests for protection should be transparent, and those who stood to lose from protection as well as those who stood to gain should be allowed to make their case. A more precise safeguard was needed, as had been resolved at the 1982 GATT ministerial session. Under the new code, restrictive measures should be accompanied by measures to promote adjustment to changes in comparative advantage. Complementary initiatives by both developing and industrial countries to strengthen the open multilateral trading system were essential to improve economic prospects for all countries.

9. Corrective measures were also needed to revive international finance. Developing countries offered more opportunity for highly productive investment than they could finance from their own savings. International investment accelerated their growth and also allowed high-income countries to get a better return on their savings.

10. The growth of private lending had declined sharply in 1982, as net commercial-bank lending to the developing countries had dropped from $43 billion in 1981 to $22 billion in 1982. Net lending had not been nearly enough in 1982 even to cover interest payments, and it had been negative in the second half of 1982. There had recently been some restructuring of commercial debt, which had eased the repayment problem, but net lending was likely to grow slowly in 1983 and might still be too little to cover interest payments. The drop in commercial-bank lending had been more severe than an overall evaluation of the creditworthiness of major borrowing countries would suggest. But it was unrealistic to expect a return to the former growth pattern of commercial-bank lending in the foreseeable future.

11. Official non-concessional lending ought to be expanded more quickly in the 1980s to help offset the slow-down in commercial lending and stabilize the debt payments of borrowing countries. Moreover, official lending, especially through the multilateral institutions, supported projects and policies resulting in a more productive and equitable use of domestic resources. Mainly because of that effect on policy, official lending also encouraged the expansion of commercial lending and investment.

12. IMF continued to be the world's frontline defence against sudden damaging cut-backs in economic activity because of balance-of-payments problems. Ratification of the proposed increase in IMF quotas was urgently needed. However, current debt problems were only one facet of a more fundamental problem—the stagnation of trade and development. Developing countries' debt problems could not be resolved without initiatives to strengthen world trade and maintain a growing flow of medium- and long-term capital to developing countries to supplement domestic investment and revive their economies.

13. Therefore, given the slow-down in commercial flows, an expanded role for the World Bank and the regional development banks was also absolutely essential. The World Bank was taking action to accelerate its disbursements and was also working to attract commercial investments to the developing countries through co-financing and IFC. The World Bank was also directing more of its resources to supporting structural adjustment. It was often difficult to reduce barriers to trade or effect structural adjustment now that many developing economies were depressed. External financing in support of structural adjustment could be crucial, and the World Bank could identify and supervise a larger volume of high-quality investments in developing countries and also borrow much more on the world's capital markets.

14. However, present planning assumptions allowed for virtually no real growth in IBRD commitments in the next few years. The Bank's management was proposing that, starting in 1984, its lending should expand by about 5 per cent a year in real terms. It was also preparing a plan for a Selective Capital Increase for IBRD, parallel with the agreed increase in IMF quotas. Unless the issue of IBRD capital needs were tackled in a timely and realistic way, the Bank would face severe constraints within a couple of years.

15. On the issue of ODA, he said that the world's low-income countries benefited relatively little from non-concessional capital flows. Many low-income countries could not meet their needs for external capital by commercial borrowing; many which had borrowed significantly on commercial terms in the 1970s had encountered debt-servicing difficulties. For the low-income countries, therefore, there was no substitute for ODA. It made sound economic and political sense to continue effective programmes of development assistance in low-income countries. It would be folly to disrupt progress in countries which, against all odds, had built up some momentum for the long climb towards decent living standards.

16. Most of the world's poorest countries, however, had been hard hit by the global recession and needed urgent and sustained concessional assistance. IDA, the World Bank's concessional affiliate, was the largest channel of assistance to the world's low-income countries. Its projects nearly always achieved high rates of return, and its success in helping to build institutions and policies conducive to progress in poor countries had been thoroughly documented. However, its lending programme had fallen and its future was uncertain. The need for IDA was great and its effectiveness beyond question, but the political will to support it was in doubt.

17. The Conference at its sixth session should sound a clear call for continued assistance to the world's

poorest countries. Failure to sustain and strengthen IDA would be to reject the poorest peoples of the world. The current session provided an opportunity to rebuild support for the liberal, multilateral trading system, an opportunity to revitalize international capital flows by supporting the expansion of IMF, IBRD and, most especially, IDA. No nation could afford to waste that precious opportunity to build consensus on urgent, feasible measures to repair and improve the structures of international trade and finance.

Summary of statement made at the 175th plenary meeting, 8 June 1983, by Mr. Jacques de Larosière, Managing Director of the International Monetary Fund

1. Mr. de LAROSIÈRE (International Monetary Fund) observed that although recent years had brought hardship to many countries, particularly in the developing world, the transition to a non-inflationary environment was now well under way in a number of major industrial countries and progress had been made by the developing countries in reducing their balance-of-payments deficits. It was now the responsibility of all countries to ensure that those painfully achieved gains were not frittered away. They must be consolidated through resolute adherence to the agreed strategy of fostering non-inflationary recovery. That was the only way to revitalize the world economy and resume sustainable growth and development. Although the main brunt of the efforts to that end must be borne by the countries themselves, IMF was working hard to help its members.

2. It was common knowledge that the hardest hit by the recent problems had been the non-oil producing developing countries, whose average annual growth rate had fallen dramatically from 5 to 6 per cent between the late 1960s and 1980 to only 2 per cent in 1981-1982. Against that background, the prospect of even a moderate improvement in the international economic climate came as a welcome relief. The Fund now expected real GNP in the industrial countries to rise at an annual rate of about 3 per cent from the first to the second half of 1983, a trend projected to continue in 1984. An upturn in world trade would accompany such an economic recovery. Inflation in the major industrial countries had been reduced in 1982 to the lowest rate in 10 years and should decline further in 1983 and 1984. An important consequence had been the decline in interest rates, although they remained high. The reduction in oil prices should also assist in reducing inflation and increasing real demand.

3. Those developments would alleviate the adjustment strains in the non-oil-producing developing countries, whose growth rate was expected to recover to about 2.5 per cent in 1983, while their current-account deficit was projected to decline from the peak year of 1981 to an amount smaller in relation to exports of goods and services than the average for the 1976 to 1978 period. In 1983, exports from those countries should also grow and that, coupled with some recovery in commodity prices, should produce an upswing in their export earnings. Meanwhile import prices, owing to the decline in oil prices and lower inflation in the industrial world, were not likely to increase much. Thus, the terms of trade of non-oil-producing developing countries were expected to improve in 1983, while lower interest rates in industrial countries would provide some relief for their debt servicing burden.

4. The underlying situation contained a number of weaknesses, however, and recovery was still fragile. First, there was the intensification of protectionist pressures in many countries, which posed a serious threat to the world economy. Secondly, in the fight against inflation in industrial countries, too much of the burden continued to fall on monetary policy. The large structural budget deficits in some major countries, in particular the United States of America, threatened to absorb too great a share of domestic saving and crowd out private investors from financial markets, thereby endangering the sustainability of recovery. Such deficits could also add to inflationary expectations and put a further pressure on interest rates. Thirdly, over the past decade, the total external debt of the non-oil-producing developing countries, including short-term debt, had increased by about 18 per cent annually, to reach a total of $600 billion at the end of 1982. The debt service ratio had risen to 24 per cent in 1982, compared with about 15 per cent in the mid-1970s. The acute liquidity problems which had emerged in a number of developing countries towards the end of 1982 had prompted commercial banks to scale down their lending to the developing world. That must not be carried too far. The stability of the international financial system and the success of recovery depended upon the maintenance of sufficient commercial financial flows.

5. The general lesson to be learned from the 1970s was that countries must not relapse into the policy errors of the past. The overriding priority must be to reactivate growth and development on a lasting basis, and that would require a further strengthening in all countries of domestic policies which took account both of specific national problems and the interests of their economic partners in an interdependent world economy. As far as the industrial countries were concerned, a durable recovery would depend primarily upon the continuing credibility of anti-inflation policies. But there was also a need to tackle structural fiscal deficits and the other structural problems that had been contributing to low growth in productivity and the secular rise in unemployment.

6. In addition, there were two aspects of policy that had a crucial impact on developing countries: the trade and aid policies of industrial countries. The liberalization of world trade was a fundamental prerequisite to a lasting recovery. That was true both for the industrial countries, which had gained so much from open trade, and for the developing countries, which could expect to benefit from such a system only if they also maintained liberal trade régimes. The close relationship between trade policy and the stability of the financial system must never be overlooked: trade restrictions impeded

monetary stability and the orderly financing of external debt. Advantage must be taken of the improvement in world economic conditions to dismantle trade-distorting domestic measures. It was important that no sector should be excluded from the liberalization process since that would only strengthen the position of the special sectoral interests which had secured the acceptance of existing protectionist measures.

7. Greater efforts must be made to expand ODA. Total ODA, expressed as a percentage of the GNP of donor countries, was now only one half what it had been 10 or 15 years previously. Yet ODA constituted a key element of external financing for developing countries and had a central role in the promotion of orderly adjustment. For many developing countries, the current adjustment burden was hardly manageable in the absence of greater concessional assistance, in view of the fact that commercial flows were being scaled down. Assistance channelled to the developing countries that were courageously implementing adjustment policies was a sound investment.

8. Although benefits accrued to the developing countries from an improvement in world economic conditions, it was ultimately their own policies that would be decisive for their performance. Past experience amply demonstrated that laxity and over-expansion in the conduct of financial policies, even under better economic conditions, led only to inflation and financial crises. A number of developing countries had already adopted more cautious financial policies but there was still considerable scope for adjustment, particularly in many of the non-oil-producing developing countries whose performance in that area had deteriorated over the past four or five years. One cause was the excessive subsidization of consumer prices, in some countries amounting to as much as 10 per cent of GDP. There was also a general need in many countries to review the priorities of investment projects in the public sector and to restrain current government expenditure.

9. It was important to maintain international competitiveness. During the 1970s, many of the non-oil-producing developing countries had had overvalued currencies. A subsidized exchange rate eventually led to a drain of domestic savings and exchange losses in sectors which had borrowed money from abroad at an unrealistic rate. Research in IMF showed that countries that had followed restrained domestic financial policies and a flexible exchange rate policy had generally achieved better balance-of-payments performances and higher growth rates than countries with loose financial policies and overvalued currencies, although the degree of success depended on appropriate measures in other related areas.

10. In conclusion, he wished to comment on two aspects of the role of IMF, namely, balance-of-payments adjustment and financing and surveillance.

11. It was clear, given current world economic conditions and the magnitude of external indebtedness, that adjustment would entail great hardship for many countries. However, suggestions that the Fund's lending policies might be eased to alleviate the burden on borrowing countries were misconceived. The fact was that with scarce external resources, a country facing persistent balance-of-payments difficulties had no choice but to adjust. The longer it failed to do so, the greater the cost and loss of freedom of action involved in the inevitable adjustment. On the other hand, a country could adopt an adjustment strategy to re-establish external viability on a lasting basis through measures designed to bring domestic demand within the bounds of available resources while reinforcing the incentives and conditions for supply. That was the strategy which IMF had always supported in its programmes for borrowing countries and it was not a restrictive policy. On the contrary, it helped the country to set the right conditions for sustainable growth and to give renewed confidence to foreign creditors. IMF programmes also stressed a range of measures designed to improve supply conditions and strengthen the productive base of the economy. The Fund collaborated closely with the World Bank to ensure that its adjustment programmes with member countries were consistent with proper investment and production strategies. Strengthened economic policies along the lines recommended by the Fund and larger external financial flows combined to make the adjustment process more manageable for the borrowing country and more orderly from the international standpoint. For example, in the great majority of the 26 stand-by and extended arrangements recently approved by the Fund, real growth rates were expected to improve even during the first programme year, as compared with the two years prior to the programme, many of which had been characterized by negative growth. Only in seven cases was growth expected to decline.

12. In view of the severity of external financing problems in the recent past, the Fund had considerably increased its financing of adjustment programmes in member countries. Since 1981, under the enlarged access policy, countries that had taken strong measures to correct payments imbalances had been able to draw up to 450 per cent of their quotas over a three-year period. That policy had made it possible to increase substantially the Fund's conditional financing. At present, IMF supported 40 adjustment programmes with a total commitment of about SDR 25 billion ($27 billion), of which about a third had been drawn.

13. Members had also continued to make extensive use of the Fund's compensatory financing facility: in the twelve months ended April 1983, drawings under the facility had amounted to SDR 3,750 million. In recent years, the amount of finance provided under the facility had increased together with its coverage, which now included certain services and cereal imports, as well as merchandise exports. The IMF Executive Board would next review the facility in July 1983.

14. In order to assume its larger financing role, the Fund had had to increase the financial resources at its disposal. Over the preceding two years, it had arranged to borrow nearly SDR 10 billion from member countries and official institutions. More fundamental for the longer-term financing of the Fund were the Eighth General Review of Quotas, which had recently been approved by the membership, and the decision to increase the size of the General Arrangements to Borrow and to expand their scope. Member Governments were working to complete the necessary legislative action to make the new resources available later in the year.

15. But the feasibility of the adjustment programmes currently being implemented in many debtor countries also depended upon continued financing on reasonable terms by the commercial banks. IMF had recently taken the initiative in helping to put together financing arrangements for a number of countries in collaboration with Governments, central banks, the Bank for International Settlements and commercial banks. In the case of Argentina, Brazil and Mexico, the Fund had played an essential role in encouraging banks to reschedule over a seven- to eight-year period some $45 billion in loan repayments due from those countries in 1983 and to extend over $10 billion in new loans during 1983.

16. The recent upheavals in the world economy had stressed the need for IMF to make its surveillance over members' policies more effective. Experience in the past decade had demonstrated how the absence of financial discipline and lack of co-operation brought about inflation and monetary instability. A better convergence of national economic policies, especially on the part of the major industrial countries, was the only realistic approach to stabilizing the international financial system. Through the consultations it conducted annually with each of its member countries, IMF was in a unique position to assess national economic policies from the viewpoint of international consistency. The fuller use of that tool of co-operation would make it possible to establish greater order and symmetry in international relations, since surveillance did not apply only to countries in a weak position seeking assistance but also to the major industrial countries.

17. In its surveillance, IMF was placing increased emphasis on trade policy: its annual consultations with member countries would in future incorporate a systematic examination of trade measures. It must do everything within its competence and authority to analyse and denounce impediments to the freedom of trade. In that endeavour, it had been intensifying its co-operation with GATT. Recent events had also clearly shown that IMF should strengthen its surveillance in respect of external debt. Accordingly, efforts were being made to improve the coverage of external debt in Article IV consultation reports and to increase technical assistance with external debt management.

18. The international community must not allow itself to be overwhelmed by the recent problems of indebtedness and slow growth: it must rather work to consolidate the progress that had been made in overcoming those problems. IMF projections had shown that, provided adjustment efforts were sustained and the industrial countries achieved a growth rate of about 3 per cent over the coming few years, the financial problems of the developing countries would be manageable. The debt-service ratio for non-oil producing developing countries would decline in 1983 to 21 per cent, as compared with 24 per cent in 1982, and an even steeper decline was forecast for the 20 largest borrowers. By 1984 to 1986, IMF forecasts suggested that the aggregate current-account deficit of the countries in question would probably stabilize at around 14 per cent of their exports of goods and services. Deficits of that order would not on the whole pose serious financing problems or unmanageable debt burdens, although individual countries might still encounter difficulties.

19. IMF projections were based on the assumption that the industrial countries would face up to the formidable problems of structural adaptation which an open trading system would entail. While it was true that structural adjustment in the industrial countries would have profound social repercussions, there was an immense potential for their exports in third-world markets which could be unlocked by appropriate action on the part of both developed and developing countries. IMF would make every effort to contribute to an awareness of the interrelationships involved.

Summary of statement made at the 181st plenary meeting, 10 June 1983, by Marino Porzio, Deputy Director-General of the World Intellectual Property Organization

1. Mr. PORZIO (World Intellectual Property Organization) provided some information on two aspects of the work of WIPO which were related to some of the items on the agenda of the Conference.

2. First of all, WIPO was carrying out a review of the Paris Convention for the Protection of Industrial Property with the assistance of the great majority of the States participating in the sixth session of the Conference. For the first time in a century, the current review of the Convention was in response to an initiative of the developing countries. The review work was therefore characterized by a spirit of universality capable of meeting the aspirations of all the groups of countries concerned—the developing countries, the socialist countries and the industrialized market-economy countries.

3. Secondly, with the increasingly better understanding of the role of the industrial property régime in the economic development of developing countries, the technical co-operation of WIPO with those countries had intensified. Demand from the developing countries continued to grow in terms of both the number of countries interested and the diversity and volume of co-operation sought. They were interested in a wide range of activities, from individual training programmes to comprehensive projects intended to strengthen or restructure the entire industrial property régime of the country concerned. Those developments had led to a gradual transformation of the role of WIPO in respect of developing countries. It no longer confined itself to providing training, helping in the preparation of legal texts or restructuring the industrial property régime by furnishing expert service when necessary. It had established a continuing dialogue with a growing number of developing countries, with a view to devising an industrial property policy that would enable those countries to find better solutions to their problems and to make better use of the various institutions concerned with industrial property problems, in respect of questions considered to be of priority for the purposes of their economic goals.

Summary of statement made at the 186th plenary meeting, 15 June 1983, by Mr. Abdelmuhsin M. Al-Sudeary, President of the International Fund for Agricultural Development

1. Mr. AL-SUDEARY (International Fund for Agricultural Development) said that the world economy was currently experiencing its most profound crisis since the Depression of the 1930s, and the existing tools of analysis were unable to diagnose the situation. The developed market economies were experiencing a recession and, in the interdependent economic system, its effect on the developing countries was extremely harsh.

2. The collapse of primary commodity prices since 1980 had drastically reduced the export earnings of the developing countries, and heavy debt burdens, aggravated by high interest rates, were endangering the economies of many. Developing countries had been trying to adjust to those new realities by effecting cuts in their essential imports and budgets. The cuts in imports had posed serious threats to their development programmes and standards of living. Budget cuts had serious implications, particularly for the most disadvantaged groups, which were heavily dependent on the social services provided by Governments. If those trends were allowed to persist, the implications for the political stability of the countries concerned and, indeed, for world peace and security, could be very serious indeed.

3. While all countries had been affected by the current world crisis, the burden of adjustment appeared to be unequally distributed both between and within nations. The low-income developing countries, more especially their rural poor, were the hardest hit. One manifestation of the crisis was the increase in the number of people suffering from hunger and malnutrition, beyond the already high figure of 500 million. The poverty afflicting the small farmers and the landless, who comprised the vast majority of rural people in the developing countries, was one of the root causes of hunger and malnutrition. Efforts to deal with the food problem must be aimed, therefore, at increasing the productivity and incomes of the rural poor.

4. Any lasting solution to the food problem must, above all, improve the ability of developing countries to feed themselves and reduce their dependence on food imports. To achieve that end, a substantial increase in real terms in the flow of both domestic resources and external assistance to agricultural and rural development was needed. Equally important was the need for a substantial part of such external resources to be provided on concessional terms for the low-income developing countries.

5. Those basic perceptions had provided the initial rationale for the establishment of IFAD and underlined the continued importance of its mandate. Similarly, the role of IFAD as an international financial institution in which developing countries had a particularly active participation was significant in the context of efforts to establish a new international economic order. IFAD had begun its operations in December 1977 with total initial resources of more than $1 billion in the form of voluntary contributions from the 20 OECD countries and 12 OPEC countries. Although the other developing countries contributed relatively little to the resources of the Fund, all three categories of countries had equal voting rights. IFAD thus represented a unique example of North-South co-operation. As a specialized agency of the United Nations, it co-operated closely with other United Nations agencies in carrying out its objectives. While placing emphasis on reducing rural poverty and improving nutrition, it recognized that food problems should be tackled not only by increasing food production but also by improving the access of small farmers and the landless to the means of production.

6. The Substantial New Programme of Action for the 1980s for the Least Developed Countries stipulated, *inter alia*, that agriculture and fisheries were among the essential social and economic priorities for the development of the least developed countries, both as a means of satisfying the most fundamental human needs and as a basis for economic growth. Furthermore, the Substantial New Programme of Action stated explicitly that one of the objectives of the least developed countries should be an increase in their food production and the improvement of the nutritional level of their populations, especially the most vulnerable groups. That statement of principle coincided with the basic objectives of IFAD, namely, to increase food production, reduce rural poverty and improve the nutritional status and levels of income for the benefit of the most disadvantaged groups in the poorest developing countries.

7. Ever since its establishment in 1977, IFAD had been directing an increasing volume of resources—more than 30 per cent of the total available—to countries classified by the General Assembly as least developed. Virtually all loans to those countries were extended on highly concessional terms, that is, 50 years with 10 years' grace and 1 per cent service charge. IFAD financed projects included large local cost components as well as recurrent project costs.

8. During its first five and a half years of operation, IFAD had granted 123 loans to 80 member countries for a total of about $1,550 million. Projects financed by IFAD so far were expected to benefit directly over 7 million farm families in some of the poorest regions in the world. If all those projects produced their full economic benefits, that would mean an annual incremental production of 19 million tons of wheat equivalent, or one sixth of the total grain imports of 105 million tons for all developing countries in 1982, valued at about $3.8 million.

9. In addition to financing projects, IFAD had provided technical assistance grants to an amount of $70 million. Its technical assistance was geared, *inter alia*, toward helping developing countries in project preparation, expanding the availability of trained personnel and designing and implementing appropriate monitoring and evaluation systems. IFAD also made grants to international agricultural research centres coordinated by the Consultative Group on International Agricultural Research and other institutions outside that network. Its technical assistance activities supported the aims of technical and economic co-operation

among developing countries. The use, wherever possible, of qualified experts and consultants from developing countries was an important guiding principle.

10. In the current depressed international economic atmosphere characterized by inflation, volatile exchange rates and stagnation in the flow of bilateral official assistance, the role that must be played by multilateral financial institutions was of particular importance, but the resources put at their disposal had been declining. The continuing uncertainties surrounding the operations of those institutions should be tackled in a positive manner by devising a mechanism whereby resource flows would be assured and predictable. Pledging conferences, and negotiated replenishments, periodically cast a pall over the financial future of many United Nations agencies. That uncertainty also affected the ability of many developing countries to plan their programmes and policies.

11. With regard to the first replenishment of IFAD resources, a total of $1.1 billion had been pledged for the period 1981-1983. OECD countries had pledged $620 million, the OPEC countries $450 million and the other developing countries $30 million. Since payments by some member countries had been rather slow, the first replenishment would not be finalized by the end of 1983 as planned. Negotiations for the second replenishment were to start in July 1983. He hoped that they would be finalized by the middle of 1984 and would lead to a substantial increase in the level of the Fund's operations so that it could continue to discharge its mandate even more effectively in the future.

12. The food crisis of the early 1970s had awakened the conscience of the world to the need to take appropriate measures to prevent its recurrence. In 1983, a decade after the World Food Conference, the world was still as unprepared for the next crisis as in the past. While in some parts of the world the food situation had improved, in others, particularly in sub-Saharan Africa, the situation had been worsening. Concerted efforts were needed to enable the developing countries to achieve food security for all their people.

13. In conclusion, and in the light of the current world crisis, the need for concessional assistance was greater than ever before. IFAD was ready to play its role in the developing countries with dedication and effectiveness, provided that new resources were put at its disposal. He hoped, therefore, that the Conference would take an appropriate decision in line with the significant role of IFAD in alleviating the problems facing hundreds of millions of rural poor in the developing countries.

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Summary of statement made at the 177th plenary meeting, 9 June 1983, by Mr. Arthur Dunkel, Director-General of GATT

1. Mr. DUNKEL (GATT) said that he would confine his remarks to the relationships between international trade and three of the other basic concerns of the Conference: economic recovery, finance and development.

2. Until recently the sustained growth of world trade had almost come to be taken for granted. That was no longer true. In the last two years trade had ceased to grow, and in 1982, for the first time since the Second World War, the volume of trade had fallen—by 2 per cent. That fall had been caused above all by the world recession and, therefore, with signs of recovery on the horizon it should now be possible to look forward to some revival in trade. But trade was not just a function of global demand: in itself it created demand, as had been shown during the recession of 1974-1975 when exports to the developing world had helped sustain economic activity in many industrialized countries. In the coming year a revival of import demand by the countries leading the way out of recession should spread the recovery to other countries by stimulating production there. That would not happen, however, if existing trade restrictions and distortions were allowed to cripple the functioning of the world market. Such restrictions limited the capacity of national economies to respond to shifts in the relationships between demand and supply, and to new factors of productivity and growth. If the world economy was to gather strength, open trade policies were needed without delay and protectionist measures must be rescinded.

3. The second of the three relationships was between trade and finance. International borrowing represented deferred trade, since in the last resort it could be serviced only by exports. The recent acceleration of borrowing, however, had taken place during the very period when the prospects of raising export earnings had declined. In 1982, the non-oil-producing countries had been driven in consequence to curtail their imports rather than to expand their exports, in order to service their greatly increased foreign debts. Exports had fallen in value by 5 per cent and imports by 10 per cent. Clearly, no durable improvement in their position could be achieved on that basis. Developing countries must therefore have the possibility of achieving a rate of increase in their export earnings that kept pace with the growth in their debt-servicing requirements. Trade barriers were not, of course, the only factor holding down the export earnings of developing countries: the collapse in commodity prices was probably at least as damaging for many of them. It was, however, evident that more liberal trade policies would make an essential contribution to the relief of their present financial difficulties.

4. The relationship between trade and the development process itself needed no underlining at the present session. The trade recession had already damaged

development plans and prospects in many countries, just as the great expansion of trade up to 1973, in which many developing countries had participated, had stimulated their development and growth. To the extent that developing countries had been able to adopt more open trade policies, they had promoted their own economic efficiency and growth. The opening up of new trade opportunities in the industrialized world for developing countries would encourage them to persevere with those policies.

5. He welcomed the prospect of closer co-operation in trade, finance and development between the responsible international organizations: GATT was ready to play its full part.

6. He wished to put forward three propositions. The first was that pious declarations against protectionism were not enough: determined efforts were required to resist pressures. Part of the value of the multilaterally agreed rules of GATT was precisely that they provided the norms which helped Governments, at both the national and multilateral level, to orient individual decisions in accordance with commonly agreed objectives.

7. His second proposition was that trade could only flourish in a context of security, stability and predictability. Governments provided that context, by agreeing on multilateral rules under which all countries might benefit from international competition, while being given such essential safeguards as might be needed. Trade flows themselves resulted largely from decisions taken within that context by investors, manufacturers, importers and exporters, and the final consumer. But even if Governments might play only a limited part in the actual conduct of trade, they could do much to hinder or to help it. When they ignored the agreed rules, or circumvented them, they damaged not only particular trade flows but also the integrity and security of the trading system itself. If one Government deviated from a system of law, that could not justify other Governments in doing the same. There were real problems at present in international trade relations, but the answer to them lay in negotiations, not in further breaches of the rules, which weakened the whole trading system.

8. It seemed to him extremely damaging to prospects for international trade to claim that the present difficulties in trading relations derived from the multilateral trading system, rather than from failures by Governments to meet their obligations under it. If the objective was to maximize economic welfare and development, he saw no viable alternative to the present system. Care must be taken, therefore, that arguments about the system did not serve simply to weaken existing disciplines and to create a climate of uncertainty which inhibited investment and trade.

9. He could not agree that fundamental differences of policy could be overcome simply by changing institutional structures. He recognized that any living institution must continue to evolve, and GATT could be no exception. The condition for useful change, however, was that Governments should first agree on what they wished to achieve.

10. His third proposition was that the groundwork had already been laid down in GATT for a common effort to respond to many of the specific trade problems and opportunities facing the world at present. A comprehensive work programme had been adopted at the ministerial session of the Contracting Parties at Geneva in November 1982. It dealt with such important areas of trade relations as agriculture, tropical products, textiles, the use of non-tariff measures and the use of safeguard measures, and the possibility that new rules might be needed to regulate those or other aspects or sectors of trade. It focused on the particular concerns of developing countries and offered a starting-point for further work in opening up markets for their exports. It suggested special action to further the export growth of the least developed countries.

11. That programme of work was being put into effect. Carried through successfully, it could, he believed, go far to restore the multilateral trading system to health and allow it to make its full contribution to international recovery, to the improvement of the financial system, and to economic development. The one inescapable requirement was that Governments should evince a shared determination to succeed, a determination to reach a consensus on how the trading system could best respond to these needs. The current session of the Conference represented an opportunity for promoting that essential consensus. He hoped it would be seized.

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Summary of statement made at the 191st plenary meeting, 17 June 1983, by Mr. Göran Engblom, Executive Director of the International Trade Centre UNCTAD/GATT

1. Mr. ENGBLOM (International Trade Centre UNCTAD/GATT) said that the Centre, which was a joint subsidiary organ of GATT and the United Nations, the latter acting through UNCTAD, was aware of the critical role expected of it in expanding the exports of developing countries. It was closely following the work of the Conference and of other international meetings in order to fulfil its duties more effectively and play a still more useful role in the future. That was evidenced by its attendance at the GATT ministerial session in November 1982 and at the Fifth Ministerial Meeting of the Group of 77 in Buenos Aires.

2. He wished to inform the Conference about some of the more important recent activities of the Centre and its work programme. Although a small organization, the Centre was striving to achieve efficiency, as was shown by the record of its activities in 1982, and it in-

tended to improve its performance even further. Within the framework of rolling medium-term programmes, the Centre was concentrating its work on six main programme areas: institution building, export market development, multinational trade promotion, specialized trade promotion services, manpower development for trade promotion, and import operations and techniques, and on three special programmes, relating to the least developed countries, to rural development and to national chambers of commerce.

3. The Centre's current third medium-term programme, for 1983-1985, had been conceived as a balance between continuity and past experience, on the one hand, and the need for a shift of emphasis in the light of the changing requirements of the developing countries, on the other. The Centre had therefore had to be more selective in its choices, which stemmed from intimate dialogue with the Governments concerned.

4. Indeed, the emerging needs of developing countries required the Centre to concern itself more with export development than in the past, particularly in the case of the least developed countries and of other developing countries with little diversification of exports. The Centre was paying special attention to the least developed countries, to economic and technical co-operation among developing countries and to their trade with the socialist countries. It devoted nearly a quarter of its resources to the least developed countries.

5. In the field of international co-operation on processing, marketing and distribution of commodities, and in support of the Integrated Programme for Commodities, the Centre had undertaken a number of activities related to the marketing of commodities of export interest to developing countries. They related to generic market research and generic product promotion, product and market development, trade information and training, and specialized advisory services related to exports. The Centre had developed an extensive professional expertise in the areas concerned, and it was ready to undertake further work on commodities as might be required, in co-ordination with UNCTAD and other specialized agencies.

6. He could see no viable alternative to enhanced multinational co-operation for an increase in trade. The Centre was fully aware of the need to collaborate with the organizations of the United Nations system, and in particular with UNCTAD, FAO, UNIDO, the regional economic commissions and the World Bank Group, as well as with other development-financing institutions and GATT.

7. The Centre was awaiting the outcome of the Conference with the utmost interest, and would be ready to play its proper role, however small it might be.

D. OTHER INTERGOVERNMENTAL BODIES*,**

Summary of statement made at the 190th plenary meeting, 17 June 1983, by Mr. Willa Mung'omba, President of the African Development Bank

1. Mr. MUNG'OMBA (African Development Bank) said that the sixth session of the Conference was meeting at a time when the world economy, and in particular the African economy, was passing through a major crisis. Three characteristics of the crisis were particularly striking. First, it affected all areas of economic and social life. In most developing countries, particularly those in Africa, it had meant negative growth rates, high rates of unemployment, a decline in the volume of trade, and an unfavourable monetary and financial climate. Secondly, the crisis was structural, originating essentially in the now permanent imbalance between the rate of consumption of goods and services and the rate of capital formation, a direct result of which was a fall in both employment and productivity. Thirdly, it emphasized the interdependent nature of the economies of the developed and developing countries, which meant that solutions to recovery must be balanced to take into account the needs of the developed and industrialized countries and the dire needs of the least developed and poorest countries of the world.

2. Although the economic recession had affected nearly all countries represented in UNCTAD, the least developed countries had been hardest hit. Of the 36 countries designated by the United Nations as the least developed, 26 were located in Africa—which indicated the acute predicament that the African continent was facing. A combination of factors had been at work: collapsing commodity prices, high interest rates, stagnant and declining concessional external finance, protectionism by developed economies, and poor harvests due to drought conditions. The result had been poor economic performance in many African countries in the past decade or two.

3. The growth rate of per capita income had been negative in nearly half of the African countries between 1970 and 1981 and the rate of economic decline of low-income African countries had more than doubled in 1981 and 1982. The most alarming manifestation of that decline was a dramatic 20 per cent drop in per capita agricultural production, partly as a result of natural disasters beyond the control of Governments. Thus, economic retrogression, and not economic development, was what had taken place in many African countries. That was the harsh environment within which the African Development Bank Group had been working tirelessly in order to fulfil its task of promoting the economic and social development of the African continent.

4. *In the face of Africa's needs*, the resources of the African Development Bank Group had been inadequate. During its first years, the Bank had financed its operations with resources coming essentially from the paid-up portion of its own capital and from loans obtained in Africa and abroad. In the second decade, two separate institutions had been added, the African Development Fund and the Nigeria Trust Fund, thus strengthening the overall commitment capacity of the Group. The resources of AfDF were made up of contributions by non-African countries, both developing and developed, while those of the Nigeria Trust Fund came from Nigeria. Both Funds were replenished periodically. Although all the African members of the Bank would qualify for AfDF resources, the use of those resources had been restricted to the least developed members.

5. Despite economic difficulties, the Group had made tremendous efforts to increase its impact on the African economy through the financing of development projects and programmes; its cumulative lending had increased over the years, the total figure at the end of 1982 being $3.9 billions, or 26 per cent above the figure at the end of 1981. In an effort to reverse the food production trends in Africa, the Group had been allocating the largest share of its lending to the agricultural sector. In its lending programme, the needs of the least developed member countries were given priority. During 1982, 57 per cent of the whole Group's lending had gone to countries with a per capita income level of up to $400 (at 1979 prices). For AfDF alone, 80 per cent of its lending had gone to those low-income countries during the same year.

6. The overall financial requirements of the Group continued to be an important consideration. A drive towards the mobilization of resources had led to the opening of the capital stock of the Bank to non-African countries, which had resulted in an increase in the capital stock from $2.2 billion in 1981 to $5.4 billion by 1982 and had automatically increased the Bank's capacity to mobilize additional resources for regional member countries through borrowing and co-financing.

7. That increase in capital resources must not be regarded as a substitute for concessional finance. There was a greater need for soft loans through AfDF, since most of the least developed countries in Africa relied almost totally on AfDF concessional resources. Those countries had no capacity to attract commercial loans. The few high-income African countries which had been able to borrow from the international financial markets had run into serious debt-servicing problems. The seriousness of those problems was indicated by the fact

* Under rule 80 of the rules of procedure.

** The texts reproduced here are those that appeared in the relevant summary records (TD/SR. ...), incorporating editorial modifications.

that the net resource transfer for many countries had been declining since the end of 1970s and that, while only three African countries had had to reschedule their external debts due in 1979, some 10 countries had done so in 1982.

8. In 1982 the Bank had launched its second Five-Year Operational Programme, which envisaged an increase in annual lending from $890 million in 1982 to about $2 billion in 1986 and should bring total commitments for the period to about $7 billion. The success of the programme, however, was crucially dependent on the availability of more concessional external finance, for which the fourth replenishment of AfDF was important. During the third replenishment, for the period 1982-1984, the target of $1.2 billion had not been met and only about $1.1 billion had been raised. Later in 1983, proposals for the fourth replenishment would be presented to donor countries.

9. Because of the recovery already under way in the economies of several of the major donor countries, the Group was optimistic about the outcome of the negotiations for the fourth replenishment of AfDF. It was further encouraged by the promises made by some major donors at the present Conference and at the Williamsburg summit meeting to increase concessional flows to low-income countries. He urged that those promises be translated into action in order to make it possible for the Bank to execute its task. The Group was taking measures to ensure that the absorptive capacity of member States was enhanced by the introduction of a technical assistance account and training facilities. Unless there was an increased flow of concessional resources to Africa in the coming years, the hope of recovery being sensed everywhere was likely to bypass Africa.

10. The African Development Bank welcomed the fact that the discussions at the sixth session of the Conference were covering a varied range of topics. It urged the adoption of a two-phased strategy, comprising a programme of immediate measures for the revival of the world economy and a range of long-term measures aimed at restructuring the systems which governed it. Finally, it urged that measures capable of launching the recovery of the developed economies and a programme of action designed to revive the process of development in developing countries be agreed upon at the same time.

Summary of statement made at the 186th plenary meeting, 15 June 1983, by Mr. B. Sen, Secretary-General of the Asian-African Legal Consultative Committee

1. Mr. SEN (Asian-African Legal Consultative Committee) said that the Conference was meeting against the backdrop of deepening crisis in the world economic situation which, although the developing countries were undoubtedly the worst affected, even the industrialized nations of the West had not been able to escape with millions of persons unemployed, recession in industry, inflation and destabilization in the monetary system. Those factors and the remedial measures applied for their economic recovery had led to a further deterioration in the economies of the developing countries, an inevitable result of the economic interdependence of nations.

2. His Committee was grateful to the Secretary-General of UNCTAD for his forthright appraisal of the crisis and its causes and congratulated the secretariat on its brilliant analysis of the problems and issues in the policy papers and the meticulous care with which the proposals had been formulated.

3. There could be little doubt that, apart from the collapse of commodity prices and protectionist trends, the debt burden of the developing countries was the immediate and predominant factor in the current crisis. It must be tackled with the utmost urgency if a virtual collapse of the economic system was to be prevented. The debt problem appeared, however, to be a culmination of various economic factors rather than the cause, a phenomenon that had emerged from a long-term malaise in the colonial economic pattern whose vestiges had continued to dominate such basic issues as commodities, international trade, shipping, the monetary system and industrialization in the developing nations. Those factors were by no means new: they had been discussed at the previous sessions of the Conference, in its various Committees and in many other forums, but the time had come to have a fresh look at them, not as isolated elements but as part of a package with an overall perspective for the future. The sixth session could also possibly be an occasion for each country to question where it had failed, rather than to apportion blame for the crisis.

4. One of the main factors that had led to the current world economic crisis was that the pattern of the world economy had undergone a rapid change over the past two decades and that little had been done to adapt or orient people's thinking to the changing structure of economic realities. When the first United Nations Development Decade had been proclaimed in the early 1960s, followed by the establishment of UNCTAD, the industrialized nations were experiencing an unprecedented rate of growth in the wake of the post-war recovery, and the development strategy for the third world had been based on the theme of the developing countries sharing in that boom so as to bridge the widening gap between the developed and the developing. The Lima Declaration and Plan of Action on Industrial Development and Co-operation,[86] the Declaration on the Establishment of a New International Economic Order and the Charter of Economic Rights and Duties of States had all been based on the theme that the affluent nations had a duty to assist the developing countries along their path to growth. It was in that light that an attempt had been made to tackle the various issues involved.

[86] See footnote 19.

5. Each issue had been taken up for negotiation as the urgency of the occasion demanded, in the belief that the sum total of the progress made on each individual issue would add up to the economic growth of the developing countries. Notwithstanding the progress made in individual areas, that had not been the case because the existing world economic pattern had been unable to absorb the impact of the new economic trends set in motion by the negotiations. For example, the traditional colonial economy based on third world countries serving as suppliers of raw materials and as markets for industrial goods had failed to adapt to circumstances of self-sufficiency in consumer goods in many of the developing countries or to the entry of finished goods into the industrialized countries themselves as a result of the system of preferences or of the economic forces of competitive prices in a free market economy. Loss of exports in a number of sectors, diminishing demands in home markets, coupled with inflationary trends, had resulted in recession and unemployment. Those in their turn, combined with the unilateral corrective measures adopted by the developed countries, had led to a reduction in the demand for raw materials and finished goods from developing countries with a consequent fall in prices and export earnings. The higher costs of plant and machinery, the reduction in capital assistance, the impact of mounting energy prices and a failure to earmark expenditure for essentials, had led to a further deterioration in the economies of the developing countries.

6. Towards the end of the 1970s, those new economic forces had already begun to manifest themselves in the shape of deteriorating economies in the industrialized countries and an unfavourable impact on the developing countries. It had already become evident that assistance from the industrialized nations would not be forthcoming to the extent needed, and a ministerial meeting held at Kuala Lumpur in December 1980 under the auspices of his organization had called for intensive efforts to bring about wider co-operation among the developing countries themselves to meet the new situation.

7. By the time the eleventh session of the General Assembly had been held in August 1980, the deteriorating trend in the world economies had made it clear that no patchwork solution based on strategies of the 1960s and the early 1970s would meet the desired objective. The General Assembly had called, therefore, for global negotiations on a wide range of interrelated issues which could have helped to rescue the world economy from the impending crisis, but those negotiations had failed to materialize for a variety of reasons.

8. While agreeing that certain short-term measures were essential to prevent a further deterioration in the economic crisis, his Committee believed that long-term measures alone could bring stability to the world economic system and generate growth in the economies of the developing nations. Such measures should be feasible if the issues were tackled together in a global forum which could bring about a restructuring of the world economy in the interrelated areas in a spirit of partnership between the North and the South. The concept of partnership necessarily envisaged a certain amount of give and take, and any negotiations would need to bear that in mind.

9. Special emphasis should be placed on the issue of commodities, as they constituted the tangible wealth of the developing countries and an area in which the impact of the colonial economic system had been determinant. In addition to the pricing mechanisms, which had had pride of place in the negotiations in UNCTAD, his Committee thought it was necessary to reform the terms and conditions of sale for commodities transactions and replace the outmoded standard contracts drawn up and imposed in the days of colonialism. It had therefore prepared certain standard contracts for commodities. The importance to the developing countries of reaping maximum benefits from commodities would have to be clearly recognized in any North-South partnership. In addition to the acceptance of pricing mechanisms and a fair balance in the terms of trade, that also implied that the processing of raw materials in the country in which they were produced, together with their marketing and distribution, could well form the subject of co-operative ventures. Such a solution would further the industrialization of the developing countries, while at the same time assisting the industrialized countries by making processed materials available to them at economic prices.

10. Another possible step in the context of partnership would be for the industrialized nations to assist in the industrial development of third world countries in which the appropriate raw materials, cheaper labour and physical facilities existed. The developing countries could conceivably, in return, offer opportunities to industrialized nations for investments through joint venture arrangements in both traditional and new areas. As a result of the adoption of the United Nations Convention on the Law of the Sea,[87] some vast resources had come within national jurisdictions in the form of rights and interests in the exclusive economic zones. In the optimum utilization of those resources, a programme of co-operation and joint efforts between the North and the South might well be conceived.

11. Conditions would need to be created to promote confidence in the investor through appropriate national laws and regulations, the exchange of information, avoidance of bureaucratic delays and an adequate mechanism for the protection of investments and the settlement of disputes. Indeed, such conditions were also needed to promote South-South co-operation in terms of investment. The approach of an investor was much the same whatever his region of origin: the project had to be economically feasible, the investment had to yield a sufficient return and it had to be protected.

12. With a view to generating a wider flow of capital and technology within the Asian/African region, his Committee had already embarked on a plan to promote and protect investments through bilateral treaties; to prepare model arrangements under which joint ventures could be found workable to the benefits of both sides; to arrange for the exchange of information on the relevant laws and regulations; and to assist in the training of personnel in managerial and technical fields.

13. Finally, in almost every field of economic co-operation, legal, economic and political considerations were so inextricably interwoven that any reasonable and effective solution of the problems could be achieved

[87] See footnote 36.

only through a judicious blending of all three elements. Whilst political will remained the paramount factor in all negotiations, economic feasibility determined the substance and a legal framework was needed to put into effect the political will and determination of the nations. Such an approach, together with new development strategies oriented to the needs of the 1980s, might help to encourage the negotiations in a wide range of interrelated issues which were so urgently needed in the context of the current world economic situation.

Summary of statement made at the 192nd plenary meeting, 18 June 1983, by Mr. Joseph Nyama, Deputy Secretary-General of the Central African Customs and Economic Union

1. Mr. NYAMA (Customs and Economic Union of Central Africa) said that the world economy was suffering from a crisis arising from the structural inadequacy of interregional trade. The whole international community would have to work together to devise new structures that would enable all countries to become true partners in the quest for progress. Such mutually advantageous co-operation was indispensable for the establishment of a new international economic order. His organization thus whole-heartedly endorsed the desire for dialogue expressed in the Buenos Aires Platform.

2. For almost two decades, UDEAC had been working on policies for co-operation among developing countries. Since its establishment in 1964, its activities had been focused on two main areas. In the first place, it had established a customs union with the reduction or elimination of obstacles to trade, common exterior tariffs, harmonization of internal financing and national investment codes, the adoption of an accounting plan applicable to all States in the Union and the establishment of a "single tax" to replace a variety of import and production taxes. It had then turned its attention to the establishment of an economic union. Specific economic integration measures had been adopted, including a policy to distribute regional industrial projects on an equitable basis, the establishment of a general transport plan and the establishment of the Development Bank of Central African States.

3. The aims of UDEAC were to contribute to the search for solutions to the problems of the developing countries and thereby help to construct a new international economic community. The process of development had, however, been seriously hampered by the collapse in commodity prices, creeping protectionism in the developed countries, the excessive increases in the prices of manufactured goods, and high interest rates in the industrialized countries. The restrictive lending policies of the financial institutions, the inadequacy of the multilateral trading system and the technological imbalance between the developed and the developing countries had made the situation much worse.

4. In view, however, of the growing interdependence between national economies and the close relationship between economic problems in the various sectors at a global level, his organization was convinced that isolated solutions affecting specific sectors or any one group of countries would not be capable of solving the current structural crisis. Thus, measures to relaunch the development process in the developing countries and reform the institutional framework governing international economic relations should constitute the main thrust of any programme designed to give a new impetus to the world economy. Such a programme should include the establishment as an absolute priority of a Common Fund for Commodities, stabilization and strengthening of commodity markets, compensatory financing of shortfalls in export earnings and the removal of tariff and non-tariff barriers to the marketing of products from the developing countries. The structural weaknesses of the international monetary system should be corrected without delay, so as to make it more responsive to the needs of the development process. Urgent measures were needed to stabilize exchange rates; to make SDRs, which would be issued at regular intervals and in sufficient quantities, the main reserve asset; and to revise the World Bank's lending conditions. In addition, measures were needed to alleviate the indebtedness of the developing countries, including rescheduling and a reduction in interest rates.

5. The world crisis was striking most heavily at the developing countries, and the least developed countries in particular, and it was vital that the international community should understand the need for a substantial increase in the volume of assistance to the latter on very flexible terms. The Substantial New Programme of Action for the 1980s for the Least Developed Countries should be implemented as promptly as possible.

6. Those highly desirable efforts on behalf of the developing countries should be matched by increased endeavours at economic co-operation among the developing countries themselves along the lines of the 1981 Caracas Programme of Action. In the case of Africa, the OAU economic summit at Lagos in April 1980 had laid down[88] a framework for co-operation aimed at the eventual creation of an economic community on the basis of the subregional economic unions already in existence or about to be established. Eleven States of Central Africa had already taken the first steps to establish an economic community of Central African States.

7. Restructuring of the world economy should be accompanied *inter alia* by the technological transformation of the developing countries. UDEAC welcomed therefore the UNCTAD secretariat report on that subject[89] and, in particular, the proposals contained therein on revision of the legal framework for the transfer of technology, the adoption of practical measures to mitigate the negative effects of the transfer of technology, and the technical and operational assistance provided by the Advisory Service on Transfer of Technology.

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[88] See footnote 7.

[89] TD/277 (to be issued as a United Nations publication).

8. Concerted efforts under the aegis of the Secretary-General of UNCTAD should be made to reform the irrational world shipping system. The fact that the developing countries did not have fair access to cargoes, for example, was a considerable hindrance to the development of their merchant marines.

9. In conclusion, UDEAC hoped that the political will to implement all those proposals would be forthcoming at the sixth session of the Conference and that global negotiations with a view to the establishment of a more just international economic order would be started in the near future.

Summary of statement made at the 180th plenary meeting, 10 June 1983, by Mr. Shridath S. Ramphal, Secretary-General of the Commonwealth Secretariat

1. Mr. RAMPHAL (Commonwealth Secretariat) said that although the period since the fifth session of the Conference had indeed been a difficult and turbulent one for the world economy, the first need was to recognize that for most countries those calamities had arisen from uncontrollable external forces generated by the policies and practices of other countries and, not least, from failed dialogue.

2. For nearly ten years the dialogue on North-South issues had been inconclusive. That phase was drawing to an end, and the sixth session would mark a new point of departure. The prospects for dialogue would depend on the capacity of nations to change course for a better, safer, more tolerable world. The real problem was to agree on the need to do so.

3. The dialogue had so far been seen by the North, with some notable exceptions, not in terms of opportunity to reform, or even to improve, world economic arrangements, but rather as a vexation to be endured while the South wearied itself in inconclusive dialogue. The South had obliged the Northern tactic by an excess of stridency, by misplaced faith in the OPEC card, by misguided belief that it could prevail through demand, and by tragically ignoring the fact that unity without organization was not strength.

4. The intellectual and innovative effort had come mainly from the South. From the North came lectures on the technical imperfections, counter-productive effects, or unacceptability to parliaments of the solutions proposed. Yet there was no inertia or lack of innovation when the North felt its immediate interest endangered. The International Energy Agency had been established by OECD within months of a perceived energy crisis. When the debt crisis threatened major Western banks or Western strategic interests, there had been urgent intervention and impressive co-ordinated responses.

5. Meanwhile, facilities that were denigrated when urged in support of Southern economies were at hand to serve Northern interests. Between 1973 and 1977 some 1.5 billion of allocated SDRs were drawn down for European currency support purposes, as were 1.1 billion SDRs in 1978/79 alone to prop up a weak dollar. As compassion and caring became unfashionable, financial flows to the poorest had shrunk in favour of bilateral transfers in the context of a world of "enemies" and "friends", nowhere more unforgivably than through the World Bank's IDA programme. Throughout it all, the unspoken question, "Why should we do anything at all?" had turned the dialogue into a mere charade.

6. Future action would be characterized either by recrimination or by rationality. Recrimination was useless and if recovery was not jointly assured by co-ordinated action between nations, it would almost certainly be jeopardized by defensive policies of self-preservation. A rational approach was the only valid one; and it would be irrational to take the signs of recovery in the industrialized countries as a universal panacea. There could be no true and sustained recovery in industrial countries unless it was part of a wider process of world economic recovery, which at the very least meant some restoration of the third world's loss of purchasing power.

7. It would not do, therefore, for the North simply to imply that the developing world must have patience, wait for matters to improve for it as well, and meanwhile do nothing that might impair the prospects for Northern recovery. That was precisely the kind of counsel given four years before when some countries had called for an end to the conspiracy of silence about the impending debt crisis. A crisis of great magnitude had ensued, for which everyone other than those who had ordained silence and inaction was being blamed.

8. The South, for its part, had begun the process of remedying its own deficiencies in the dialogue. The Economic Declaration of the non-aligned summit conference in New Delhi and the Buenos Aires Platform of the Group of 77 had put forward specific proposals and resolutions for consideration. However, if basic attitudes on the part of Northern Governments did not change, then no amount of reasonableness on the part of the South would make the dialogue work.

9. The Commonwealth, which reflected all the variety and contradictions of both North and South, had some potential for enlarging perception of man's mutual needs and interests and for building consensus on action to meet them. It had made constructive contributions by its work on the Common Fund for Commodities, on the world economic crisis, on protectionism and on the negotiating process in its report entitled *The North-South Dialogue: Making it Work.*[90] The Commonwealth intended, later in 1983, to make a further such contribution through a major study of the international financial and trading system as part of the inevitable journey towards a new Bretton Woods.

10. If the dialogue was to work, the sixth session of the Conference must mark the start of a new and more propitious phase. Interdependence was a fact and its concomitant was consensus. It demanded agreement from mutually dependent partners. Unilateral control of an interdependent world economy was a contradiction in terms. Neither North nor South could do

[90] See footnote 20.

anything but suffer and decline from the other's lack of economic health, in a world they had to share.

11. The mood of resistance to any change that had dominated Western thinking over the past 10 years seemed to be passing. It must pass also for the centrally planned economies in terms of their constructive contribution to development. The speeches made so far at the Conference suggested that all sides now believed that something had to be done. Such an opportunity had to be seized. That was the real challenge before the Conference, which must strive to reach political consensus on the essential need for change in a variety of areas. North and South could do that at the current session, without trying to score points through majorities, or threatening vetoes through power elsewhere. Nothing could be done without persuasion and agreement.

12. But agreement must not be confused with universality. If there was substantial enough agreement to proceed on certain matters, including an energy affiliate and stabilization of export earnings, the world must be ready to move, leaving it open to parties of North or South to join as and when they could.

13. The Conference might genuinely agree on an annotated prospectus for development and recovery, with items entered as already broadly agreed, others as agreed only in principle or feasible for discussion without commitment, but all as matters for urgent attention in the appropriate forums. The agreed annotation might highlight those measures that were relatively minimal in cost, including a new allocation of SDRs or IMF quota increases and an expansion in the World Bank's borrowing authority.

14. In the interrelated areas of money and finance and trade, such an agreed prospectus for development and recovery might lead to the international monetary conference now being widely called for. The rational way forward would be for the Secretary-General of the United Nations to be invited to bring together a group of eminent persons to examine the need, and prepare the intellectual framework, for a new Bretton Woods conference.

15. There was no more time to spare for fruitless dialogue. Many millions were unemployed throughout the world. The economic burdens facing the major developing countries were already being shared in some measure because they clearly had to be relieved of them. But heavier still were the unshared, though relatively smaller burdens carried by the weakest. Rationality required recognition that they could not carry them alone. The real danger might lie not with the newly industrializing countries, each of which could bring the banking system down, but with the world's poorest nations.

16. Statistics alone could not tell the real story of the imminence of economic collapse in many developing countries, or the perils of widespread political instability. There was a strange irony in the readiness to spend hundreds of billions in the interest of political and military security, when the real threat to international stability might come from economic disorders aggravated by that very spending.

17. None could take comfort in a redrawing of the political map of the developing world in the wake of economic calamity, which was perhaps closer than anyone realized. The pleas and warnings must be heeded, not with recrimination but with rationality.

Summary of statement made at the 180th plenary meeting, 10 June 1983, by Mr. Angel P. Chaushev, Deputy Secretary of the Council for Mutual Economic Assistance

1. Mr. CHAUSHEV (Council for Mutual Economic Assistance) said that the way in which the aggressive circles of imperialism relied on force, the arms race and the flagrant violation of the principles of international economic relations was hampering the solution of the fundamental problems of world economic development. In June 1982, the thirty-sixth session of CMEA had resolutely denounced such activities, which they had described as contrary to the interests not only of CMEA member States but of all the peoples of the world and as constituting a gross violation of the generally recognized norms of international relations and of the principles of the Charter of the United Nations and the Final Act of the Conference on Security and Co-operation in Europe.[91] The UNCTAD secretariat documents and the statements by representatives of a number of countries had emphasized the need to evolve through joint efforts broad-based measures to improve and make more democratic the whole system of international relations, renew the development process of the developing countries and establish a new international economic order. In the interests of all the peoples, the international situation should be brought back to normal by excluding the use of economic ties as a means of political pressure and interference in domestic affairs, such as the application or threat of trade embargoes, boycotts, credit and technological blockades and all manifestations of inequality and diktat, which had recently been experienced by some CMEA member States. Both economic stability and an improved international political climate required the gradual reduction of the gap between levels of economic development and the creation of conditions for the harmonious growth of international ties in the economic, scientific and technological fields. Such a course of action would restore the climate of confidence and help to develop international co-operation on an equal and mutually beneficial basis.

2. The thirty-sixth session of CMEA had reaffirmed the desire of its members to enter into relations in various fields with States which displayed a readiness to co-operate on those terms. That attitude stemmed from their experience in CMEA of the effectiveness of inter-

[91] See footnote 24.

national economic relations voluntarily entered into and based on the equality of the participating countries, strict observance of sovereignty and non-interference in domestic affairs, and comradely concern for the development of all participants. Each CMEA country had its own national and historical characteristics and the countries differed in size and level of development. Yet, their mutual economic co-operation was beneficial to all. Measures were taken for broad participation of the less developed CMEA member States in the socialist division of labour. For over 30 years, CMEA had made an increasing contribution to the economic growth of each member country. In the process, the most important contemporary problem, the levelling out of economic development, was being resolved.

3. CMEA member States were consistently pursuing a policy of peace and the development of international economic co-operation. Their specific proposals on disarmament and the elimination of the threat of nuclear war were generally known. In their advocacy of fruitful ties with all countries, they noted with satisfaction the developing trade and economic co-operation of their members with Yugoslavia, Finland and other States.

4. CMEA member States attached great importance to the comprehensive development of trade and economic relations with developing countries. Over the two preceding years, the foreign trade turnover of CMEA member States with developing countries had increased by 18 per cent, after a rise in the four years subsequent to the fifth session of the Conference of 83.3 per cent. In 1982, economic and technical assistance had been given to 34 countries, and currently CMEA member countries were giving such assistance to 97 developing countries in Africa, Asia and Latin America. In addition, co-operation of CMEA member States in developing countries was assuming an ever-increasing variety of forms. It was contributing to the development and diversification of the national economies of developing countries, the development of their natural resources and the expansion of their training programmes. CMEA member countries were deeply conscious of the struggle of the developing countries for political and economic independence against neo-colonialism, for sovereignty over their natural resources and for the elimination of economic backwardness. They noted with satisfaction from the final documents of the Seventh Conference of Heads of State or Government of Non-Aligned Countries in New Delhi and of the Fifth Ministerial Meeting of the Group of 77 in Buenos Aires that the position of those countries was very close to that of the socialist countries.

5. In the Political Declaration of the States parties to the Warsaw Treaty, adopted at Prague in January 1983, the socialist countries had reaffirmed their support for restructuring the international economic order on a just and democratic basis. There were real possibilities for using scientific and technological achievements for the benefit of all peoples. Even a slight diversion of funds from the arms race, as proposed by the USSR and other CMEA member countries, could vastly improve the future prospects for increasing assistance to developing countries and establishing a new international economic order. Political will was required in the search for solutions to the topical and important problems submitted to the Conference at its sixth session. He ventured to hope that such will would be displayed and that the session would make a contribution to the improvement of the whole system of international economic relations.

Summary of statement made at the 190th plenary meeting, 17 June 1983, by Mr. Antonio Ortiz Mena, President of the Inter-American Development Bank

1. Mr. ORTIZ MENA (Inter-American Development Bank) said that the current crisis could not be resolved by national economic policies in isolation. The international community must assume collective responsibility for controlling the events which threatened to destroy the bases of social progress in Latin America.

2. During the 1960s and the first half of the 1970s, the majority of Latin American countries had recorded unprecedented economic and social progress. They had also developed their exporting capacity. The current situation was not merely a transitory recession; it was a transition to a new style of development. The balance-of-payments difficulties caused by the second steep rise in oil prices had coincided with a declining demand for Latin American exports in the industrialized countries. At the same time, real prices of commodities had fallen to their lowest post-war level. Interest rates on the international financial markets had reached unprecedented heights, partly because the industrialized countries had adopted stabilization policies based on monetarism. In addition to growing budgetary deficits, the Latin American countries had to contend with higher interest repayments since their debts agreements generally included adjustable interest rates.

3. The transfer of monetary surpluses to deficit countries was on a very large scale, and although it could be considered effective on the financial level, it did not bring the anticipated benefits economically. Capital formation in developing countries, particularly in Latin America, had declined over recent years. An appreciable proportion of external credits, acquired under very unfavourable terms, was spent on consumer imports and external debt servicing.

4. The current deficit in the balance of payments had increased considerably, both in absolute terms and in relation to the GNP. Some of that deficit continued to relate to the need for greater resources for both productive growth and investment. But from 1975 onwards, a growing part of the imbalance reflected the impact of outside economic and financial conditions, and the remainder was due to internal policies to expand consumption and to exchange problems.

5. Certain basic factors would condition Latin America's development options over the rest of the 1980s. First, there was the need for the countries concerned to resume long-term economic development. That would entail solving liquidity problems which were preventing the effective utilization of their productive capacity. The minimum regional growth target, having regard to employment requirements, had been estimated at between 5 and 6 per cent per annum. Projections of future Latin American development had assumed an increasingly integrated international economy. But it was recognized that certain parameters of the world economy had radically changed—for example, long-term economic growth of the industrialized countries had declined. A second factor of particular importance to Latin America was the decrease in foreign capital flows, especially from international private banks. Accordingly, a resumption of such credit was required, associated with trade and the financing of productive investment projects. It was reasonable to expect an increase in direct foreign investment, and in that area there were ample opportunities to reconcile the interests of developing and industrialized countries.

6. With regard to Latin American development strategy, the need to combine growth requirements and price stability must be stressed. Contrary to the ideas prevailing in the 1950s and 1960s, which had regarded inflation as a neutral or even a beneficial factor for development, inflation in recent years had harmed both growth and well-being, particularly in the poorer sectors.

7. Current international conditions would force Latin America to base its development increasingly on its own resources and internal markets and on trade and technological exchanges with other developing countries. It would have to make outstanding efforts to mobilize domestic savings, to develop agriculture and industry and to promote integration, both regionally and with developing countries in other continents. Trade and financial relations with the industrialized countries must continue along the lines of progress in the international division of labour and development assistance. Such co-operation afforded opportunities for mutual benefit.

8. In trade, the Latin American countries required assistance to expand and diversify their exports as the only means of escape from the problem of external indebtedness. To achieve that goal, not only economic recovery but also the dismantling of protectionist barriers was required. Preference schemes must be maintained and expanded.

9. With regard to technical co-operation by industrialized countries and international organs, it was reasonable to anticipate an increase in the needs of the region, particularly in the case of the relatively less developed countries.

10. A complete reformulation of the current policies for financial co-operation was required. Experience showed that external financing was a decisive factor in Latin American productive investment. About 20 per cent of Latin America's gross domestic investment had consisted of goods imported from the industrialized countries. It was essential to encourage foreign investment and ensure long-term and medium-term credits.

11. ODA from bilateral and multilateral sources would continue to play a particularly important role in economic and social progress in Latin America. Its contribution to high-priority investment programmes had been a decisive factor in the extension and modernization of the productive infrastructure and in social programmes, which had thus maintained a balance with productive investment where profitability made it possible to attract commercial financing. With the current worsening of the economic situation, social demands had resurfaced, and for preference they should be met by development financing institutions.

12. The international community must muster its human and material resources to lay the foundations for a more solid economic and commercial system from which all the countries in the world might benefit.

Summary of statement made at the 192nd plenary meeting, 18 June 1983, by Mr. Nasim Ahmed, Adviser to the Director General of the Intergovernmental Bureau for Informatics

1. Mr. AHMED (Intergovernmental Bureau for Informatics) said that the gravity of the economic situation facing the world, particularly the developing countries, which were becoming increasingly impoverished in both economic and technological terms, had been repeatedly emphasized during the general debate. Several speakers had stated that the third world could derive immense benefits from the new technological advances currently taking place in the developed countries, provided they were able to pay for the products of new technology by exporting their own products to those countries, but that the transfer of technology that did not transform the whole economy was of little relevance.

2. The technological, economic and social changes taking place in the world made the developed and developing countries dependent upon each other. The current grave economic situation could not be resolved by simply tinkering with the financial arrangements whereby debt servicing was assured, while overlooking or sacrificing future economic growth. The political will to resolve the root cause of the crisis must be strengthened, and the world must brace itself for radical changes in the patterns of production and international trade.

3. IBI had been playing a notable part in the transfer of technology in information science. Most of its 35 member States were drawn from Africa, Latin America and the Arab world, and it was currently engaged in arousing interest in its activities in Asia and Europe also. The launching meeting of the special programme of informatics for development, held at Havana in May 1983, had produced many interesting

and useful ideas for the Second Conference on Strategies and Policies for Informatics ("SPIN II") which was to be held in the near future and would be devoted to data processing in development.

4. IBI had been gratified to note that the non-aligned summit conference at New Delhi had recognized the importance of the Second Conference on Strategies and Policies for Informatics in its Political Declaration, in which it had urged the 101 States members of the Movement of Non-Aligned Countries to participate actively in the Second Conference.

5. At the First Conference on Strategies and Policies for Informatics, held in 1978 at Torremolinos, Spain, under the joint auspices of IBI and UNESCO, data processing had come to be recognized as a profound political phenomenon, rather than just a technological one. The Second Conference was to be dedicated to creating an awareness of the fact that information science was a necessary, although not exclusive, condition for the development and sovereignty of the third world. The technological development of data processing had become increasingly accelerated, allowing it to be introduced into every human activity, and information science was itself an accelerating factor for progress in all human activities and was thus transforming the structures of society and future relations between countries.

6. The fact that 98 per cent of the research and development investment in the area of data processing and computer technology was currently being made in just two advanced countries—the United States of America and Japan—could not be overlooked. Even the otherwise advanced countries of Europe were lagging behind in that respect. More generally, the widening technological gap between the developed and the developing nations was evidenced by the fact that, while the developed countries were devoting 2 to 2.5 per cent of their GNP to the development of new technology, such investment by the developing countries was barely 0.2 to 0.3 per cent.

7. The developing countries had to demonstrate their political will to support the development of new technology and devote substantially more resources to that purpose. Unless that were done, the concept of a "new economic order" would be nothing more than a cliché. The developing countries should also ensure that the new technology was acquired and developed on terms suitable to the needs and aspirations of the third world. The market for computer technology and data processing in the third world was estimated to be some $50 billion annually, and it was necessary to ensure that that market was of positive value to the developing countries.

8. The promotion of appropriate and meaningful information science could greatly assist third world countries in the spheres of trade and development. In that connection, mention might be made of the "Arabization"' of data processing, in which IBI had played an active part. The progress made in that field would be of great value to the Arab countries when the Arab communications satellite "Arabsat" was launched in 1984.

9. The transfer of technology to and development of technology in the thirld world was an issue to which the United Nations Conference on Trade and Development should give due importance at its current session. Although there was an increasing awareness in the developed countries that the prosperity of the North could not be sustained without the development of the impoverished South, the role which technology, and particularly data processing, could play in the development and well-being of the thirld world countries had still to be recognized. It was necessary to translate that conception into a positive reality, and that was what the Second Conference on Strategies and Policies for Informatics would seek to achieve. So far, 17 preparatory meetings, involving more than 620 experts and representatives of over 60 countries, had taken place and 15 heads of State had been directly involved in the important topics that were to be examined by that Conference. The regional meetings held in Latin America, Africa and the Arab countries had submitted some extremely useful proposals and it was hoped that a regional meeting would soon take place in Asia to determine the Asian input.

10. The Rome head office of IBI was small, and it was in its regional centres in Latin America, Africa and the Arab world that the experts and planners adapted and devised data processing suited to the local conditions. As an essential tool for development and management, the value of data processing in the third world was even greater than in the developed countries. It could help to overcome the problems created by meagre resources and shortage of skilled manpower, thus enabling the developing nations to make more efficient use of their limited human and material resources. IBI would, therefore, welcome active participation by UNCTAD and by the States and institutions represented at the current session of the Conference in the Second Conference on Strategies and Policies for Informatics.

Summary of statement made at the 184th plenary meeting, 14 June 1983, by Mr. Ziga Vodušek, Executive Director of the International Centre for Public Enterprises in Developing Countries

1. Mr. VODUŠEK (International Centre for Public Enterprises in Developing Countries) said that public enterprises were an integral and vital part of the national strategies of developing countries. They constituted an instrument for technical and economic co-operation among those countries and an element in their policy of collective self-reliance. They also helped to strengthen the position of developing countries in international economic relations and in their efforts to establish a new international economic order.

2. The International Centre for Public Enterprises in Developing Countries had been set up in 1978 as a joint intergovernmental institution devoted to improving the performance of public enterprises. So far, 34 developing countries from Asia, Africa, Latin America and Europe had joined the Centre as full members, and a number of others had indicated their intention to join. The Centre was financed by annual contributions from member countries and received valuable assistance for its programmes from international sources, including UNDP, and from developed countries.

3. It engaged in research, training and consultancy activities, implementing a range of activities focused on the role of the public sector and on the basic problems of public enterprises in areas such as the education and training of personnel, financing, planning, self-management and participation in decision-making, transfer and development of technology, information and control systems, joint ventures, women as a factor of development, and the role of public enterprises in agriculture.

4. One of the Centre's activities had been the organization, together with UNCTAD and the International Trade Centre UNCTAD/GATT, of co-operation among trading organizations of developing countries, as a result of which the International Association of State-Trading Organizations was being established. The Centre was also engaged in studies of the linkages of the public sector with the private sector. The Centre, which had observer status with UNCTAD, was prepared to contribute to the implementation of programmes adopted at the sixth session of the Conference in the areas of its interests. He invited the developing countries to join the Centre and thus strengthen it even further.

Summary of statement made at the 189th plenary meeting, 16 June 1983, by Mr. William K. Miller, Executive Director of the International Sugar Organization

1. Mr. MILLER (International Sugar Organization) recalled that the International Sugar Agreement, 1977,[92] now in force, was the latest in a series which went back to the 1950s: 58 countries, including all the important exporting countries except EEC, and most of the important importers had acceded to that Agreement, which was intended to achieve stable conditions in international trade in sugar at prices which were remunerative to producers and equitable to consumers, and to promote equilibrium between supply and demand in the framework of an expanding world sugar trade. The tools for attaining those aims were essentially export quotas and stock-holding obligations. It was no secret that the present sugar agreement had not worked well since prices had been neither stabilized nor maintained at remunerative levels. In 1982, prices had even fallen to their lowest level in nominal terms since 1972 and in real terms since the 1960s. While there had been a rather erratic improvement lately, prices were still much too low, and still way below the production costs of most if not all producing countries.

2. The Agreement had not worked for a number of reasons: to begin with, consumption had levelled off, under the combined impact of the world recession and the increased consumption of alternative sweeteners. Production had been more or less uncontrolled in 1981, 1982 and 1983, giving rise to an imbalance of supply and demand which his organization had been unable to control because of specific shortcomings in the Agreement. First, there was the lack of adequate universality since the 44 sugar-exporting countries parties to the Agreement did not include the present largest sugar exporter to the free market, that is, EEC. Secondly, the Agreement had its own serious flaws, especially a "mechanical" or "mathematical" flaw in the formula for setting export quotas which the organization had not been able to repair in the present circumstances. As consumption was increasing at a relatively slow rate, present levels of production were resulting in high stocks and a continuing prospect of high stocks.

3. As a result of that situation and after appropriate preparatory work, the Secretary-General of UNCTAD had convened a negotiating conference, the first session of which had been held in Geneva from 2 to 20 May 1983. It had been attended by 79 States and by EEC; of the participants, 57 had been exporters and 22 importers. Progress had been made at the Conference, especially with regard to the central problem of the regulatory mechanism intended to avoid long periods of low prices followed by very short but sharp price peaks which were characteristic of the sugar trade.

4. The negotiating conference had considered two different approaches to the problem of stabilizing prices. One approach emphasized export quotas, with the assistance of stocking, while the other was based on stocking with additional measures to ensure the reduction of quantities available for export in times of low prices. One of the problems of stocking was finance. Various financing possibilities were currently being considered, including in particular a trade levy that was a feature of the present Agreement; another possibility was funding from the buffer stock financing facility of IMF. Unfortunately, the Common Fund for Commodities was not a source of stock-financing on which his organization could realistically depend at present, although it hoped that the new sugar agreement would include provisions enabling appropriate account to be taken of the possibility that the Fund would become operative in the near future.

5. The negotiating conference had asked UNCTAD to convene a second session in Geneva in October 1983. On behalf of the negotiating conference on sugar, he earnestly hoped that it would be possible to organize that second session. In the meantime, the President of

[92] See *United Nations Sugar Conference, 1977* (United Nations publication, Sales No. E.78.II.D.17), p. 9.

the negotiating conference would convene a consultation group on the regulatory mechanism in London in July 1983. The conclusion of a new sugar agreement was the only relief in sight for a continuing very serious situation, especially as sugar was a commodity from which many of the countries participating in the sixth session of the Conference derived a substantial proportion of their export earnings.

Summary of statement made at the 176th plenary meeting, 8 June 1983, by Mr. Emile van Lennep, Secretary-General of the Organisation for Economic Co-operation and Development

1. Mr. VAN LENNEP (Organization for Economic Co-operation and Development) said that the sixth session of UNCTAD came at a critical moment in the evolution of the world's economy and in the history of development co-operation. It was particularly appropriate that it was being held at Belgrade, since Yugoslavia, as a founding member of the non-aligned movement, was a strong voice in the councils of the developing countries as well as a valued participant in many of the activities of OECD.

2. At its sixth session, the Conference had before it a number of complex issues. First, the interdependence which characterized the contemporary world was not just a vague concept, but a compelling reality which, as the Secretary-General of UNCTAD emphasized in his report,[93] had changed its character as a result of the henceforth undeniable impact of the developing countries. Not only did those countries collectively account for more than 20 per cent of world GNP, they had also contributed in the 1970s more than 30 per cent to the growth of world output and had become the most dynamic force in the growth of world trade. He wished to emphasize two main conclusions put forward in the report of the Secretary-General of UNCTAD: the reactivation of development and an upturn in the industrialized countries would be two interacting factors, and the 1980s should be seen as a new epoch characterized by different circumstances and problems, which called for new responses and policies. At their annual meeting, OECD Ministers had responded to the message from the Ministers of the Group of 77 calling for dialogue and consensus, and had stressed the need to press at the sixth session of the Conference for a common diagnosis of problems and priorities.

3. OECD had given detailed consideration to the implications of interdependence in a study entitled *World Economic Interdependence and the Evolving North-South Relationship*[94] whose analysis and conclusions had been made available to participants in the Conference. For nearly 40 years, both developed and developing countries had enjoyed an unprecedented rate of economic progress and development, but the international community had currently to direct its policies towards the new requirements for extending and underpinning a highly interdependent world economy. It was essential therefore that national economic policies should be internationally consistent, as recognized by the OECD Ministers.

4. The second topic was the economic recovery, which was already under way in a number of countries in the OECD area, despite the strains arising from continuing high interest rates and other elements of uncertainty. The OECD Ministers, recognizing the need to ensure that the recovery broadened and extended into sustained growth and higher employment, had agreed on common economic policy principles and their application to differing national circumstances. It was important that the participants in the sixth session of UNCTAD should realize that recovery could not and should not take the form of a spectacular boom, which could well cause a reacceleration of inflation and thus undermine the recovery. The rise in unemployment, the fall in commodity prices and in the volume of world trade, and financial instability could be remedied only with time, through continuing co-operation and the necessary adjustments.

5. Successful and sustained recovery required actions by both developed and developing countries. In the case of indebtedness, for example, a distinction had to be made between the immediate problems and the medium-term and long-term difficulties. For the immediate future, the emphasis in many developing countries would have to be on efforts at short-term stabilization, reducing current account deficits and re-establishing creditworthiness. The OECD countries, for their part, would have to make further efforts to sustain a supply of finance to debtor countries in order to limit cuts in investment and imports to the minimum required by the inevitable demands of stabilization programmes.

6. Governments, official financial institutions and private banks would encounter some practical difficulties in making sure that financial flows were not too limited. Efforts had to be made to ensure both that adequate finance was made available and that the basic disciplines applicable to both borrowers and lenders were maintained. It was obvious that failure to provide enough finance could well undermine the banking system, but the banking system would be undermined just as surely if borrowers were able to escape their obligations at no cost, or if lenders were substantially relieved of responsibility for their lending decisions. Bailing out the less prudent borrowers and lenders could be harmful to the interests of those who had been more prudent. Increased official involvement could lead to more emphasis on political rather than economic considerations, and the developing countries could lose a valuable element of flexibility and independence. Such a policy could well result, in time, in a lower level of capital transfers, less efficiently distributed. It was vital, therefore, in the interests of both developing and developed countries, to preserve the capacity of private

[93] TD/271, reproduced in volume III. The report was also issued separately (United Nations publication, Sales No. E.84.II.D.4).

[94] Paris, OECD, 1983.

capital markets to channel savings to the places where they were most needed and could best be used.

7. Without losing sight of longer-term objectives, it was currently important to develop a medium-term approach which took full account of the links between macro-economic, financial, trade and structural adjustment policies. Those links could best be understood by considering the requirements for ensuring a substantial flow of world savings from more developed to less developed countries. In that regard, the industrial countries had the responsibility of generating a pool of savings sufficient to meet, at reasonable cost, the rising investment demand in their own economies and warranted capital transfers to developing countries. It would thus be necessary for a number of OECD countries to reduce their structural budget deficit.

8. As a counterpart, it was in the interests of the developing countries to provide an appropriate climate for attracting a diversified flow of capital, including private direct investment, and use it prudently. The flow of savings would serve the longer-term interests of both borrowers and lenders only if the savings were used to develop efficient economies; hence the need to adopt trade and other resource allocation policies which promoted efficiency and growth. To that end, the OECD Ministers had agreed to take advantage of the recovery to reverse protectionist trends and relax and progressively eliminate trade restrictions and trade distorting measures. They had further agreed, in a longer-term perspective, that developed and developing countries needed to work together to establish more predictable and transparent trade régimes, reduce trade barriers and pursue more market-conforming domestic structural policies.

9. Trade liberalization should not be regarded as essentially a matter of reciprocity. For the developing countries, trade policy rationalization and trade liberalization should be seen as a matter of self-interest and as an integrated part of their economic and development strategies; the same was true of the market-conforming structural adjustment policies.

10. The last topic which needed to be studied at the sixth session was development assistance and strengthening the economies of the poorer countries, for which sustained and expanding aid flows were essential. Despite severe fiscal constraints, the OECD member Governments had substantially increased their budgetary allocations to development assistance programmes. Contrary to current misapprehensions, the industrial democracies had maintained their commitment to development aid. During the past five years, net disbursements of ODA by members of DAC had increased on average by 5 per cent a year in real terms, about twice as fast as the growth in GNP for DAC countries as a whole, The DAC members had raised the share of their aid to the least developed and other low income countries to 61 per cent. There were still, however, many unmet needs for concessional aid and technical assistance, particularly for the poorest countries. There had been some falling off in assistance, prospects ahead were less promising, the IDA funding problem had not been settled; it was clear that certain of the largest donor countries could and should do more. It could not be denied that the volume of aid had to be increased, but there was also need to make the development aid process work better. Co-operation in the framework of consultative and similar groups had to be intensified. Co-operation was particularly important and indispensable in respect of the least developed countries. The members of DAC had undertaken to make a substantial increase in their aid to those countries, in which dependence on aid was already high, and it was urgent to improve the capacity of those countries to absorb and manage increased aid flows.

11. Lastly, he emphasized that the recovery currently getting under way would have little effect unless both developed and developing countries took determined action along the lines he had outlined; he trusted that the Conference would bring new perspectives and a new spirit to ensure that the common problems were tackled with determination.

Summary of statement made at the 183rd plenary meeting, 13 June 1983, by Mr. Arshad-uz Zaman, Assistant Secretary-General of the Organization of the Islamic Conference

1. Mr. ZAMAN (Organization of the Islamic Conference) said that his organization, which comprised 43 States and was an important grouping in the third world, had developed close relations with various international and regional organizations, such as the League of Arab States, the Organization of African Unity, the Movement of Non-Aligned Countries and the Group of 77. It was making serious efforts to promote co-operation among Islamic countries, thereby contributing to progress in the world as a whole and in the third world in particular. Since its establishment in 1969, economic and social matters had been one of its primary concerns. The requisite institutional structure had been established to promote economic co-operation among member countries, with specialized bodies working in such diverse fields as shipping, civil aviation, statistics, vocational training and research, banking, trade and industry.

2. At its third summit conference in 1981, the Organization of the Islamic Conference had adopted a series of resolutions which would give further impetus to the development of economic ties among member States. It was now implementing the plan of action adopted at that conference to strengthen co-operation among its members. The plan of action concentrated on 10 key sectors, including trade. Among other things, it provided for non-discrimination among member States, export promotion, the establishment of a system of trade preferences and other measures to enhance bilateral trade.

3. Alongside those internal activities, his organization was developing its relations with other international and regional organizations. Arrangements had been made to co-operate with the United Nations and several of its specialized agencies, and it was participating in important international conferences within the context of the North-South dialogue.

4. The activities of the Organization of the Islamic Conference were geared to the progress and development of all mankind in the Islamic spirit of universality, compromise and tolerance. It was in that spirit that it expected far-reaching results from the present session of the United Nations Conference on Trade and Development. It was imperative that agreement should be reached on action required to reinvigorate, and subsequently consolidate, the development process. His organization hoped that developed and developing countries alike would work as partners, paying special attention to the interests of the least developed and land-locked countries. It would continue to do its utmost to help in the process of international global negotiations aimed at establishing a new international economic order.

E. NON-GOVERNMENTAL ORGANIZATIONS*,**

GENERAL CATEGORY

Summary of statement made at the 192nd plenary meeting, 18 June 1983, by Mr. Fouad Moursi, member of the Presidium Committee on Development of the Afro-Asian People's Solidarity Organization

1. Mr. MOURSI (Afro-Asian People's Solidarity Organization) said that the crisis facing the developing world—a crisis caused by the malfunctioning of the economies of the developed market-economy countries—had been intensified by the growing disarray in the world trade and financing system. Poor growth performance in most developing countries had resulted from intensified pressures on external payments. A sharp deceleration had occurred, despite better than average performance in the agricultural sector. That situation was preventing the developing countries from making the necessary adjustments and forcing them to contain external imbalances through sharply reduced economic growth. The virtual standstill in development was thus the result not of diminished efforts on their part but of the sharp deterioration in the external economic environment.

2. The contemporary crisis of capitalism, which was a lasting structural crisis, had to be analysed with reference to the general context, including the new methods and forms of colonialism, the constant danger of world conflict and the heightening of the arms race. The analysis of militarism and development in the UNCTAD report was extremely valuable and his organization urged that all the resources being devoted to the arms race be used for development purposes instead, a transformation that would be feasible if the imperialist Powers ended their campaigns of intervention and destabilization. It also urged that all hostilities in the third world be halted and replaced by negotiation.

3. Third world countries should not continue to be subject to the effects of a crisis created by transnational capital, particularly since capital had shown its inability to solve or manage the crisis. They did not need to await economic recovery in the North before making their own way out of recession. The concept of a new international economic order, which was an alternative to the strategies proposed by the transnational corporations and imperialist and neo-colonialist circles to overcome the crisis, should be developed in the three main areas of internal social and economic changes within the developing countries, mutual co-operation among the developing countries in accordance with the concept of self-reliance, and transformation of the existing world economic order.

4. Authentic development could only be a comprehensive process covering all the economic, social and cultural factors and creating the conditions for its own dynamism in the long term. Agricultural development, which was essential to satisfy basic needs and ensure independence of food imports, required agrarian reform and the introduction and use of new means of production, produced within the country or region. Agricultural and industrial development were linked, the latter providing the tools for agriculture while agriculture provided the foundation for a dynamic process of industrialization, whereby all the social structures and social relations of a country were transformed. The initial accumulation could be independent in so far as the country was able to use the appropriate technology, which was not necessarily antiquated or small-scale but adequate to the requirements of the situation, for which purpose the full use of available local knowledge was required.

5. International trade could thus be used to transform the goods produced within a country into the capital goods required for accumulation. Meanwhile, the developing countries should seek to reduce their imports to a bare minimum connected with the production of essential foodstuffs and capital goods. That strategy required the developing countries to expand their production of exportable raw materials, foodstuffs and energy resources in order to pay for the necessary imports without indebtedness.

6. High priority should be given to the improvement of South-South co-operation, in the context of collective self-reliance, to strengthen the bargaining power of the third world countries. Such reinforcement could also be promoted by independent accumulation, more equal income distribution so as to create markets for mass-produced commodities and food independence. Co-operation could be promoted, above all, by unity of action among the third world countries, and it was imperative to put an end to internecine hostilities among them.

7. His organization wished to make a number of specific recommendations, which were consistent with the proposals of the Movement of Non-Aligned Countries: an autonomous and efficient scientific and technical research capacity should be developed to solve

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* Under rule 81 of the rules of procedure.

** The texts reproduced here are those that appeared in the relevant summary records (TD/SR. ...), incorporating editorial modifications.

the technical and theoretical problems of the developing countries, for which purpose a special fund should be established; specific co-operation to redirect trade flows should be established, including an inventory of goods already produced in the third world and those that could readily be produced; direct monetary co-operation based on the natural resources of those countries and capable of interaction with the monetary system of the socialist countries should be established; development and price stabilization funds should be created through contributions by the developing countries; and a world central bank for the developing countries should be created.

8. Relations between the developing and socialist countries had been subordinated throughout to a conscientious effort to solve outstanding development problems. That had been reflected in concrete financial arrangements, in a high priority for aid to industrial development and the subordination of trade and construction projects to national development programmes. In recent years, trade and financial relations had increasingly been defined through a process of preliminary consultations and harmonization of national development plans. The enlargement of CMEA by the admission to full membership of Cuba, Mongolia and Viet Nam, and the granting of observer status to a number of other countries, was an extremely important development. For the first time, an experiment was being made in a new kind of international division of labour involving the prospective harmonization of the planning process which would enable third world countries to compare the effects of two alternative kinds of international division of labour.

9. While fully supporting the overall programme of the Movement of Non-Aligned Countries, his organization wished to underline five points in connection with co-operation between developing countries and developed capitalist countries. There was an urgent need for third world countries to introduce a pricing system that would facilitate their comprehensive development and promote agricultural development in particular. A comprehensive solution of the debt problem in the interests of the developing countries, perhaps even in the form of a moratorium, was required. External indebtedness, which was a direct consequence of the highly profitable activities of transnational corporations, had become a crushing burden on the developing countries at a time of falling prices and creeping protectionism. A satisfactory solution to the problem of the transfer of technology should be found by introducing a mutually advantageous form of technological co-operation. A solution to the energy crisis should be found that would safeguard the natural and financial resources of third world countries and avoid the dangerous and immediate risk of world inflation. Lastly, a new mechanism for international control of the world banking system was needed to prevent the system from being used as a tool of imperialist domination.

10. There were a number of goals to which the developing countries attached priority: multilateral economic co-operation should be strengthened by involving all international organizations and by further developing bilateral co-operation; co-operation should be widely based to include States and public and private sectors on a partnership basis; all aspects of international relations and co-operation should be democratized and international organizations rendered genuinely representative of the international economy; and the United Nations system should move from general dialogue and considerations to the practical solution of the urgent problems through well-prepared global negotiations.

11. There were also several priority fields of action.

12. The developing countries, for which raw materials and energy continued to be questions of prime importance, should follow the lines of the Integrated Programme for Commodities and promote its further advancement in keeping with new situations and requirements.

13. The world economy should be reorganized so as to allow free access by the developing countries to the markets for commodities, services, technology and labour, to prevent protectionism and to provide differentiated, preferential and non-reciprocal treatment for the developing countries.

14. The liquidity problem should be settled by freer access to capital markets and by matching changes in the international monetary system in order to overcome the problems of the developing countries.

15. Ever since its first session, the Conference had played an important role in the North-South dialogue. It was to be hoped that the sixth session would help to transform it from a forum for dialogue into a decision-making organ, since the interests of the peoples of Asia, Africa and Latin America required that decisions be taken as soon as possible, in all the appropriate forums, regarding normalization of the international situation, termination of the arms race and restructuring of international economic relations on a democratic and equal basis. His organization was confident that the sixth session would make a major contribution to the improvement of the international situation and the creation of favourable conditions for finding satisfactory solutions to the most complicated problems facing the developing countries.

Summary of statement made at the 191st plenary meeting, 17 June 1983, by Mrs. Mala Pal, International Alliance of Women

1. Mrs. MALA PAL (International Alliance of Women) said that the International Alliance of Women was a women's organization whose objectives were to secure equality between men and women and promote understanding between nations. It had affiliates all over the world, which had more than a million members. It sought to stimulate awareness among women of all countries of the eminent role they could play at all levels of family and public life, and to involve them in the progress of their countries and of mankind. The current economic crisis demanded that women should work shoulder to shoulder with men. She urged the Conference to allow women to participate more actively in the formulation of its future plan of action. UNCTAD itself had already recognized the role of women in economic life, and particularly in rural development.

2. The role of women in development had been considered on a number of occasions, particularly in conferences held in connection with the United Nations Decade for Women, the last of which was to be held in 1985. Those conferences had emphasized that women were at the centre of development, agriculture, food, education health, etc. The Assistant Secretary-General, Centre for Social Development and Humanitarian Affairs of the United Nations Secretariat had rightly stated that the importance of women, especially in food production systems, had been underestimated. As early as 1966, well before the importance of the question had been recognized by many international organizations, the Alliance had organized a workshop on the role of women in economic development.

3. The Alliance had recently recommended that women's organizations should work with non-governmental organizations on the follow-up to the Substantial New Programme of Action adopted by the United Nations Conference on the Least Developed Countries. She therefore noted with regret that the North-South Liaison Committee of Non-Governmental Organizations included only one women's organization among its 14 members. On the other hand, it was gratifying to note that UNESCO and WHO had increasingly brought women into their programmes, and she had no doubt that UNCTAD would do the same.

4. Women were among the first victims of the current economic crisis. With a view to improving the situation, a number of measures for enhancing women's participation in trade and development might be considered: the role of women in economic life should be examined within the broad context of societal change; in the context of international economic order, it was necessary to ensure a type of development co-operation beneficial to women; projects that had women as the primary target-group were needed, and development assistance should be increased and women's interests taken into account in all development activities; in formulating strategy for the transfer of technology, particular attention should be paid to women's needs, particularly in rural areas. Those were but a few examples of the many activities that might be carried out in favour of women.

Summary of statement made at the 182nd plenary meeting, 13 June 1983, by Mr. François Ceyrac, President of the International Chamber of Commerce

1. Mr. CEYRAC (International Chamber of Commerce) said that trade and development, the theme of the present Conference, were central to the work of his organization. Upholding the open trading system was its vocation as the representative of business throughout the world. Since the job of business was the creation of wealth, the role of the International Chamber of Commerce was to place the expertise of its members at the service of development, hence its programmes to assist industrialists and businessmen in developing countries in various fields, including shipping, the mechanics of trade and export promotion through chambers of commerce. His organization intended to expand such programmes in collaboration with the United Nations and the specialized agencies.

2. The International Chamber of Commerce had given an example of its practical help through its Sea Transport Commission, which had sent maritime experts to eight developing countries in Asia and Latin America to determine conditions for successful joint ventures in shipping. Their comprehensive report on all aspects of the problem would demonstrate how private industry could help developing countries to operate their own fleets on free market principles.

3. His organization followed the deliberations of UNCTAD with close attention, since the private sector was directly affected by UNCTAD decisions. Accordingly, it wished to ensure that the Governments represented at the Conference understood the views and potential of business. He would therefore offer reflections from a business standpoint on three inextricably linked themes, namely, economic recovery, world trade and finance, and the heavy indebtedness of many third world countries. It might well be that the key to restoring healthier world economic and financial conditions would lie in acceptance by Governments of the consequences of that interlinkage.

4. Economic recovery was still far from assured. The modest turn-around now discernible was a fragile plant. Governments must ensure that the right environment was established for a period of sustained and non-inflationary economic growth, whose benefits would spread from the industrialized countries to their trading

partners in the third world. To achieve that end, the ground must be prepared for a substantial revival of productive investment. Governments would have to encourage an increase in corporate profitability and reduce obstacles to the natural functioning of markets for goods, capital and labour.

5. The United States of America and other industrialized countries must increase their efforts to reduce the budget deficits which had pushed up interest rates, thereby increasing the cost of capital to industry. Furthermore, the recent wide interest rate differentials had contributed to sharp fluctuations in exchange rates, which were having a pernicious effect on companies engaged in international trade. If Governments committed themselves to greater budgetary discipline, they would help to stabilize financial markets.

6. In 1982, international trade had actually declined for the first time since the Second World War. Smaller markets and domestic political pressure were inducing Governments both to subsidize exports and to protect their home industries from foreign imports. But the goal of lasting economic growth could not be achieved unless the rising tide of protectionism was reversed. It was a dangerous illusion to assume that protectionism was a by-product of the recession that would disappear with the return of full employment. Protectionism actually inhibited economic growth by reducing pressure for adjustment and by discouraging investment. Current practices were making it increasingly risky for enterprises to invest money in new production lines whose profitability depended on assured access to foreign markets. If industrialized nations persisted in obstructing the efforts of developing countries to export, they would also reduce those countries' ability to service their debts to commercial financial institutions. Countries in Africa and Latin America with heavy debt burdens had been forced to limit their purchases of foreign goods. Diminishing third world markets for industrialized imports weakened economic recovery. It was in the self-interest of the industrial nations to keep their markets open to exports from developing countries.

7. Ability to export was a basic requirement for the heavily indebted developing countries. But sound and realistic adjustment programmes that placed greater reliance on market mechanisms and on the private sector, both domestic and foreign-owned, were also needed. In view of the current restraints on ODA and commercial bank lending, attracting foreign direct investment should be a key aspect of government policy. It was also essential for commercial banks to maintain their positions in countries with debt-servicing problems which were carrying out the appropriate types of adjustment.

8. In spite of the hazards, the current problems of growth, trade and indebtedness could surely be overcome. But nations must recognize their interdependence and accept the need for extensive international co-ordination. International organizations and all sectors in both industrialized and developing countries had their part to play. In addition, the Eastern bloc countries should demonstrate a greater sense of responsibility towards the developing world. While the prolonged recession had been intolerably painful in social cost for the industrial countries, it had brought extreme hardship to the already poor developing countries.

9. It was true that the greatest responsibility for restoring global economic growth lay with the major industrial countries, but it was no less true that if the developing countries were able to increase their participation in a growing volume of world trade, they could make a substantial contribution to the resumption of world economic growth. New markets would emerge in developing countries as they became more industrialized and their living standards improved. At the Williamsburg summit meeting, there had been encouraging signs that the Governments of the leading industrial countries were prepared to pay more than lip service to the concept of interdependence. Positive developments included the statement that full account would be taken of the international implications of domestic policy decisions and the stated intentions to work towards further trade liberalization negotiations in GATT and to consult more closely within IMF on national policies. As economic recovery gathered pace, there would be no excuse for the countries concerned to allow those commitments to remain unfulfilled.

10. Governments, both nationally and through the United Nations system, must see to it that business was free to make its fullest contribution to economic recovery. Ways in which the right environment for the business contribution could best be created had been set out in the detailed submission by the International Chamber of Commerce,[95] which had been compiled by business experts who were members of its specialist commissions. He ventured to commend the document, which covered all the issues at the heart of the Conference's deliberations, to the attention of participants.

[95] TD/NGO/18.

Summary of statement made at the 187th plenary meeting, 15 June 1983, by Mr. Albert Coppé, International Christian Union of Business Executives

1. Mr. COPPÉ (International Christian Union of Business Executives) said that his organization, which consisted of entrepreneurs from the industrialized countries and business executives from the developing countries, chiefly in Latin America and Africa, was seeking not to defend group or sectoral interests but rather to introduce a moral element in the guidelines which it put before its members. The free movement of goods and services created a network of relationships which could be a factor for peace and development. Withdrawal behind artificial barriers, which constituted a source of mistrust, frustration and impoverishment, must be avoided at all costs. His organization was in favour of opening up markets to products and services from the

developing countries both in the industrialized countries and within the third world; South-South trade, although essential, had so far scarcely been broached in the Conference's discussions.

2. Given that principle, the international trading system could not be separated from the ethical dimension of an overall strategy for human and economic development, directed towards the total development of mankind. It was in that spirit that his organization had advised against the systematic pursuit of exclusively export-oriented industrial strategies, which were particularly dubious when their competitiveness depended on keeping working conditions well below internationally accepted standards. On the other hand, it encouraged strategies leading to the balanced development of internal and external markets, which enabled an increasing number to benefit from economic development. In many cases, the limited size of national markets had encouraged countries to aim their production at larger regional entities within which trade could take place without encountering artificial obstacles; that was, for example, how EEC had come into existence.

3. Those strategies presupposed the introduction of equitable policies on income redistribution and more remunerative price policies for local producers, particularly of agricultural products, and increased efforts in the field of aid and investment. Direct investment needed to be increased; it was not the long-term solvency of the majority of the debtor countries which was called in question, but the returns on the active capital in the balance-sheets of commercial banks which had fallen too low after 30 years of inflation for there to be any hope of a rapid and substantial increase in the volume of commercial credits.

4. His organization encouraged private investors, especially those in industrialized countries, to increase their productive investments in the countries of the South, preferably in the form of associations. It urged them to take into account the need to ensure permanent financing and allow access to the industrial expertise essential for all development, as well as the specific goals of the countries in which they operated, notably through increasing recourse to subcontracting. At the same time, it asked that development initiatives should not be impeded at the local level by excessive psychological, administrative, legal and financial barriers.

5. His organization believed that joint participation in industrial risk was a first step towards the "new quality of interdependence" advocated by the Holy See. It suggested that an increased effort should be made to bring about the speedy implementation of measures to assist the least developed countries, formulated in consultation with those countries, in order to avert total economic stagnation and even the possible collapse of their society.

Summary of statement made at the 189th plenary meeting, 16 June 1983, by Mr. V. S. Mathur, General Secretary of the International Confederation of Free Trade Unions

1. Mr. MATHUR (International Confederation of Free Trade Unions) said that ICFTU was a world-wide grouping of trade unions free of any political, national or religious ties and independent of employers. He wished to convey to the Conference the views of ICFTU on the questions on the agenda for the sixth session—questions which concerned workers in more ways than one.

2. Despite the tensions due to the depth of the recession, a substantial degree of agreement between trade unions from industrialized and developing countries had been reached, as they were convinced that the only way out of the slump was through concerted action. They had reached conclusions similar to those presented in a number of documents prepared by the UNCTAD secretariat. They believed that UNCTAD could play a major role in achieving full employment and eliminating poverty.

3. The year 1983 could mark a turning-point in the world economy, with the first signs of economic recovery. Governments must act together to revive growth, promote employment and eliminate poverty. The key to that action was investment. Governments throughout the world should encourage investment in infrastructure projects which would revive demand and form the basis for sustained non-inflationary growth. For that purpose, however, co-ordinated action on a world-wide scale was necessary. In that investment effort, the developing countries should benefit from increased aid and a reform of the international monetary system.

4. In recent years, the major industrialized countries had placed primary importance on reducing inflation, albeit to the detriment of employment and living standards. They had sometimes succeeded in doing so by means of deflationary monetarist policies, but the price paid was world-wide unemployment and poverty. ICFTU did not consider that strategy to be a rational one. What was needed was a radical rethinking of economic policy to achieve sustained growth, price stability and progress in the developing world. The sixth session of the Conference provided an opportunity to begin the process of negotiation aimed at bringing about more extensive co-operation.

5. Instability in commodity markets was a major constraint on world economic growth in general and that of the third world countries in particular. Therefore ICFTU earnestly hoped that all the States members of UNCTAD would accede to the Integrated Programme for Commodities and ratify the Common Fund Agreement before the deadline of September 1983.

6. An open world trading system was essential for policies for growth and balanced development, but that did not mean that trade should be absolutely free. Governments were likely to continue to intervene in

order to regulate trade flows and it was therefore essential to establish a strong system of multilateral rules in order to ensure that such national controls were justified and did not contribute to a slide into "beggar-my-neighbour" protectionism. The frequency and bitterness of trade disputes between industrialized countries and between industrialized and developing countries made it necessary to improve the international surveillance of markets in a number of sectors. In particular, there was an urgent need to improve the international exchange of information on industrial and employment issues. ICFTU supported all efforts to accelerate and ease the process of structural adjustment, but that entailed a considerable increase in advance planning by Governments, which should organize more extensive consultations on future plans between trade unions, transnational corporations and themselves.

7. As far as the international financial system was concerned, the Conference must find new methods to finance the balance-of-payments deficits of developing countries. A basic objective in reforming that system was the provision of long-term low-interest loans to developing countries. Consequently, the restructuring of existing debts to commercial banks was an urgent priority; that was a task for IMF, the World Bank and the major central banks. ICFTU was also convinced of the case for a substantial increase in the resources of IMF and the World Bank (especially IDA), but IMF must also review the conditions attached to its loans. The deflationary terms currently imposed by the Fund compelled developing countries to postpone vital investment programmes, especially in the public sector. IMF should exercise increased surveillance over the exchange-rate policies of the major financial Powers, and it would probably be useful for SDRs to become an international reserve asset. A substantial new allocation of SDRs was also needed to help developing countries rebuild part of their reserves.

8. Naturally, ICFTU welcomed the Substantial New Programme of Action for the 1980s for the Least Developed Countries, adopted in Paris in 1981. In view of the cuts in aid projects, however, it was to be expected that the Programme would not achieve the desired results. The Conference should reaffirm the vital importance of increasing aid to those countries and to all developing countries. However, increased aid alone would not be enough. The developing countries, especially the least developed, should devote more attention to formulating policies to meet the basic needs of the poorest peoples, in accordance with the spirit of the strategy adopted by ILO in 1976.

9. Trade unions were prepared to play a full part in the adoption of the policies required. In fact, non-inflationary growth depended to a large extent on a wider degree of understanding between Governments, employers and trade unions about economic prospects and policies.

Summary of statement made at the 189th plenary meeting, 16 June 1983, by Mr. Durde Miković, President of the Belgrade Fair, Union of International Fairs

1. Mr. MIKOVIĆ (Union of International Fairs) said that trade fairs were the oldest instrument of trade promotion. In the case of capital goods, fairs served as a yardstick for scientific and technological progress and as a tool for the industrialization of developing countries; at present they were one of the best ways of accelerating such industrialization. The part played by fairs and international exhibitions in the promotion of the economy was recognized in economic circles and by Governments.

2. The Union of International Fairs was a non-political association, founded in 1925, which currently embraced 330 international fairs and exhibitions in 50 countries. It approved only fairs which had been held at least three times and whose international character was defined according to strict criteria. Once approved, fairs could use the "UFI" acronym as a guarantee for possible exhibitors. His organization encouraged international fairs to accept impartial qualitative and quantitative controls identical for all its members. It drew up a calendar of all fairs approved by it, so as to prevent overlapping as far as possible. It endeavoured to avoid the proliferation of fairs with no apparent economic value. It represented its members and defended their interests before competent international bodies; it enjoyed consultative status, as a non-governmental organization, with the United Nations and UNIDO. It intervened where necessary with the authorities of the countries of its members. Its Technical Committee studied the various problems of organization and functioning of fairs, and arranged seminars on technical subjects. Its Co-operation Committee studied and supplied technical assistance by delegating experts, receiving trainees and organizing seminars. His organization also studied at the world level problems of common interest for international trade fairs and exhibitions. Fairs served the interests of international trade and helped to improve the international division of labour and to expand the world-wide exchange of goods and know-how.

Summary of statement made at the 184th plenary meeting, 14 June 1983, by Mr. Ernesto Molano, Assistant Secretary-General of the World Confederation of Labour

1. Mr. MOLANO (World Confederation of Labour) said that his organization, which represented millions of workers throughout the world, most of them in the developing countries, was hoping for concrete results, clear commitments and daring political decisions from the sixth session of the Conference, without which the hopes of millions of people suffering from a crisis for which they were not responsible would be dashed. The Confederation had submitted to the Conference a document[96] summarizing its position with respect to the world economic situation, monetary and financial problems, commodities and technological changes, with proposals stemming from the consultation with its affiliated trade union organizations all over the world. However, other problems affecting the majority of the world's population needed to be given serious consideration.

2. The first of those problems was protectionism. Trade unionists representing those who were creating wealth in all countries of the world could not endorse such practices, for they undermined the very foundation of social coexistence and in the end would come back at their authors like a boomerang. For one country to protect itself at another's cost was to violate the natural rights of the majority. The poor countries had for too long paid for the prosperity and luxury of the rich ones with dependence and poverty; that flagrant violation of international social justice must not continue. Protectionism had serious consequences for the workers in poor countries but did not solve the economic and social imbalances of the richer ones.

3. Another problem was the dramatic decline in ODA. Some of the programmes of the United Nations family had been reduced by 35 to 50 per cent, and there had been a further reduction due to inflation. Moreover, the target of 0.7 per cent of GNP for ODA had not been achieved by most of the industrial countries, which had in fact reduced their overall assistance to multilateral co-operation and laid greater stress on bilateral projects, linking aid to the purchase of equipment and other goods and services from the donor country. That policy smacked of neo-colonialism and was an obstacle to a global development strategy.

4. Trade union organizations in the developing countries were receiving very little co-operation, but as protaganists of development they needed substantial support in order to fulfil their role in the planning and implementation of development plans. That was all the more important in countries with unrepresentative Governments maintained in power only by force of arms. Unfortunately, despite the importance of workers in the development process, there were very few representatives of trade unions and co-operatives in delegations to the present Conference.

5. With respect to the new international economic order, he said that *ad hoc* treatment of the most important problems, such as commodities or external debts, might lead to the adoption of emergency measures which, although necessary, did not go to the heart of the matter. The international community had to realize that it was necessary to review the whole operation of the world economy and above all the very concept of development and of international co-operation. It was impossible for countries to save and invest if they did not receive a fair return for what they produced, if they earned less than they needed to live, if they had to pay high rates of interest and accept disastrous lending conditions, and if their riches were exploited by others and markets were closed to them. The present crisis had demonstrated that the world was divided between those who had everything and those that lacked the basic essentials of life. The so-called recovery of a few industrialized countries had not affected the majority of workers either in industrial or developing countries. International co-operation was essential to remedy those injustices.

6. Peace and disarmament was yet another subject to which the Conference must give attention. The huge sums spent on armaments would be far better spent on development, and the suggestion made by President Betancur of Colombia for an international tax on armaments was very relevant in that regard. Only in a climate of peace could the economic and social problems facing all countries be solved and the aims of the working classes of the world achieved. His organization urged the Superpowers and other arms-exporting countries not to continue on their destructive path.

7. Finally, he pointed out that development could not be based upon the violation of human rights and the suppression of civil, political and trade union liberties. The Confederation's task was to revitalize the solidarity of the working class throughout the world. If that solidarity imbued the resolutions of the Conference, they would benefit the whole of mankind.

[96] TD/NGO/19.

Summary of statement made at the 188th plenary meeting, 16 June 1983, by Mr. Ibrahim Zakaria, General Secretary of the World Federation of Trade Unions

1. Mr. ZAKARIA (World Federation of Trade Unions) drew attention to the detailed document[97] distributed by his Federation to all delegations expressing the views of its members and of the working class in general on the effects of the various agenda items on the workers of the world. He would therefore only draw attention to some of the most important points.

2. More than 206 trade unions in countries having different political and economic systems and different development levels were members of WFTU. They wished to point out that although the crisis was an international one and it was the responsibility of all to find solutions to it, it had originated in the industrialized capitalist countries, which had transmitted it to the other developed and developing countries. The latter in particular were the innocent victims of that process, yet they had to bear the brunt of its consequences, such as unemployment, protectionism and the fall in commodity prices. The talk about joint responsibility was an attempt to shift the burdens from the capitalist countries to the developing and socialist countries. The way out of the crisis did not lie in compromise or partial solutions but in structural readjustment with a view to establishing a new, just economic order.

3. There was no need to investigate solutions. The democratic alternatives to the current economic system were well known and had been set forth in many United Nations resolutions as well as in the Declaration and the Programme of Action on the Establishment of a New International Economic Order and in the Charter of Economic Rights and Duties of States. The problem was the lack of political will on the part of many capitalist countries to implement those resolutions. His Federation also regretted that the international community had not yet agreed on limiting the role of the transnational corporations, which was extremely detrimental to the developing countries. The reports of the UNCTAD secretariat were full of examples and proof that those corporations were impeding the development process and plundering the human and natural resources of developing countries.

4. He also wished to mention the very negative role played by some United Nations institutions, such as IMF and the World Bank, which were not fulfilling the aspirations of developing countries and sometimes even interfered in their internal affairs. Those institutions too were supporting the transnational corporations. WFTU called upon the international community to replace those institutions with really international bodies which would guarantee the equality of all States. It fully supported the proposal made by the non-aligned summit conference to convene an international conference to discuss the establishment of a new monetary and financial world system to replace the present system, which served the purposes and interests of the United States of America.

5. There could be no serious discussion of the current crisis without reference to the arms race and in particular the nuclear arms race. The vast sums spent on arms by the major countries and even some developing countries were a waste of the essential resources needed in the development process, especially when it was remembered that in the developing countries more than 350 million young people were without schools, 500 million persons were unemployed and millions more were suffering from hunger and poverty. The expenditure on the arms race was bringing a nuclear catastrophe closer and adversely affecting the whole process of international relations and development.

6. In view of the negative results of the Second and Third United Nations Development Decades with respect to halting arms expenditure, all trade unions called upon the United Nations to put an end to the arms race and ensure the transfer of resources to help the developing countries carry out their development plans. They condemned attempts by the United States to station nuclear weapons in central Europe and called upon the international community and especially the major Powers to engage in peace talks aimed at halting the arms race and using the money for peaceful purposes.

7. Any development process which did not guarantee participation by the working class and its organizations was doomed to failure because control by the people was the sole guarantee of its success. The purpose of the development process was to alleviate the hardships and improve the standard of living of the masses, so that any attempt to exclude the working class would only undermine the process and lead to further hardships.

8. External assistance could not in itself constitute a decisive element in the process of development. It was a complementary element and should not be used, as in fact it often was, to impose the will of imperialist countries on the developing countries and their resources. WFTU sincerely hoped that the Conference would deal seriously and frankly with the problems of development and adopt the necessary resolutions for the benefit of the developing countries and the world community as a whole.

[97] TD/NGO/20.

SPECIAL CATEGORY

Summary of statement made at the 188th plenary meeting, 16 June 1983, by Mr. Mario Alberto Franzini, Executive Vice-President of the Latin American Shipowners' Association

1. Mr. FRANZINI (Latin American Shipowners' Association) welcomed the forthcoming entry into force of the Convention on a Code of Conduct for Liner Conferences,[98] which represented a great step forward towards the recognition of the right of developing countries to carry a substantial percentage of the cargoes generated by their external trade. Considering that the establishment of both State-owned and private merchant fleets was an indispensable element for the development of those countries' foreign trade, his organization had played a pioneering role in that field, despite opposition from established interests.

2. In view of the current crisis in the shipping industry, his organization considered it essential to establish a clearly-defined cargo reserve and was in favour of international legislation guaranteeing national merchant fleets a substantial share in the volume of shipping traffic. It regretted, however, that the Code had not been revised since its first drafting in 1974 and feared that its consultation and settlement-of-disputes procedures might lead to the establishment of a cumbersome bureaucracy. It was sure that, once the Code entered into force, the need to revise it would become apparent.

3. His organization was particularly concerned about the question of bulk cargoes and hoped that the efforts of UNCTAD would lead to the conclusion of an agreement establishing the right of developing countries to carry a substantial proportion of their bulk cargoes in their own ships. It recognized that there would be difficulties due, in part, to the irregularity of the trade in bulk cargoes. It was ready to assist UNCTAD in the preparation of such an instrument.

4. The Latin American Shipowners' Association was not opposed to open registry fleets, often referred to as ships sailing under flags of convenience, as they enabled its members to augment their own fleets. Obviously, such ships would have to comply with the usual safety regulations and provide the same social and working conditions as those on the ships of their countries of registration.

5. As for multimodal transport, his organization's position was that the question was not an appropriate one for an international convention, since freight regulations were usually a matter for national authorities. It was likewise not in favour of the establishment of international standards for surcharges in cases of port congestion which, again, were rather a subject for national control.

6. His organization, which represented a majority of the shipping companies in Latin America, was prepared to co-operate with UNCTAD in matters which would further the development of the merchant fleets of the developing countries.

[98] See footnote 26.

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Summary of statement made at the 189th plenary meeting, 16 June 1983, by Mr. Carlo P. Terenzio, Secretary-General of the Inter-Parliamentary Union

1. Mr. TERENZIO (Inter-Parliamentary Union), speaking at the invitation of the President,[99] presented to the Conference the resolution adopted on 29 April 1983 at Helsinki by the Council of the Inter-Parliamentary Union on the contribution of Parliaments to the adoption of concrete measures by the Conference at its sixth session and to their implementation with a view to the establishment of a more equitable international economic system.

2. For the past 10 years or so, development problems had been in the forefront of the concerns of the Inter-Parliamentary Union, which had placed two major items on its agenda in 1983: support for the sixth session of the Conference and the strengthening of the United Nations. The Union's governing bodies dealt each year with an important aspect of international economic relations and it organized special inter-parliamentary conferences at the regional or world level in co-operation or jointly with organizations in the United Nations system such as WHO, UNICEF, UNFPA and UNEP.

3. In their resolution in support of the Conference adopted at Helsinki, the members of the Union had been guided by the principles which had always formed the basis of action by UNCTAD, namely, economic interdependence and the importance of the idea of equity in international economic relations. That resolution supported UNCTAD in all the main areas of concern to the Conference: commodities, world trade, financial

[99] In accordance with the decision taken by the Conference at its 172nd plenary meeting, on 6 June 1983.

and monetary problems, access of developing countries to technology, and the Substantial New Programme of Action for the 1980s for the Least Developed Countries. It also supported the international policy aimed at ensuring the food security of the developing countries as advocated by the World Food Council, and the promotion of technical co-operation through UNDP. A month after the adoption of that resolution, at a conference held by the Union in Budapest, the representatives of the Parliaments of the States signatories to the Final Act of Helsinki[100] had included in their concluding consensus resolutions a section on co-operation in the field of the world economy and had appealed to the Parliaments and Governments of Europe, the United States of America and Canada to help the Conference at its sixth session to overcome the current crisis.

4. In accordance with the statutes of the Union, its members paid particular attention to fostering the implementation of the recommendations by their respective Parliaments and Governments, and reported on action taken and results achieved. The resolution adopted by the Council in April in Helsinki recommended that the Agreement Establishing the Common Fund for Commodities should be signed and ratified without delay; in January, he had sent the text of that Agreement to the Parliaments of those member countries of the Union that had not yet ratified it. On the basis of that recommendation, he intended shortly to approach the Union's members again on that subject.

5. He would report on the results of the Conference to the Seventieth Inter-Parliamentary Conference, which would meet at Seoul in October 1983 to study them and to take them into account in preparing its final conclusions on that subject.

[100] See footnote 24.

F. OTHER ORGANIZATIONS*

Summary of statement made at the 190th plenary meeting, 17 June 1983, by Mr. Patrick Magapatona, African National Congress of South Africa**

1. Mr. MAGAPATONA (African National Congress of South Africa) said that, although they were engaged in an armed struggle, the national liberation movements were an intrinsic part of the international struggle for peace, security and the right to social and economic development. Accordingly, they regarded the sixth session of the Conference as an opportunity for a high-level evaluation of the possibility of taking practical steps towards the indispensable changes in the international division of labour.

2. In southern Africa, the defence and consolidation of independence was inextricably linked with the destruction of colonialism and racism. As long as exploitation of that type persisted in Namibia and South Africa, the economic development and social emancipation of the region would be retarded. The increasingly frustrated *apartheid* régime in Pretoria was continuing its policy of destabilizing the established Governments in southern Africa. Unprovoked and barbarous attacks against the front-line States and other forward areas had forced their Governments to divert resources from peaceful development to the defence of their territories and the lives of their citizens.

3. Without the collaboration of some Western countries, racist South Africa would not be so intransigent and destructive. Some of those countries had sought to convince the international community that they were involved in "constructive engagement" in regard to *apartheid*; but the fact was that their engagement was destructive. Their Governments and transnational corporations went to South Africa precisely because the system of *apartheid* guaranteed them high profits through the absymally low wages paid to black workers there.

4. ANC was deeply concerned with the worsening of the world economic situation and its effects on the developing countries, whose just demand for the democratization of the international and financial system should be supported at the present Conference. Practical steps should be taken to endorse the call of the non-aligned summit conference in New Delhi for an international conference on development finance and for the launching of global negotiations to establish a new international division of labour. Peace and development were interlinked. The time had come for the nations of the world to cease diverting vast human and material resources from peaceful development to military use.

5. He thanked the members of the Group of 77 and Group D for their unswerving support of Conference resolution 109 (V) on assistance to national liberation movements. It had been a source of courage and inspiration. He also reiterated the support of ANC for the people of Namibia, under the leadership of SWAPO, in their struggle to achieve genuine independence, and for the heroic people of Palestine, under the leadership of PLO, in their struggle to regain their inalienable right to self-determination and independence. He also expressed gratitude to the members of the Group of 77, Group D and Group B and of China, for their messages of condolence to the bereaved families of the three patriots recently murdered by racist South Africa. The only tribute which ANC could pay was to intensify the struggle for the capture of power in South Africa and for a united democratic South Africa, which would undoubtedly be an active participant in the struggle for the new international economic order.

* Unless otherwise indicated, the texts reproduced here are those that appeared in the relevant summary records (TD/SR. ...), incorporating editorial modifications.

** Invited to participate in the Conference pursuant to General Assembly resolution 3280 (XXIX).

Statement made at the 183rd plenary meeting, 13 June 1983, by Mr. Mohamed Zuhdi Mashashibi, Palestine Liberation Organization*,**

Mr. President, I have the pleasure of taking this opportunity to congratulate you on your election as President of this session of the Conference. I also congratulate your colleagues on their election to the many offices of this session of the Conference. We trust that this session, under your leadership and through the effective participation of all members of the Conference, will achieve positive results. We also thank the people and Government of Yugoslavia, with whom we are connected by bonds of friendship, for their hospitality and the warm welcome they have extended to us.

In 1979, at its fifth session, the Conference, on the generous initiative of the Group of 77, adopted resolution 109 (V), on assistance to national liberation

* Invited to participate in the Conference pursuant to General Assembly resolution 3237 (XXIX).

** The statement is reproduced in full, as it appeared in document TD/L.219.

movements recognized by regional intergovernmental organizations. The resolution requested the Secretary-General of UNCTAD to initiate studies on the economic conditions of those people and countries.

The UNCTAD secretariat has kindly prepared two studies, one of which[101] covers the economic conditions of the Palestinian people in the territories occupied by Israel, while the other[102] covers economic conditions in Namibia as a result of the illegal occupation of that territory by the racist minority régime of South Africa.

We should like to express our appreciation to the UNCTAD secretariat for the two studies. We attach much importance to the assistance given by UNCTAD in this area to the national liberation movements. We also attach much importance to the implementation of Trade and Development Board resolutions 238 (XXIII) and 239 (XXIII); the latter requests the Secretary-General of UNCTAD, in the context of the International Development Strategy for the Third United Nations Development Decade, to prepare a comprehensive and in-depth analysis of the economic conditions of the Palestinian people in the occupied Palestinian territories, and to formulate proposals for alternative development strategies in collaboration with PLO. Resolution 238 (XXIII) requests the Secretary-General of UNCTAD to prepare, in collaboration with SWAPO, a comprehensive and in-depth social and economic survey of Namibia.

While we thank the Secretary-General of UNCTAD and his assistants for their efforts in this field, we should like to ask the Secretary-General of UNCTAD to intensify his activities in this area in close collaboration with the parties concerned. We would urge UNDP to make available to UNCTAD the additional resources needed in order to complete these studies.

All the representatives who took the floor before me have spoken, in their valuable interventions and statements, about issues of the world economic situation and on many other economic questions of interest to the developing world: ODA, the external debt crisis, the instability of commodity markets, North-South trade and the transfer of technology. Consequently, I shall concentrate, in my statement, on the economic conditions of the Palestinian people in the occupied territories, in the hope of arriving with you at a common idea of how these deteriorating conditions can be ended. We can then proceed to achieve a comprehensive development of the Palestinian national economy based on the rights of peoples to political and economic independence, to full and permanent sovereignty, to complete control over all their natural resources and economic activities, and to economic development.

The Zionist occupation has been aiming at incorporating the economy of the occupied Palestinian territories into the Israeli economy, prior to annexing these territories to the Zionist entity. The Israeli Minister of Commerce and Industry stated in 1972: "We regard Israel and the occupied areas as one single economic unit".

I shall now give a brief account of the economic conditions of the occupied Palestinian territories based on the UNCTAD secretariat report.

One of the most serious problems faced by the Palestinian people, surpassed only by the occupation itself, has been Zionist colonialist settlement. Since 1977, colonialist settlement has become a declared official policy of the Israeli Government. Some Israeli official sources have revealed a settlement plan aiming at the settlement of one million Zionists in the occupied Palestinian territories by the year 2000. The plan calls for the expropriation of most of the lands of the West Bank and Gaza Strip immediately. The Israeli authorities have so far confiscated about 45 per cent of the lands of the West Bank and Gaza Strip. Expropriation is carried out by the military authorities. This settlement process involves the transfer of resources, especially water and land resources, from the use of the Arab citizens, the legitimate owners of the land, to the service of Israel. This process is continuing under the bayonets of the Zionist military occupation, which denies the Arab citizens all their rights to sovereignty over land and resources.

This settlement pattern is leading to the disintegration and destruction of the economic structure of the Palestinian people by breaking links, increasing the obstacles to communication and reducing the ability of the Arab population to move about and to invest in agricultural land.

In the second place, agriculture has its role and importance in the cultural and social heritage of the Palestinian people. However, as a result of the Israeli policy of confiscating land and controlling water, the Palestinian agricultural sector has been undergoing a number of pressures. The number of persons engaged in agriculture in the Palestinian territories in 1980 had declined by 40 per cent as compared with 1970.

Any development of the agricultural sector will require that an end be put to the arbitrary policy of the occupation authorities towards Palestinian agricultural products and that there be an extensive switch to irrigated agriculture. Arab farmers, however, are completely prohibited from digging new wells, while their use of existing wells is limited to a maximum which has been fixed since the introduction of unjust laws following the occupation in 1967. Furthermore, Arab farmers who used to utilize the waters of the Jordan River were denied this resource, having been expelled from their lands on the grounds of the so-called security imperatives of Israel.

A quick comparison between water consumed by Israel and water the Palestinian people is allowed to consume reveals the serious injustice to which our people is subjected. In 1980, Israel consumed 1,425 million cubic metres of water for agricultural purposes, whereas West Bank consumption was only about 90 million cubic metres.

Statistics show that agricultural output continues to fall and that agriculture itself is declining. Agriculture used to be the foundation of the Palestinian national economy. Its deterioration has affected the whole of society and threatens the future of the entire homeland.

[101] TD/B/870.

[102] TD/B/869.

There is a complete lack of industry. There are hardly any canning and packaging centres and the Israeli authorities make use of all possible means to prevent Palestinian attempts to develop this sector.

To give but one example, the Israeli authorities have so far refused to give permission to citrus fruit merchants in the Gaza Strip to set up a juice factory capable of utilizing unexported citrus products. These authorities have also refused to establish a faculty of agriculture in occupied Palestine or to set up a research centre.

To sum up, land confiscation, control of land use, restrictions on marketing of agricultural products and denial of loans and credit facilities, have all led to a diminished agricultural base, unemployment and migrant workers, while there has been no room for any industrial development.

In the third place, in industry, we find that industrial activity constitutes ony a small part of GNP. Nevertheless, the level of local industrial development is actually decreasing.

Since 1967, when the policy of assimilating the occupied Palestinian territories into the Zionist, colonial economy began, Israel has introduced into the occupied Palestinian territories tariff barriers to protect its own industry. Israeli industrialists receive preferential treatment *vis-à-vis* Arab Palestinian industrialists, who are denied grants, assistance, loans and other incentives available to the Israelis.

The industrial base in the occupied territories has been subjected to gradual erosion. Arab entrepreneurs have been deprived of all means of achieving any industrial development. We could mention as an example that all attempts to obtain permission for the establishment of a cement factory in occupied Palestinian territory have failed.

Fourthly, housing, which represents a basic requirement in any society, has been obstructed by an arbitrary Israeli policy of preventing Arab citizens from building new houses for themselves. This is yet another form of pressure designed to drive them out of the country. The occupation authorities prevented the existing co-operative housing enterprises from carrying out any activities in the field of construction. They prevented citizens from obtaining the financial assistance needed to build their houses and destroyed many thousands of houses as an arbitrary punishment.

Fifthly, with regard to foreign trade, the marketing structures and the flows between the occupied territories and the outside world were disrupted immediately after the occupation. The abolition of all restrictions on the entry into the occupied Palestinian territories of Israeli goods of all kinds was the very first measure adopted after the occupation. Simultaneously, Israel established controls on the occupied territories' exports and imports, which were totally governed by Israeli restrictions designed to protect the Israeli economy. Today, 90 per cent of the imports of the occupied Palestinian territories come from Israel. The West Bank and Gaza occupy the second place after the United States of America in the size of their imports from Israel. The trade pattern is one of hegemonistic rule by the Israeli economy. This is due to a variety of factors, the most important of which are:

(*a*) Restrictions on the import of goods into the occupied Palestinian territories from non-Israeli sources and the elimination of all barriers to the entry of goods from Israel;

(*b*) Restrictions on the export of many products from the occupied Palestinian territories which could be competitive with Israeli products, particularly agricultural products;

(*c*) Channelling the bulk of exports from the occupied territories through Israeli agencies;

(*d*) A tendency towards the importation of more Arab workers for employment in specific sectors of the Zionist economy and towards exerting pressure upon them to use their wages to purchase goods which, if circumstances allowed, could be bought in their own country.

Sixthly, in the case of labour and employment, international statistics and reports confirm the serious discrepancy in income, wage levels and rights between Arab workers and Israeli workers. These reports refer to the working conditions for workers coming from the occupied Palestinian territories.

The occupied Palestinian territories have become a source of cheap manpower. The wage of a worker coming from the occupied Palestinian territories is estimated to be about 50 per cent of the wage of his Israeli counterpart and is hardly any different, in real terms, from the wage levels of workers employed in the occupied territories. Consequently, these figures confirm the non-existence of any local job opportunities, due to the policies of the occupying authorities (i.e. the factor of ejection) and not to the temptation of higher wages (i.e. the factor of attraction), as the main reason for the phenomenon of the movement of labour from the occupied territories to the Zionist entity.

Seventhly, in the light of this brief review of the economic situation in the occupied territories, we would appeal to this Conference, which is no doubt deeply concerned at the deterioration of the living conditions of the Palestinian people under Israeli occupation, to adopt a resolution asking the Secretary-General of UNCTAD to create a special economic unit to monitor and survey the economic practices of the Zionist occupation authorities. We cannot on this occasion, but express our thanks to the Asian, African and Latin American Groups for their support for such a draft resolution at the meetings at Baghdad and Buenos Aires. We declare our support for the struggle of the Namibian people, under the leadership of SWAPO, for independence and sovereignty as well as the struggle of the people of South Africa under the leadership of ANC against the racist minority régime in that country.

Colonialism, expansionist policy, racism, zionism, foreign occupation, domination and hegemony have led in the past to tragedies which are still causing suffering for some developing countries and peoples. They represent the main obstacles in the path of economic and social progress and threaten world peace and security.

Peace and development are intertwined. Orderly development and progress cannot be achieved except in

an atmosphere of peace and co-operation, since political freedom and economic progress go hand in hand.

A comprehensive and just peace in the Middle East cannot be achieved without a just solution of the Palestinian problem based on the termination of the occupation and the unconditional withdrawal of Israel from all occupied Arab and Palestinian territories, thus enabling the Palestinian people to exercise their inalienable national rights as confirmed by United Nations resolutions, first and foremost among them being their right to return to their homeland, and their right to self-determination, to establish their own independent State on their national territory under the leadership of PLO, their only legitimate representative.

The Camp David Agreements ignored the rights of the Palestinian people and hence they failed to achieve comprehensive and just peace in the Middle East. The same applies to the agreement imposed by Israel on Lebanon, in the shadow of its occupation of that country, an agreement which poses a threat to the security of the neighbouring Arab countries. Our people have declared their rejection also of all projects calling for autonomy only and thus denying their right to national independence, sovereignty and the establishment of their independent State on their national territory.

The termination of the Israeli occupation of the occupied Arab and Palestinian territories is a prerequisite for ending the deterioration in the economic conditions of those territories. It is the only way in which the Palestinian people can be enabled to exercise its right to control its national resources and economic activities and to reshape its life and achieve overall economic development according to its own decisions, freely arrived at.

The establishment of peace in the Middle East would bring prosperity to all Arab States and would enable them to use their economic and human resources to achieve their own economic and social development and to contribute to the world advance towards progress, prosperity and well-being.

Allow me, Mr. President, to convey to the Conference the greetings of our unwavering people in the occupied territories and to express my appreciation of the valuable efforts made by the UNCTAD secretariat to prepare for this session of the Conference and my best wishes for the success of its proceedings, in the hope that we shall all succeed in serving the just causes of all peoples, their prosperity, progress and well-being. Thank you.

Summary of statement made at the 189th plenary meeting, 16 June 1983, by Mr. Ben Amathila, South West Africa People's Organization*

1. Mr. AMATHILA (South West Africa People's Organization) said that if the economic problems of today remained unsolved, it was not for want of information but chiefly because of a lack of sensitivity to the problems of the underdeveloped countries on the part of certain industrialized countries. The excellent documentation prepared by the UNCTAD secretariat fully revealed the aspirations, hopes and frustrations of member States.

2. As a national liberation movement, SWAPO was very sensitive to any attempt to restrict the family of nations, especially in areas relating to its own future.

3. In resolution 1514 (XV) of 14 December 1960 concerning the granting of independence to colonial countries and peoples, the United Nations General Assembly had invited Member States to assist in the decolonization process. He refuted the suggestion that he was trying to politicize UNCTAD by raising the question of assistance to national liberation movements. When that question was raised in the General Assembly or the Security Council, abstentionism, negative votes and even vetoes were used to counter it. UNCTAD, on the other hand, was expressly instructed, by Conference resolution 109 (V), to assist the national liberation movements in South Africa, Namibia and Palestine. After having eradicated colonialism, it would be necessary to give the Governments established in the territories concerned the means to administer their countries and their economies.

4. His organization was grateful to UNCTAD for its study on Namibia[103] and requested it to continue to extend its help. It welcomed General Assembly resolution 37/233 E of 20 December 1982, in which the Assembly instructed the United Nations Council for Namibia to make a socio-economic study of the situation and asked for assistance from the specialized agencies in the United Nations system.

5. The question of Namibia had an economic impact on the front-line States and the members of OAU in general. Those States, in particular Angola, Mozambique, Zimbabwe, Zambia and Lesotho, were the target for the hostility of the South African régime, which was engaged in weakening their economic infrastructure because they recognized the right of self-determination of Namibians and the oppressed peoples of southern Africa. The economic development of southern Africa was therefore bound up with the solution of the Namibian problem, and stability in the region also depended on the solution of the South African problem. Only after the source of aggression and destabilization had been removed from the region would the region be able to exploit its full potential, particularly in the spheres of co-operation and communications. The countries concerned would then be able to devote to development the sums which they were currently obliged to spend on self-defence against external aggression.

6. All the troubles of southern Africa were not, of course, due solely to its special political situation.

* Invited to participate in the Conference pursuant to General Assembly resolution 31/152.

[103] TD/869.

Indebtedness, protectionism and commodity trade barriers were phenomena which had their most serious effects in the countries of the third world. It was for the industrialized countries to view the claims of the developing countries in a new light and in a spirit of conciliation.

7. In conclusion, he paid tribute to Yugoslavia and the late Marshal Tito for their contribution to the cause of peace and their solidarity with the peoples of Namibia, Palestine and South Africa. He thanked the Secretary-General of UNCTAD and his staff for the excellent work done in preparation for the session.

Part Two

SUMMARY RECORDS OF PLENARY MEETINGS

PART TWO

Summary records of plenary meetings*

172nd (OPENING) PLENARY MEETING

Monday, 6 June 1983, at 3.15 p.m.

Temporary President: Mr. Roberto V. ONGPIN (Philippines)

President: Mr. Lazar MOJSOV (Yugoslavia)

TD/SR.172

AGENDA ITEM 1

Opening of the Conference

1. The TEMPORARY PRESIDENT, in accordance with rule 16 of the rules of procedure, declared open the sixth session of the United Nations Conference on Trade and Development.

2. After thanking the Yugoslav Government and people for acting as hosts to the sixth session, he referred to the results of the fifth session of the Conference, for which the Government of the Philippines had been the host Government, and of the earlier sessions. Those achievements could not have been accomplished except through UNCTAD—through the moral force that body could mobilize and the universal forum it provided. The achievements of UNCTAD could only be seen from the vantage point of long hindsight: the ideas proposed at one session were adopted at another, and their implementation was determined at yet another session.

3. At its fifth session, the Conference had adopted 24 resolutions. In some of them, the secretariat was simply asked to make some studies, and that had been done. Other resolutions had been adopted despite the serious reservations on the part of developed countries, expressed in negative votes or abstentions, and had remained unimplemented. Others again, though adopted without opposition, had not been fully implemented. A case in point was the resolution on the Integrated Programme for Commodities.

4. At its fifth session, the Conference had decided that the process of establishing the Common Fund for Commodities should be completed. Negotiations on the subject had been concluded in 1980. The amount of the Fund, originally proposed to be $6 billion, had been reduced to $750 million, and the Second Account had been reduced, but the Fund had still not been fully pledged, ratified or established. The fifth session had failed to provide sufficient impetus for the implementation of the Integrated Programme for Commodities; the world recession had brought commodity prices down to their lowest level for 50 years. The same applied to the resolutions on international trade, monetary and financial issues, technology, trade with socialist countries, aid to the least developed countries and economic co-operation among developing countries.

5. It was essential to do better at the sixth session. There were fortunately some signs that the world was emerging from the longest and deepest recession it had experienced for 50 years. Interest rates and inflation had declined. Growth was resuming in the major OECD countries. The international financial system, although undoubtedly requiring to be buttressed, had shown resilience in dealing with liquidity problems. The decline in oil prices would benefit oil-importing developing countries and contribute to growth in the OECD countries. The increase in IMF resources and the action by GATT to resist protectionist measures were further important factors.

6. In that context, the sixth session of the Conference should promote co-operation among countries in support of global recovery. It should make it possible to overcome the North-South polarization that had been seen at the fifth session, and at earlier sessions, where one side made maximum demands and the other side made minimum responses. In the Buenos Aires Platform, the Group of 77 had invited all nations to go to Belgrade in a spirit of understanding and co-operation. The basic proposals in that text were generally acceptable to both North and South. Those proposals were: the launching of a concerted programme for the reactivation of the world economy and the accelerated development of the developing countries; and the implementation of an integrated set of policies for commodities, trade, money and finance. In order to overcome the current economic difficulties and strengthen international co-operation, all nations, developed and developing, had to be prepared to listen to one another. That was the spirit that should guide all the participants in the sixth session of the Conference.

AGENDA ITEM 2

Election of the President

7. The TEMPORARY PRESIDENT invited nominations for the office of President.

8. Mr. JAMA (Somalia), speaking on behalf of the Group of 77, nominated Mr. Lazar Mojsov, Federal Secretary for Foreign Affairs of Yugoslavia.

* Incorporating corrections requested by delegations and any necessary editorial modifications.

9. Mr. STRAY (Norway), on behalf of Group B, Mr. SOELLE (German Democratic Republic), on behalf of Group D, and Mr. LI (China) supported the nomination.

10. *Mr. Mojsov (Yugoslavia) was elected President by acclamation and took the Chair.*

11. The PRESIDENT thanked the participants for the confidence they had placed in him and for the honour they had conferred on his country by electing him President. Even since its emergence, the Socialist Federal Republic of Yugoslavia had endeavoured to contribute to the improvement of international economic and political relationships and the strengthening of the United Nations and its role in the world. In that connection, the United Nations Conference on Trade and Development had a prominent role to play. It had already made a major historical contribution to the solving of world economic problems. In almost 20 years of existence, it had played an invaluable role in understanding the profound changes that had taken place in the modern world. It had helped to solve various problems of international economic relations and had affirmed many new principles and mechanisms of co-operation.

12. As an integral part of the United Nations system, UNCTAD, like the United Nations itself, had gone through periods in which there had been encouraging trends but also through periods of unfulfilled expectations. Nevertheless, the sessions of the Conference had always been regarded as exceptional events in international economic co-operation and in the process of solving the problems facing the developing countries in particular. The current session was opening in a more difficult political and economic context than the earlier ones, and that made the responsibility of participants all the greater. That context was characterized by an irrational arms race, by the proliferation of conflicts and crises and by the exacerbation of economic difficulties. Arms expenditure was 20 times as great as the resources allocated to development assistance. Economic problems were among the problems of highest priority. The world crisis affected all countries, and its effects were insupportable in those countries which, as the result of historical circumstances, had remained at the bottom line of economic development.

13. The current economic situation was reflected in the excellent documentation prepared by the UNCTAD secretariat, and particularly in the report of the Secretary-General of UNCTAD,[1] who had explained the motives and objectives of the sixth session on many occasions. The documentation, debates and results of the sixth session would be of undoubted value for other United Nations organs. The documentation showed that the state of the world economy was extremely disturbing and that the position of the developing countries was becoming increasingly untenable. The current crisis should not produce a passive attitude. On the contrary, it should serve as an incentive to vigorous action to revitalize the world economy and, in particular, to promote the development of the developing countries through appropriate international measures and action.

14. The search for global solutions was in the interest of all nations, none of which, whatever its level of economic development, could escape from its difficulties or ensure its long-term development in isolation. Every country had therefore to contribute to the common endeavour within the limits of its capacities. The Seventh Conference of Heads of State or Government of Non-Aligned Countries, held recently at New Delhi, had highlighted the need to adopt urgent measures to ensure the steady development of the developing countries, and thus the advancement of the world economy. That meeting had expressed the hope that, at its sixth session, the United Nations Conference on Trade and Development would adopt decisions and programmes in that respect that were as complete as possible. Similar hopes had been expressed in other meetings, contacts and consultations following the New Delhi Conference.

15. The sixth session of the Conference provided a unique opportunity for effectively seeking practical results in a constructive atmosphere. He was convinced that all concerned would contribute to the formulation of a programme of action comprising not only the immediate measures that were of crucial importance to the developing countries but also agreements on long-term measures for restructuring international economic relations.

16. The preparations that had been made for the Conference should provide a basis for fruitful work. For the first time, the countries of the Group of 77 had made known their proposals well in advance, through the Buenos Aires Platform. It was desirable for the delegations of other countries to make known their proposals speedily in order to accelerate the search for solutions. The Governments of all countries had indicated their political will to seek constructive solutions. There were certainly differences of view among delegations, but he called upon all concerned to focus their attention on the basic elements they had in common.

17. The presence of eminent statesmen from all parts of the world testified to the exceptional importance of the Conference, and that would certainly encourage all the participants to strive to achieve fruitful results. The participation of representatives of all the specialized agencies, organs and organizations of the United Nations system and of other international organizations and institutions would also be very useful to the Conference.

18. It was understandable and encouraging that the world public should be interested in the deliberations of the Conference, since they would affect the interests and the destiny of the broadest segments of the population in all the countries of the world. It was to be hoped that the presence of a large number of representatives of the information media would ensure comprehensive coverage of the work of the Conference. The participation of the representatives of numerous non-governmental organizations would also serve the same purpose.

19. He was sure that he would have the full co-operation of every delegation in a concerted effort to

[1] TD/271, reproduced in volume III. The report was also issued separately (United Nations publication, Sales No. E.84.II.D.4).

contribute to the success of the Conference, in the interest of the international community as a whole. The UNCTAD secretariat, which was both competent and efficient, and the numerous other services would give reliable support to the Conference. The fact that its general debate and methods of reaching agreement were public was particularly important for the success of the Conference.

20. In conclusion, he once again expressed the hope that the sixth session of the Conference would take place in an atmosphere of constructive co-operation and respect for one another's interests and that it would be directed towards the achievement of the great and noble goals expected of it by the entire international community, particularly that portion of it currently experiencing the greatest difficulties. He invited all the participants to spare no effort to ensure that the results of the session were commensurate with the gravity of the challenges currently facing the international community.

Statement by the Secretary-General of the United Nations

21. Mr. PÉREZ DE CUÉLLAR (Secretary-General of the United Nations) made a statement.*

Messages from heads of State or Government

22. Mgr. GANTIN (Holy See) read out a message to the Secretary-General of UNCTAD from His Holiness Pope John Paul II.**

23. Mr. MARIATEGUI (Peru) read out a message to the President of the Conference from Mr. Fernando Belaúnde Terry, President of the Republic of Peru.**

24. Mr. RINCHIN (Mongolia) read out a message to the Secretary-General of UNCTAD from Mr. J. Batmunh, President of the Council of Ministers of the Mongolian People's Republic.**

25. Mr. CABRISAS RUIZ (Cuba) read out a message to the President of the Conference from Mr. Fidel Castro Ruz, President of the Council of State and Government of the Republic of Cuba.**

26. Mr. LI Ke (China) read out a telegram to the President of the Conference from Mr. Zhao Ziyang, Premier of the State Council of the People's Republic of China.**

27. Mr. JAMA (Somalia) read out a message from Major General Mohamed Siad Barre, President of the Somali Democratic Republic.**

28. Mr. MANZHULO (Union of Soviet Socialist Republics) read out a message to the President of the Conference from the Council of Ministers of the Union of Soviet Socialist Republics.**

29. Mr. SOELLE (German Democratic Republic) read out a message to the President of the Conference from Mr. Erich Honecker, General Secretary of the Central Committee of the Socialist Unity Party of Germany and Chairman of the Council of State of the German Democratic Republic.**

* For the text of the statement, see part one, section B, above.

** For the text of the message, see volume I, annex V, section A.

Report by the Chairman of the Pre-Conference Meeting (TD/289)

30. Mr. HLAVATY (Czechoslovakia), President of the Trade and Development Board and Chairman of the Pre-Conference Meeting, introduced the report of the Meeting, which had been held on 2 and 3 June 1983, pursuant to Board decision 258 (XXV) of 17 September 1982 and by virtue of the mandate given by the General Assembly in its resolution 37/208 of 20 December 1982. The purpose of the Meeting had been to settle the organizational and procedural questions on which the Board had made suggestions in decision 258 (XXV) and, more particularly, in decision 272 (S-XII) adopted at its twelfth special session, in May 1983.

31. The participants in the Pre-Conference Meeting had carefully considered those suggestions and had limited themselves to making certain clarifications in regard to the procedure for considering item 12 of the provisional agenda for the Conference in plenary meeting. The Conference had before it the report of the Pre-Conference Meeting (TD/289) for examination and decision.

32. Mr. GAUTAM (Nepal), speaking as co-ordinator of the Asian Group, said that the representative of the Islamic Republic of Iran had entered reservations at the Pre-Conference Meeting concerning the Meeting's decision to recommend Iraq for one of the posts of Vice-President of the Conference allocated to the Asian Group of the Group of 77 (TD/289, para. 11).

AGENDA ITEM 14

Other business

Periodic review by the Conference of the list of States contained in the annex to General Assembly resolution 1995 (XIX)

33. The PRESIDENT invited the Conference to endorse the recommendation made by the Pre-Conference Meeting in paragraph 6 of its report (TD/289) to the effect that the States which had become members of UNCTAD since the fifth session of the Conference—Antigua and Barbuda, Belize, Namibia (which had become a member of UNCTAD by virtue of General Assembly resolution 34/92 C of 12 December 1979), Saint Lucia, Saint Vincent and the Grenadines, Vanuatu and Zimbabwe—should be included in the appropriate lists of States in the annex to General Assembly resolution 1995 (XIX).

34. *It was so decided.*

AGENDA ITEM 3

Constitution of sessional bodies

35. The PRESIDENT invited the Conference to establish four main committees under rule 62 of the rules of procedure and in accordance with the recommendation made by the Pre-Conference Meeting in paragraph 7 of its report (TD/289). The committees would be responsible for considering items 9, 10, 11 and

13 respectively of the provisional agenda and would each set up such sub-committees and working parties as might be required under rule 63 of the rules of procedure. Items 1 to 8, item 12 and items 14 and 15 would be considered in plenary session.

36. *It was so decided.*

AGENDA ITEM 4

Election of Vice-Presidents and the Rapporteur

37. *The Conference adopted the recommendations contained in paragraph 8 of the report of the Pre-Conference Meeting concerning the regional distribution of the 35 members of the Bureau.*

ELECTION OF CHAIRMEN OF THE FOUR MAIN COMMITTEES

38. The PRESIDENT invited the Conference to waive rules 58 and 65 of its rules of procedure and elect the Chairmen of the Committees in accordance with the recommendations in paragraph 14 of the report of the Pre-Conference Meeting (TD/289): Mr. Kobayashi (Japan) for Committee I, Mr. Pirinski (Bulgaria) for Committee II, Mr. Nwankwo (Nigeria) for Committee III and Mr. Inan (Turkey) for Committee IV.

39. *It was so decided.*

ELECTION OF RAPPORTEUR

40. *The Conference agreed to waive the provisions of rule 58 of its rules of procedure and, in accordance with the recommendation contained in paragraph 10 of the report of the Pre-Conference Meeting, elected Mr. Martínez (Argentina) as Rapporteur of the Conference by acclamation.*

ELECTION OF VICE-PRESIDENTS

41. *The Conference decided to waive the provisions of rule 58 of its rules of procedure and to elect as Vice-Presidents the representatives of the following 29 countries: Algeria, Australia, Chile, China, Cuba, German Democratic Republic, Germany, Federal Republic of, Gabon, Greece, Guinea, Haiti, Hungary, Indonesia, Iraq, Jamaica, Mexico, Nicaragua, Pakistan, Portugal, Sri Lanka, Syrian Arab Republic, Sudan, Sweden, Thailand, Tunisia, Union of Soviet Socialist Republics, United Kingdom of Great Britain and Northern Ireland, United States of America, Zimbabwe.*

REGIONAL DISTRIBUTION OF THE POSTS OF VICE-CHAIRMAN AND RAPPORTEUR OF THE FOUR MAIN COMMITTEES

42. The PRESIDENT reminded the Conference that, under rule 65 of the rules of procedure, each main committee should elect its own Chairman, Vice-Chairman and Rapporteur. In paragraph 15 of its report (TD/289), the Pre-Conference Meeting had recommended for approval by the Conference a method of regional distribution of the posts of Vice-Chairman and Rapporteur for the four main committees.

43. *The regional distribution of the posts of Vice-Chairman and Rapporteur of the four main committees recommended by the Pre-Conference Meeting was adopted.*

AGENDA ITEM 5

Credentials of representatives to the Conference

(*a*) Appointment of the Credentials Committee

44. *In accordance with rule 14 of the rules of procedure of the Conference and in the light of the recommendation of the Pre-Conference Meeting in paragraph 17 of its report (TD/289), the Conference decided to appoint a Credentials Committee composed of the following States: Bahamas, China, Dominican Republic, Nepal, New Zeland, Nigeria, Seychelles, Union of Soviet Socialist Republics, United States of America.*

45. The PRESIDENT reminded the Conference that, pursuant to rule 14 of the rules of procedure of the Conference, the Credentials Committee should elect its own officers. The Committee might, however, wish to elect as its presiding officer a representative of the country that had chaired the Committee during the thirty-seventh session of the General Assembly, namely, Bahamas.

AGENDA ITEM 6

Adoption of the agenda

46. Mr. STREEB (United States of America) said that the United States delegation, while not wishing to oppose the adoption of the provisional agenda (TD/270) by consensus at the Conference, had reservations which it had already had occasion to formulate and which had led it to vote against the provisional agenda at the twenty-fourth session of the Trade and Development Board. The wording of certain items gave a distorted picture of the economic situation, was not sufficiently directed to the future, and did not sufficiently take account of the problems of the 1980s. His delegation also considered that it was not for UNCTAD to deal with the question of "assistance to national liberation movements recognized by the regional intergovernmental organizations" and was therefore firmly opposed to examination by the Conference of item 13 (*f*) of the provisional agenda.

47. The PRESIDENT recalled that the Pre-Conference Meeting recommended that the Conference adopt the provisional agenda (TD/270) approved by the Board in decision 256 (XXIV), with item 12 amended as follows: "Progress in the implementation of the Substantial New Programme of Action for the 1980s for the Least Developed Countries."

48. *The provisional agenda, as thus amended, was adopted.*

Organization of the work of the Conference

49. The PRESIDENT drew attention to the recommendation in paragraph 26 of the report of the Pre-Conference Meeting (TD/289) that a time-limit of

15 minutes should be observed for statements by representatives of States and 10 minutes for statements by other participants in the general debate (scheduled for the period of 10-18 June), on the understanding that other meetings would be arranged if necessary to enable the Conference to complete the general debate satisfactorily. The time-limit might, however, be waived in the case of addresses by heads of State or Government.

50. *The Conference took note of that recommendation.*

51. *The Conference adopted the allocation of items for the plenary meetings and the main committees as recommended by the Pre-Conference Meeting (TD/289, annex).*

52. *The Conference decided to retain summary records for its plenary meetings but to dispense with them for its main committees.*

53. *For the consideration of items 8, 12 and 13, the Conference adopted the recommendations of the Pre-Conference Meeting as set forth in paragraphs 23 and 24 of its report.*

54. *The Conference approved the detailed organizational arrangements set forth in paragraphs 28 and 29 of the report of the Pre-Conference Meeting as well as those in sections C and D of the annex and the tentative time-table in the appendix.*

55. *The Conference decided that its report to the General Assembly should follow the general format of the reports of the fourth and fifth sessions and that a group of "Friends of the Rapporteur" should be constituted, consisting of 11 persons: two members each for the African, Asian and Latin American Groups; two members each for Groups B and D; and one member for China.*

AGENDA ITEM 14

Other business (*continued*)

Designation of intergovernmental bodies for the purposes of rule 80 of the rules of procedure

56. *The Conference decided to designate the following intergovernmental body for the purposes of rule 80 of the rules of procedure: Intergovernmental Bureau for Informatics (TD/L.198).*

Question of an invitation to the Inter-Parliamentary Union to address the Conference

57. The PRESIDENT reminded the Conference of the recommendation in paragraph 32 of the report of the Pre-Conference Meeting (TD/289) that the Secretary-General of the Inter-Parliamentary Union be invited, exceptionally, to address the Conference.

58. *The Conference decided that it would draw up an invitation at an appropriate time.*

Amendment of the rules of procedure of the Conference (TD/63/Rev.1 and Amend.1 and 2)

59. *The Conference decided to take up the recommendations in paragraphs 33 and 34 of the report of the Pre-Conference Meeting concerning amendments to the rules of procedure at a later stage of the session, so as not to prejudice any decision it might take which required amendment of its rules.*

The meeting rose at 5.45 p.m.

173rd PLENARY MEETING

Tuesday, 7 June 1983, at 10.40 a.m.

President: Mr. Lazar MOJSOV (Yugoslavia)

TD/SR.173

Message from Mr. Chadli Benjedid, President of the People's Democratic Republic of Algeria

1. Mr. KHELEF (Algeria) read out a message to the Conference from the President of the People's Democratic Republic of Algeria.*

AGENDA ITEM 7

General debate

AGENDA ITEM 8

The world economic situation with special emphasis on development: approaches to the current world economic crisis and perspectives for the 1980s, including issues, policies and measures relevant to the attainment of a new international economic order (TD/272 and Add.1, TD/285)

2. Mr. COREA (Secretary-General of UNCTAD) made a statement.**

3. General BIGNONE (Argentina) made a statement.***

4. Mr. MULDOON (New Zealand) made a statement.***

5. Mr. MacEACHEN (Canada) made a statement.****

6. Mr. STRAY (Norway) made a statement.****

The meeting rose at 1.40 p.m.

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* For the text of the message, see volume I, annex V, section A.

** For the text of the statement, see part one, section B, above.

*** For the text of the statement, see part one, section A.1, above.

**** For the summary of the statement, see part one, section A.2, above.

174th PLENARY MEETING

Tuesday, 7 June 1983, at 3.10 p.m.

President: Mr. Lazar MOJSOV (Yugoslavia)

TD/SR.174

AGENDA ITEM 7

General debate (*continued*)

AGENDA ITEM 8

The world economic situation with special emphasis on development: approaches to the current world economic crisis and perspectives for the 1980s, including issues, policies and measures relevant to the attainment of a new international economic order (*continued*) (TD/272 and Add.1, TD/285)

1. Mr. LAMBSDORFF (Federal Republic of Germany), speaking on behalf of the European Economic Community and its member States, made a statement.*

2. Mr. FURGLER (Switzerland) made a statement.*

3. Mr. ZAMBRANO VELASCO (Venezuela) made a statement.*

4. Mr. ABE (Japan) made a statement.*

5. Mr. LOUKANOV (Bulgaria) made a statement.*

6. *Mr. Chidzero (Zimbabwe), Vice-President, took the Chair.*

7. Mr. COVARRUBIAS SANHUEZA (Chile) made a statement.*

8. Mr. VALDEPEÑAS (Philippines) made a statement.*

The meeting rose at 6.10 p.m.

* For the summary of the statement, see part one, section A.2, above.

175th PLENARY MEETING

Wednesday, 8 June 1983, at 10.05 a.m.

President: Mr. Lazar MOJSOV (Yugoslavia)

TD/SR.175

AGENDA ITEM 7

General debate (*continued*)

AGENDA ITEM 8

The world economic situation with special emphasis on development: approaches to the current world economic crisis and perspectives for the 1980s, including issues, policies and measures relevant to the attainment of a new international economic order (*continued*) (TD/272 and Add.1, TD/285)

1. Mr. de LAROSIÈRE (International Monetary Fund) made a statement.*

2. Mr. ATHULATHMUDALI (Sri Lanka) made a statement.**

3. Mr. WILLIAMS (United Kingdom) made a statement.**

4. Mr. URBAN (Czechoslovakia) made a statement.**

5. *Mr. Hill (Australia), Vice-President, took the Chair.*

6. Mr. ARSENIS (Greece) made a statement.**

7. Mr. CHIDZERO (Zimbabwe) made a statement.**

8. Mr. NESTOROWICZ (Poland) made a statement.**

9. Mr. KHELEF (Algeria) made a statement.**

The meeting rose at 1 p.m.

* For the summary of the statement, see part one, section C, above.

** For the summary of the statement, see part one, section A.2, above.

176th PLENARY MEETING

Wednesday, 8 June 1983, at 3.10 p.m.

President: Mr. Lazar MOJSOV (Yugoslavia)

TD/SR.176 and Add.1

AGENDA ITEM 7

General debate (*continued*)

AGENDA ITEM 8

The world economic situation with special emphasis on development: approaches to the current world economic crisis and perspectives for the 1980s, including issues, policies and measures relevant to the attainment of a new international economic order (*continued*) (TD/272 and Add.1, TD/285)

1. Mr. SAOUMA (Food and Agriculture Organization of the United Nations) made a statement.*

2. Mr. HELLSTRÖM (Sweden) made a statement.**

3. *Mr. Khelef (Algeria), Vice-President, took the Chair.*

4. Mr. SARAIVA GUERREIRO (Brazil) made a statement.**

* For the summary of the statement, see part one, section C, above.

** For the summary of the statement, see part one, section A.2, above.

5. *The meeting was suspended at 4.30 p.m. in order to provide time for delivery by Mrs. Indira Gandhi, Prime Minister of India, of the second Raúl Prebisch lecture, on "Peace and development", and was resumed at 5.55 p.m.*

6. *Mr. Calixte (Haiti), Vice-President, took the Chair.*

7. Mr. MOELLER (Denmark) made a statement.**

8. Mr. HERNANDEZ CERVANTES (Mexico) made a statement.**

9. Mr. VAN LENNEP (Organisation for Economic Co-operation and Development) made a statement.***

The meeting rose at 6.50 p.m.

** For the summary of the statement, see part one, section A.2, above.

*** For the summary of the statement, see part one, section D, above.

177th PLENARY MEETING

Thursday, 9 June 1983, at 10.25 a.m.

President: Mr. Lazar MOJSOV (Yugoslavia)

TD/SR.177

AGENDA ITEM 7

General debate (*continued*)

AGENDA ITEM 8

The world economic situation with special emphasis on development: approaches to the current world economic crisis and perspectives for the 1980s, including issues, policies and measures relevant to the attainment of a new international economic order (*continued*) (TD/272 and Add.1, TD/285)

1. Mr. CLAUSEN (World Bank) made a statement.*

2. Mr. VERESS (Hungary) made a statement.**

3. Mr. MUBARAK (Egypt) made a statement.***

4. Mr. JAYAPHORN (Thailand) made a statement.**

5. Mr. MANZHULO (Union of Soviet Socialist Republics) made a statement.**

6. *Mr. Arsenis (Greece), Vice-President, took the Chair.*

7. Mr. CABRISAS RUIZ (Cuba) made a statement.**

8. Mr. DUNKEL (GATT) made a statement.*

The meeting rose at 1.50 p.m.

* For the summary of the statement, see part one, section C, above.

** For the summary of the statement, see part one, section A.2, above.

*** For the text of the statement, see part one, section A.1, above.

178th PLENARY MEETING

Thursday, 9 June 1983, at 3.25 p.m.

President: Mr. Lazar MOJSOV (Yugoslavia)

TD/SR.178

1. *In the absence of the President, Mr. Nyerges (Hungary), Vice-President, took the Chair.*

AGENDA ITEM 7

General debate (*continued*)

AGENDA ITEM 8

The world economic situation with special emphasis on development: approaches to the current world economic crisis and perspectives for the 1980s, including issues, policies and measures relevant to the attainment of a new international economic order (*continued*) (TD/272 and Add.1, TD/285)

2. Mr. St. JOHN (Barbados) made a statement.*

3. Mr. LUBBERS (Netherlands) made a statement.**

4. *The President took the Chair.*

5. Mr. MANESCU (Romania) made a statement.*

6. Mr. SHEARER (Jamaica) made a statement.*

7. Mr. CHECKOL (Ethiopia) made a statement.*

8. *Mr. Sulimma (Federal Republic of Germany), Vice-President, took the Chair.*

9. Mr. DELORS (France) made a statement.*

10. Mr. SANZE (Burundi) made a statement.*

11. Mr. PRADHAN (Bhutan) made a statement.*

The meeting rose at 6.55 p.m.

* For the summary of the statement, see part one, section A.2, above.

** For the text of the statement, see part one, section A.1, above.

179th PLENARY MEETING

Thursday, 9 June 1983, at 9.20 p.m.

President: Mr. Lazar MOJSOV (Yugoslavia)

TD/SR.179

1. *In the absence of the President, Mr. Hamra (Sudan), Vice-President, took the Chair.*

AGENDA ITEM 7

General debate (*continued*)

AGENDA ITEM 8

The world economic situation with special emphasis on development: approaches to the current world economic crisis and perspectives for the 1980s, including issues, policies and measures relevant to the attainment of a new international economic order (*continued*) (TD/272 and Add.1, TD/285)

1. Mr. AL-SOLAIM (Saudi Arabia) made a statement.*

3. Mr. LASRAM (Tunisia) made a statement.*

4. Mr. IGLESIAS (Economic Commission for Latin America) made a statement.**

5. Mr. ANDREOU (Cyprus) made a statement.*

The meeting rose at 10.40 p.m.

* For the summary of the statement, see part one, section A.2, above.

** For the summary of the statement, see part one, section B, above.

180th PLENARY MEETING

Friday, 10 June 1983, at 10.10 a.m.

President: Mr. Lazar MOJSOV (Yugoslavia)

TD/SR.180

AGENDA ITEM 7

General debate (*continued*)

AGENDA ITEM 8

The world economic situation with special emphasis on development: approaches to the current world economic crisis and perspectives for the 1980s, including issues, policies and measures relevant to the attainment of a new international economic order (*continued*) (TD/272 and Add.1, TD/285)

1. Mr. RAMPHAL (Commonwealth Secretariat) made a statement.*

2. Mr. ERSHAD (Bangladesh) made a statement.**

3. Mr. YAO Yilin (China) made a statement.***

4. Mr. AMOAKON (Ivory Coast) made a statement.***

5. Mr. LANC (Austria) made a statement.***

6. *Mr. Hellström (Sweden), Vice-President, took the Chair.*

7. Mr. CHAUSHEV (Council for Mutual Economic Assistance) made a statement.*

8. Mr. WARDHANA (Indonesia) made a statement.***

9. Mr. KHANE (United Nations Industrial Development Organization) made a statement.****

The meeting rose at 1.20 p.m.

* For the summary of the statement, see part one, section D, above.

** For the text of the statement, see part one, section A.1, above.

*** For the summary of the statement, see part one, section A.2, above.

**** For the summary of the statement, see part one, section B, above.

181st PLENARY MEETING

Friday, 10 June 1983, at 3.10 p.m.

President: Mr. Lazar MOJSOV (Yugoslavia)

TD/SR.181

AGENDA ITEM 7

General debate (*continued*)

AGENDA ITEM 8

The world economic situation with special emphasis on development: approaches to the current world economic crisis and perspectives for the 1980s, including issues, policies and measures relevant to the attainment of a new international economic order (*continued*) (TD/272 and Add.1, TD/285)

1. Mr. MURRAY (Guyana) made a statement.*

2. Mr. SOELLE (German Democratic Republic) made a statement.*

3. Mr. ALIRO-OMARA (Uganda) made a statement.*

4. Mr. MARTINEZ CUENCA (Nicaragua) made a statement.*

5. Mr. PREBISCH (First Secretary-General of UNCTAD) made a statement.**

6. Mr. HAQUE (Pakistan) made a statement.*

7. *Mr. Cabrisas Ruiz (Cuba), Vice-President, took the Chair.*

8. Mr. O'KEEFFE (Ireland) made a statement.*

9. Mr. de VELASCO RAMI (Spain) made a statement.*

10. Mr. JAMMAL (Syrian Arab Republic) made a statement.*

* For the summary of the statement, see part one, section A.2, above.

** For the text of the statement, see part one, section B, above.

11. Mr. PORZIO (World Intellectual Property Organization) made a statement.***

The meeting rose at 6.35 p.m.

*** For the summary of the statement, see part one, section C, above.

182nd PLENARY MEETING

Monday, 13 June 1983, at 10.10 a.m.

President: Mr. Lazar MOJSOV (Yugoslavia)

TD/SR.182

AGENDA ITEM 7

General debate (*continued*)

AGENDA ITEM 8

The world economic situation with special emphasis on development: approaches to the current world economic crisis and perspectives for the 1980s, including issues, policies and measures relevant to the attainment of a new international economic order (*continued*) (TD/272 and Add.1, TD/285)

1. Mr. NGUYEN THUONG (Viet Nam) made a statement.*

2. Mr. BERMEO (Ecuador) made a statement.*

3. Mr. Dong-Whie KIM (Republic of Korea) made a statement.*

4. Mr. SAMPHAN (Democratic Kampuchea) made a statement.*

5. Mr. VRATUSA (Yugoslavia) made a statement.*

6. Mr. SINGH (India) made a statement.*

7. Mr. DAM (United States of America) made a statement.*

8. Mr. JALLALAR (Afghanistan) made a statement.*

9. Mr. CEYRAC (International Chamber of Commerce) made a statement.**

The meeting rose at 1.30 p.m.

* For the summary of the statement, see part one, section A.2, above.

** For the summary of the statement, see part one, section E, above.

183rd PLENARY MEETING

Monday, 13 June 1983, at 3.10 p.m.

President: Mr. Lazar MOJSOV (Yugoslavia)

TD/SR.183

1. The PRESIDENT announced that on 10 June 1983, five countries—Egypte, Mexico, Pakistan, the Syrian Arab Republic and Turkey—had signed the Agreement setting up the International Association of Cotton Producers. That day, 13 June 1983, Nigeria had signed the Agreement.

AGENDA ITEM 7

General debate (*continued*)

AGENDA ITEM 8

The world economic situation with special emphasis on development: approaches to the current world economic crisis and perspectives for the 1980s, including issues, policies and measures relevant to the attainment of a new international economic order (*continued*) (TD/272 and Add.1, TD/285)

2. Mr. HAMRA (Sudan) made a statement.*

3. Mr. JAMA (Somalia) made a statement.*

4. Mr. KIM MYON RE (Democratic People's Republic of Korea) made a statement.*

5. Mr. BUNU (Nigeria) made a statement.*

6. Mr. SALAS (United Nations Fund for Population Activities) made a statement.**

7. Mr. ZAMAN (Organization of the Islamic Conference) made a statement.***

8. Mr. ARZADON (Economic and Social Commission for Asia and the Pacific) made a statement.**

9. Mr. NASHASHIBI (Palestine Liberation Organization), speaking at the invitation of the President, pursuant to General Assembly resolution 3237 (XXIX), made a statement.****

The meeting rose at 6.15 p.m.

* For the summary of the statement, see part one, section A.2, above.

** For the summary of the statement, see part one, section B, above.

*** For the summary of the statement, see part one, section D, above.

**** For the text of the statement, see part one, section F, above.

184th PLENARY MEETING

Tuesday, 14 June 1983, at 10.10 a.m.

President: Mr. Lazar MOJSOV (Yugoslavia)

TD/SR.184

AGENDA ITEM 12

Progress in the implementation of the Substantial New Programme of Action for the 1980s for the Least Developed Countries (TD/276 and Add.1, TD/285; TD/L.217)

1. Mr. OSMAN (Somalia), speaking on behalf of the Group of 77, introduced draft resolution TD/L.217.

2. He recalled that the Substantial New Programme of Action for the 1980s for the Least Developed Countries had been unanimously adopted by the United Nations Conference on the Least Developed Countries, held in Paris from 1 to 14 September 1981, and had subsequently been endorsed by the General Assembly in its resolution 36/194 of 17 December 1981 and reaffirmed in General Assembly resolution 37/224 of 20 December 1982.

3. The adoption of the Substantial New Programme of Action had been the successful culmination of the efforts and initiatives of the international community on behalf of the least developed countries. The Conference, in resolutions 62 (III) and 98 (IV), had called on the international community to provide urgent and adequate assistance to the least developed countries to transform their bleak situation and overcome their structural problems. At its fifth session, the Conference had decided, in resolution 122 (V), to launch as one of its major priorities a comprehensive and substantially expanded programme, with both immediate and longer-term phases. The Immediate Action Programme (1979-1981) aimed at providing an immediate boost to the economies of the least developed countries and immediate support for projects to satisfy the most pressing social needs and to pave the way for much greater and longer-term development efforts.

4. However, the implementation of the Immediate Action Programme had been disappointing at a time when the least developed countries had urgently needed assistance. In fact, resources made available to them had declined during that period and their economic and financial plight had deteriorated further. Being the weakest and the economically most vulnerable, the least developed countries had been particularly hard hit by the acute world economic crisis.

5. It was against that background and the clear recognition by the international community of the need for urgent action on behalf of the least developed countries that the Paris Conference had been convened and the Substantial New Programme of Action adopted with the objectives of transforming the economies of the least developed countries towards self-sustained development and enabling them to provide at least internationally accepted minimum levels of living as well as job opportunities for all their citizens. To achieve these objectives, the Programme provided for action to be taken by the least developed countries at the national level with respect to strategy, priorities, and overall and sectoral targets, as well as other action necessary for accelerated development. It had been further recognized that the achievement of those objectives could not be realized without effective measures of support by the international community to complement action at the national level through increased financial resource transfers and through policies and programmes affecting the modalities of assistance, technical assistance, transfer of technology, commercial policy measures and economic and technical co-operation among developing countries.

6. It had been stressed in the Substantial New Programme of Action that a substantial transfer of resources from the international community, particularly the developed countries, would be required in order to implement the Programme effectively and that as large a proportion as possible of those increased transfers of resources should be disbursed urgently and effectively in order to meet immediate needs and to provide the necessary momentum to the development efforts of the least developed countries. It should be recalled that most donors of ODA had agreed to devote, in the coming years, 0.15 per cent of their GNP to the least developed countries, while other donors had agreed to double their ODA to the least developed countries in the same period.

7. The least developed countries themselves had made serious efforts to implement the Substantial New Programme of Action. All the least developed countries had decided on consultative arrangements, as required by the Programme. Most least developed countries had appointed a governmental focal point for the review and implementation of the Programme at the national level. A number of them had revised their development plans, or specifically formulated new plans, to correspond to the priorities of the programme and had already convened their country review meetings with the help of UNDP or the World Bank. Recently a review meeting for the five least developed countries of Asia and the Pacific had been held in Geneva. In organizing that meeting, the UNDP had acted as lead agency. In other countries that were planning to hold their review meetings in 1983, substantive reports were being prepared on overall and sectoral measures for the implementation of the Programme. Measures had also been taken in a number of least developed countries to expand domestic resource mobilization, strengthen the planning system and introduce fiscal and monetary incentives. Food strategies were being formulated and the educational systems were being reformed to respond to local needs and improve the living levels of the rural population.

8. However, despite those laudable and commendable efforts by the least developed countries, their economic and social situation continued to be very bleak. They were deeply concerned at the painfully slow pace at which the Substantial New Programme of Action was being implemented; that was incompatible with the commitments undertaken in Paris.

9. In 1980 their GDP per capita had increased only slightly, while in 1981 it had declined by 0.6 per cent. In

the same year their average per capita GDP had stood at the level of $222, as compared to $982 for all developing countries and $9,675 and $4,503 for the developed market-economy countries and the socialist countries of eastern Europe respectively. The annual growth rate of total agricultural output had averaged only 1.5 per cent per year in the past decade as well as in 1981. Food production per capita had registered a decline of 0.9 per cent in 1981. In 1980, average per capita exports and imports of the least developed countries were estimated to have been as low as $24.7 and $55.4 respectively, as compared with $124.6 and $161.6 respectively for all developing countries as a whole. The 1981 performance of the external sector in the least developed countries was particularly alarming, with exports growing by only 0.2 per cent and imports declining by 0.7 per cent.

10. That sad situation was further aggravated by the decline in the resource flow to the least developed countries. In 1980 the least developed countries' ODA receipts had declined in real terms by 3.5 per cent. In 1981 a further decline had occurred in both current and real terms. Bilateral ODA from DAC countries had decreased by 3.6 per cent in current terms. Overall net disbursements to least developed countries from multilateral agencies mainly financed by DAC had remained the same as compared to 1980. In 1981, multilateral OPEC flows to the least developed countries had increased by 84 per cent. Information available indicated that ODA receipts of the least developed countries from socialist countries of eastern Europe had been less than 10 per cent of their overall ODA receipts during the 1970s and had stagnated more or less at that level. He noted with satisfaction that in past years China had been directing a relatively high proportion of its assistance to the least developed countries, varying between 52 and 55 per cent each year.

11. The statistics which he had cited, alarming as they were, did not convey fully and adequately the sufferings and hardship endured by the peoples of the least developed countries. That disheartening situation had led a number of least developed countries to abandon their development programmes, formulated within the context of the Substantial New Programme of Action, and concentrate on adjustment programmes, a phenomenon which further jeopardized their long-term development prospects.

12. The Group of 77 in its entirety had been deeply concerned with the deteriorating economic and social situation of the least developed countries as well as with the slow progress—if any—which had been achieved in the implementation of the Substantial New Programme of Action. That question had been a matter for serious consideration at the Fifth Ministerial Meeting of the Group of 77 at Buenos Aires. On that occasion, the Group of 77 had made a thorough examination of the problems, obstacles and shortcomings found in the implementation of the Programme. In the light of that examination, they had agreed on a minimum set of policy proposals and recommendations that the international community should adopt as a matter of urgency. Such proposals and recommendations had been formulated at Buenos Aires for consideration at Belgrade. On behalf of the Group of 77, he now put them before the Conference in the form of a draft resolution.

13. Those proposals and recommendations related to the minimum action that the international community would need to undertake immediately if the objectives of the Substantial New Programme of Action were to be fulfilled. The Programme provided for a mid-term review of progress in its implementation, which was to be carried out by 1985. Such a review would be the occasion for evaluating the progress made and for identifying areas where there had been achievements and those where more emphasis should be given or where the direction should be corrected. But that mid-term assessment would be a disappointing and even trivial exercise if present trends continued and if the implementation of the Programme was maintained at the current slow pace. The importance of that work could be clearly perceived if it was put in the perspective of the urgent needs of the least developed countries. Only by taking action now, in line with those minimum proposals and recommendations, could progress be made and shown at the 1985 exercise.

14. Under the draft resolution the Conference would urge the international community to implement the Substantial New Programme of Action fully and effectively and provide financial assistance to the least developed countries in amounts and on terms which corresponded to their immediate and long-term development needs. Those donors had made specific commitments with respect to aid targets to the least developed countries but who had not fulfilled them should be requested to do so promptly and agree to double their ODA or to attain 0.15 per cent of their GNP as ODA to the least developed countries by 1985.

15. The Conference would also call on the international community, as a matter of priority, to support the least developed countries in their efforts to attain internal and external balance in their economies, to maximize capacity utilization, to increase per capita food production, and to provide financial and technical assistance for the research, exploration and development of emergency resources in these countries. The draft resolution tackled a number of relevant and crucial issues, such as the provision of ODA to the least developed countries in the form of grants and of loans on highly concessional terms, on an untied basis without discrimination; improvement of the quality and effectiveness of aid; debt relief; commercial and industrial policies; stabilization of export earnings and compensatory financing; assistance in the context of economic co-operation among developing countries; and support to transport development.

16. The draft resolution further contained a number of recommendations on institutional issues whose adoption was essential to ensure success in the implementation of the Substantial New Programme of Action. In particular, the Group of 77 believed that it was of the utmost importance that the Secretary-General of UNCTAD convene, as part of the preparations for the mid-term global review, the Third Meeting of Multilateral and Bilateral Financial and Technical Assistance Institutions with Representatives of the Least Developed Countries. That Meeting would make it possible to arrive at concrete proposals and recommendations on ways and means of improving and streamlining aid practices and management. The proposal of the

Group of 77 to convene the Third Meeting was included in the agreed conclusions of the Second Meeting and had been fully discussed at the twenty-sixth session of the Trade and Development Board.

17. The proposals and recommendations that the Group of 77 was submitting were both minimum and realistic. Minimum, inasmuch as the objectives of the Substantial New Programme of Action would not otherwise be met. Realistic, because their purpose was in fact merely to ensure that the commitments made at Paris and subsequently were complied with. He strongly commended the draft resolution for consideration and adoption and hoped that all the other groups would realise the gravity of the problems facing the least developed countries and the need for the international community to meet the challenge posed by the situation prevailing there.

18. Mr. COREA (Secretary-General of UNCTAD) said that the international community, having recognized the least developed countries as the weakest and economically most vulnerable, and as those with the most formidable structural problems, had articulated its concerns and commitments for that group of countries in the Substantial New Programme of Action for the 1980s for the Least Developed Countries. In that Programme, both the least developed countries and their developed partners had committed themselves to a number of priority areas for action and certain targets.

19. At the Paris Conference, the international community had recognized that "only a substantial increase in official development assistance in real terms during the present decade will enable the least developed countries to achieve the objectives of their country programmes within the framework of the Substantial New Programme of Action".[2] According to estimates by the UNCTAD secretariat, the financial assistance required by the least developed countries to achieve the growth rate of 7.2 per cent envisaged in the Programme will be $14.1 billion in 1985. However, on the basis of commitments made by the various donors in Paris and elsewhere, it was estimated that the flow of assistance to those countries in 1985 would be only $8.1 billion, compared to the level of $6 billion reached in 1980. This was far from the doubling envisaged in paragraph 63 of the Programme. It was also far from the capital requirements of $11.5 billion estimated for 1985 even to maintain the present negligible growth trend of the least developed countries. The aid trends observed in the 1980s were indeed alarming: in 1981, ODA receipts to the least developed countries had declined both in current and in real terms. The recent curtailment of the volume of resources to multilateral programmes was an additional source of concern, and a number of least developed countries had reported further declines in aid receipts in 1982. That decline in ODA was regrettable, as it came at a time when the least developed countries were facing stark difficulties and had been hard hit by the international economic crisis.

20. The sixth session of the Conference provided a valuable opportunity to the international community to take stock of the situation and to reverse that unsatisfactory and unacceptable situation. The Group of 77, in its draft resolution, enumerated a number of measures to ensure the speedy and effective implementation of the Substantial New Programme of Action. In considering those and other proposals, the Conference must give new momentum to the process of implementation of the Programme. In that context, the serious efforts of the least developed countries themselves should be adequately matched by efforts of the international community to provide adequate financial, technical and material assistance to them.

21. UNCTAD itself was making detailed arrangements at the global level for implementation, coordination and monitoring of the Substantial New Programme of Action. The secretariat had initiated a number of activities, which included updating the basic data series on the least developed countries, preparing up-to-date information on the situation of those countries as a whole and in-depth analyses of the progress in, and of policy issues affecting, the implementation of the Programme. The secretariat would continue and intensify its activities on behalf of the least developed countries, as envisaged in the Programme.

22. He had listened with interest, during the course of the last few days, to the renewed commitments to, and reaffirmation of, the objectives of the Substantial New Programme of Action and strongly hoped that the spirit of understanding and support would prevail and would be adequately reflected in the deliberations of the working group which had been proposed. The needs and requirements of the least developed countries called for an urgent response by the international community to prevent a further deterioration in their economic and social conditions. He was confident that that response would be forthcoming.

23. The PRESIDENT reminded the Conference that, at its 172nd plenary meeting, it had adopted the recommendation in paragraph 24 of the report of the Pre-Conference Meeting (TD/289) to establish a working group, open to all participants, to consider agenda item 12. Following consultations with the regional coordinators, he understood that there was a wish to waive rule 65 of the rules of procedure and to name Mr. Mazairac (Netherlands) as Chairman of the working group. The draft resolution introduced by the representative of Somalia (TD/L.217) would be referred to the working group and its Chairman would report to the plenary Conference prior to the consideration of item 12 in plenary. In the absence of objection, he would take it that the Conference approved that method of proceeding.

24. *It was so decided.*

25. Mr. HAMRA (Sudan) proposed that, in view of the important information they contained, the statements concerning agenda item 12 made by the representative of Somalia on behalf of the Group of 77 and by the Secretary-General of UNCTAD should be circulated as official documents of the Conference.

26. *It was so decided.*[3]

[2] *Report of the United Nations Conference on the Least Developed Countries, Paris, 1-4 September 1981* (United Nations publication, Sales No. E.82.I.8), part one, Substantial New Programme of Action for the 1980s for the Least Developed Countries, para. 63.

[3] The statements made by the representative of Somalia and the Secretary-General of UNCTAD were issued as documents TD/L.218 and TD/L.220, respectively.

AGENDA ITEM 7

General debate (*continued*)

AGENDA ITEM 8

The world economic situation with special emphasis on development: approaches to the current world economic crisis and perspectives for the 1980s, including issues, policies and measures relevant to the attainment of a new international economic order (*continued*) (TD/272 and Add.1, TD/285)

27. *Mr. Chawanid (Thailand), Vice-President, took the Chair.*

28. Mr. NIGU-DIA-VANGA (Zaire) made a statement.*

29. Mr. GABAY (Israel) made a statement.*

30. Mr. ALWAN (Iraq) made a statement.*

31. Mr. OCHIR (Mongolia) made a statement.*

32. Mr. FADHLI (Democratic Yemen) made a statement.*

33. Mr. YAYA (Upper Volta) made a statement.*

34. Mr. SAIGNAVONGS (Lao People's Democratic Republic) made a statement.*

35. Mr. VODUŠEK (International Center for Public Enterprises in Developing Countries) made a statement.**

The meeting rose at 1.30 p.m.

* For the summary of the statement, see part one, section A.2, above.

** For the summary of the statement, see part one, section D, above.

185th PLENARY MEETING

Tuesday, 14 June 1983, at 3.20 p.m.

President: Mr. Lazar MOJSOV (Yugoslavia)

TD/SR.185

Tribute to the memory of three South African patriots

1. The PRESIDENT asked participants to join him in expressing sincere condolences to the bereaved families and friends of the three members of the African National Congress of South Africa who had been executed in Pretoria prison a few days before. Thello Simon Mogoerane, Jerry Semano Mosololi and Marcus Thabo Motaung had given their lives for what they believed in. They had been executed despite international appeals for clemency and in spite of Security Council resolution 533 (1983) of 7 June 1983, which had called on the South African Government to commute the death sentences.

2. The Conference must voice its grief and shock at such an act and condemn it in the strongest possible terms.

3. Mr. OSMAN (Somalia), speaking on behalf of the African, Asian and Latin American members of the Group of 77, thanked the President for having taken the initiative in bringing to the notice of the Conference the recent execution of three South African patriots—Simon Mogoerane, Jerry Mosololi and Marcus Motaung—who had been members of ANC. It was with deep pain and sadness that the Group had heard that tragic news.

4. That act was yet another example of the tyranny and brutality of the Fascist rulers who were making a mockery of the conscience and dignity of man.

5. The cowardly execution had been carried out in spite of the unanimous protests of world opinion and in flagrant violation of resolutions 525 (1982) and 533 (1983), in which the Security Council had made a solemn appeal to the South African régime to spare the lives of the three condemned men. The *apartheid* régime had once more demonstrated its utter disregard for international public opinion and the norms of civilized behaviour.

6. The Group of 77 strongly condemned the executions and wished to register its deep sense of outrage at that odious act. It appealed urgently to the world community not to remain indifferent to those repeated crimes against mankind and to take effective steps to prevent their recurrence. It had an obligation to preserve the civilization of which it was proud.

7. The Group of 77 wished to express its heartfelt condolences to the bereaved families of the three South African nationalist leaders. It paid tribute to the heroic sacrifices of those patriots and others in southern Africa who were striving to obtain fundamental human rights. It hailed them and praised their legitimate struggle for the achievement of justice and human dignity. The Group of 77 also wished to express its total solidarity with the oppressed millions in their just aspirations for liberation from the racist régime in South Africa and for freedom and dignity.

8. It would also like to record its condemnation in the strongest possible terms of the executions carried out. In order to express the sentiment of indignation of the international community and in view of the statement just made by the President of the Conference, he, as Chairman of the Group of 77, formally proposed that the Conference should condemn those executions and send a message of whole-hearted condolence to the bereaved families of the three brave patriots who had not hesitated to sacrifice their lives in the cause of freedom, justice and human dignity.

9. Mr. HUSLID (Norway), speaking on behalf of the States members of Group B, said he would also like to express the Group's deep sorrow and dismay at the execution of the three ANC members which had taken place the previous week in South Africa.

10. Group B wished to convey its sincere condolences to the families of the deceased.

11. The Group deeply regretted that the South African authorities had ignored a solemn appeal made in unanimously adopted Security Council resolutions, as well as by individual Governments and world leaders, for the death sentences to be commuted.

12. He wished to make it absolutely clear that the consistent position of Group B had been to condemn acts of violence and violations of human rights wherever they occurred, especially those against the right to life.

13. Mr. DIETZE (German Democratic Republic), speaking on behalf of the socialist countries of eastern Europe and Mongolia, said that he had heard with the most profound indignation the news that the South African racist régime had put to death the three South African patriots and members of ANC, Mogoerane, Mosololi and Motaung, thus flouting all demands from the overwhelming majority of States Members of the United Nations and the appeal by the Security Council.

14. The carrying out of that shameful sentence was a new outrage committed by Pretoria and a fresh provocative attempt by that régime, despised by the majority of States, to pursue its inhuman and peace-endangering policy of oppression and terror.

15. Group D pledged to ANC the unflinching solidarity of the socialist States with the just struggle waged by the South African people against the *apartheid* régime.

16. He asked the President to convey to the families of the victims, and to all progressive forces in Africa, the heartfelt condolences of Group D on the occasion of the outrageous murder of three African patriots.

17. Mr. LI Ke (China) said that, despite the appeal of the Security Council and the protests of world public opinion, the racist régime of South Africa had committed a new crime by shamelessly murdering three freedom fighters who were members of the African National Congress of South Africa, Mogoerane, Mosololi and Motaung. His delegation expressed its indignation and strong condemnation of that act.

18. It mourned the death of the three fighters and expressed its heartfelt condolences to the families of the deceased.

19. His delegation considered the new crimes committed by the South African authorities to be a demonstration of their weakness. It firmly believed that the just cause of the people of South Africa would triumph and that the South African racist régime was doomed to failure.

20. The PRESIDENT announced that his own statement, together with those made on behalf of the Group of 77, Groups B and D and China, would be reproduced in full in the record of the meeting and in the *Proceedings* of the Conference. That would meet the wish expressed by the representative of Somalia, who had asked, on behalf of the Group of 77, that the Conference should formally condemn the three executions carried out in South Africa.

AGENDA ITEM 7

General debate (*continued*)

AGENDA ITEM 8

The world economic situation with special emphasis on development: approaches to the current world economic crisis and perspectives for the 1980s, including issues, policies and measures relevant to the attainment of a new international economic order (*continued*) (TD/272 and Add.1, TD/285)

21. Mr. RAKHETLA (Lesotho) made a statement.*

22. Mr. PASIN (Turkey) made a statement.*

23. Monsignor ROVIDA (Holy See) made a statement.*

24. Mr. LLOREDA CAICEDO (Colombia) made a statement.*

25. *Mr. Wardhana (Indonesia), Vice-President, took the Chair.*

26. Mr. AZAM (Bangladesh) made a statement.*

27. Mr. FIGUERES FERRER (Costa Rica) made a statement.*

28. Mr. AL-SHAKAR (Bahrain) made a statement.*

29. Mr. JAMAL (United Republic of Tanzania) made a statement.*

30. Mr. GERVIL YAMBALA (Central African Republic) made a statement.*

The meeting rose at 7.20 p.m.

* For the summary of the statement, see part one, section A.2, above.

186th PLENARY MEETING

Wednesday, 15 June 1983, at 10.20 a.m.

President: Mr. Lazar MOJSOV (Yugoslavia)

TD/SR.186

1. *In the absence of the President, Mr. Gaedt (German Democratic Republic), Vice-President, took the Chair.*

AGENDA ITEM 7

General debate (*continued*)

AGENDA ITEM 8

The world economic situation with special emphasis on development: approaches to the current world economic crisis and perspectives for the 1980s, including issues, policies and measures relevant to the

attainment of a new international economic order (*continued*) (TD/272 and Add.1, TD/285)

2. Mr. DELL (United Nations Centre on Transnational Corporations) made a statement.*

3. Mr. AL-BATAYNAH (Jordan) made a statement.**

4. Mr. ELENGA (Congo) made a statement.**

5. The PRESIDENT called on the representative of Israel.

6. Mr. AL-SHAKAR (Bahrain), speaking on a point of order, said that if anyone wished to exercise the right of reply, that right, in accordance with United Nations practice, should be exercised at the end of the meeting. He requested the President to keep to the established list of speakers, in accordance with rule 36 of the rules of procedure.

7. The PRESIDENT invited the representative of Israel to state his point of order.

8. Mr. GABAY (Israel) said that he had indicated his wish to speak on a point of order during the statement of the representative of Jordan because the latter had made remarks which not only were not relevant to the subject under discussion—under rule 36 of the rules of procedure—but also were inadmissible. It was not possible to make Israel responsible for the massacres in the refugee camps, which had been carried out by local Arab forces.

9. The PRESIDENT, interrupting the speaker, said that if he wished to exercise the right of reply, he would be give the opportunity at the end of the meeting. He would now give the floor, under rule 34 of the rules of procedure, to the next speaker on the established list of speakers.

10. Mr. ARANEO (Uruguay) made a statement.**

11. Mr. MIKHAILICHENKO (Ukrainian Soviet Socialist Republic) made a statement.**

12. Mr. TINDEMANS (Belgium) made a statement.**

13. Mr. SEN (Asian-African Legal Consultative Committee) made a statement.***

14. Mr. AL-SUDEARY (International Fund for Agricultural Development) made a statement.****

15. Mr. ADEDEJI (Economic Commission for Africa) made a statement.*

16. Mr. MARTENSON (Department for Disarmament Affairs) made a statement.*

The meeting rose at 1.40 p.m.

* For the summary of the statement, see part one, section B, above.

** For the summary of the statement, see part one, section A.2, above.

*** For the summary of the statement, see part one, section D, above.

**** For the summary of the statement, see part one, section C, above.

187th PLENARY MEETING

Wednesday, 15 June 1983, at 3.10 p.m.

President: Mr. Lazar MOJSOV (Yugoslavia)

TD/SR.187

AGENDA ITEM 7

General debate (*continued*)

AGENDA ITEM 8

The world economic situation with special emphasis on development: approaches to the current world economic crisis and perspectives for the 1980s, including issues, policies and measures relevant to the attainment of a new international economic order (*continued*) (TD/272 and Add.1, TD/285)

1. Mr. COPPE (International Christian Union of Business Executives) made a statement.*

2. Mr. VEGA IMBERT (Dominican Republic) made a statement.**

3. Mr. SHERAFAT (Islamic Republic of Iran) made a statement.**

4. Mr. REINO (Portugal) made a statement.**

5. *Mr. Nashabe (Syrian Arab Republic), Vice-President, took the Chair.*

6. Mr. AL-SHOWHATI (Yemen) made a statement.**

7. Mr. GUESSOUS (Morocco) made a statement.**

8. Mr. AL-GHAITH (United Arab Emirates) made a statement.**

9. Mr. AGBENOU (Togo) made a statement.**

10. Mr. AYAYI (Benin) made a statement.**

The meeting rose at 6.15 p.m.

* For the summary of the statement, see part one, section E, above.

** For the summary of the statement, see part one, section A.2, above.

188th PLENARY MEETING

Thursday, 16 June 1983, at 10.20 a.m.

President: Mr. Lazar MOJSOV (Yugoslavia)

TD/SR.188

AGENDA ITEM 7

General debate (*continued*)

AGENDA ITEM 8

The world economic situation with special emphasis on development: approaches to the current world

economic crisis and perspectives for the 1980s, including issues, policies and measures relevant to the attainment of a new international economic order (*continued*) (TD/272 and Add.1, TD/285)

1. Mr. ZAKARIA (World Federation of Trade Unions) made a statement.*

2. Mr. PESHKOV (Byelorussian Soviet Socialist Republic) made a statement.**

3. Mr. FADZIR (Malaysia) made a statement.**

4. Mr. MAHMASSANI (Lebanon) made a statement.**

5. Mr. MUJUTHABA (Maldives) made a statement.**

6. Mr. DJAMA ELABE (Djibouti) made a statement.**

7. Mr. NOGUERA (Argentina) made a statement.**

8. Mr. COLOMBO (Italy) made a statement.**

9. Mr. NGIRIRA (Rwanda) made a statement.**

10. *Mr. Mamadou Diop (Gabon), Vice-President, took the Chair.*

11. Mr. ROMERO MARTINEZ (Honduras) made a statement.**

12. Mr. FRANZINI (Latin American Shipowners' Association) made a statement.*

The meeting rose at 1.15 p.m.

* For the summary of the statement, see part one, section E, above.

** For the summary of the statement, see part one, section A.2, above.

189th PLENARY MEETING

Thursday, 16 June 1983, at 3.15 p.m.

President: Mr. Lazar MOJSOV (Yugoslavia)

TD/SR.189

1. *In the absence of the President, Mr. Navarrete (Mexico), Vice-President, took the Chair.*

AGENDA ITEM 7

General debate (*continued*)

AGENDA ITEM 8

The world economic situation with special emphasis on development: approaches to the current world economic crisis and perspectives for the 1980s, including issues, policies and measures relevant to the attainment of a new international economic order (*continued*) (TD/272 and Add.1, TD/285)

2. Mr. MIKOVIČ (Union of International Fairs) made a statement.*

3. Mr. MAMADOU DIOP (Gabon) made a statement.**

4. Mr. MAGAR (Nepal) made a statement.**

5. Mr. WILLIS (Australia) made a statement.**

6. Mr. HELMINGER (Luxembourg) made a statement.**

7. *Mr. Berguño (Chile), Vice-President, took the Chair.*

8. Mr. AMATHILA (South West Africa People's Organization), speaking at the invitation of the President, pursuant to General Assembly resolution 31/152, made a statement.***

9. Mr. MARIATEGUI (Peru) made a statement.**

10. Mr. MATHUR (International Confederation of Free Trade Unions) made a statement.*

11. *The President took the Chair.*

12. Mr. TERENZIO (Inter-Parliamentary Union), speaking at the invitation of the President, pursuant to the decision taken by the Conference at the 172nd plenary meeting, made a statement.*

13. Mr. MILLER (International Sugar Organization) made a statement.****

20. Mr. de MENEZES (Sao Tome and Principe) made a statement.**

The meeting rose at 5.10 p.m.

* For the summary of the statement, see part one, section E, above.

** For the summary of the statement, see part one, section A.2, above.

*** For the summary of the statement, see part one, section F, above.

**** For the summary of the statement, see part one, section D, above.

190th PLENARY MEETING

Friday, 17 June 1983, at 10.15 a.m.

President: Mr. Lazar MOJSOV (Yugoslavia)

TD/SR.190

AGENDA ITEM 7

General debate (*continued*)

AGENDA ITEM 8

The world economic situation with special emphasis on development: approaches to the current world economic crisis and perspectives for the 1980s, including issues, policies and measures relevant to the attainment of a new international economic order (*continued*) (TD/272 and Add.1, TD/285)

1. Mr. MUGABE (Zimbabwe) made a statement.*

2. Mr. OKWANYO (Kenya) made a statement.**

3. Mr. MUNG'OMBA (African Development Bank) made a statement.***

4. Mr. EL-ATRASH (Libyan Arab Jamahiriya) made a statement.**

5. Mr. REOULENGAR (Chad) made a statement.**

6. *Mr. Chelli (Tunisia) Vice-President, took the Chair.*

7. Mr. de OLIVEIRA SILVA (Angola) made a statement.**

8. *Mr. Dinkelspiel (Sweden), Vice-President, took the Chair.*

9. Mr. FONG POEN (Suriname) made a statement.**

10. Mr. ORTIZ MENA (Inter-American Development Bank) made a statement.***

11. Mr. MAGAPATONA (African National Congress of South Africa), speaking at the invitation of the President, pursuant to General Assembly resolution 3280 (XXIX), made a statement.****

12. Mr. de VRIES (Netherlands), speaking in exercise of the right of reply, said that the delegation of Suriname had placed the development co-operation policy of the Netherlands Government in the context of involvement in the internal affairs of another country, regrettably bringing a political issue into the discussions of the Conference.

13. He wished to state that as a result of the events of 8 and 9 December 1982, when 15 opponents of the present Government of Suriname had been arrested, tortured and afterwards summarily executed, the Netherlands had decided to suspend the majority of its agreements with Suriname, including the development co-operation treaty. He underlined the word "suspend", because the Netherlands Government did not have any intention of revoking its obligations towards Suriname. It considered that the suspension of the treaties was justified by the fact that the circumstances under which the agreements had been established and were supposed to be implemented had been altered to such an extent by the events of December 1982 that normal implementation by the Netherlands could no longer be expected.

14. He confirmed that relations could be normalized only if definite steps were taken towards normal democratic procedures and guarantees of respect for human rights in Suriname. Up to the present time, such steps had not been taken.

15. Mr. FONG POEN (Suriname), speaking in exercise of the right of reply, said that the killings on 9 December 1982 had been the outcome of an operation which had come to light involving the activities of Central Intelligence Agency agents and mercenaries. The statement of the new Government of Suriname, issued on 1 May 1983, rehearsed all the measures being taken to restore democracy in the nation, in the context of the country's internal development. Suriname would not accept the attempt of other countries to influence the evolution of that democracy. The fact that the Netherlands, like other countries, still maintained an embassy in Suriname meant that it still recognized the present Government of Suriname as the legitimate Government.

16. The Netherlands representative had stressed that aid had merely been suspended; however, the suspension meant that all ongoing works under the terms of the development co-operation treaty had suddenly had to be stopped. The suspension had now lasted for over six months and was destabilizing the economy of Suriname and affecting development in Latin America.

17. His Government was well aware that further subversive acts with the aid of mercenaries were being prepared. It had to take the appropriate steps to defend the liberty of the country.

18. Mr. de VRIES (Netherlands) said that, as the representative of Suriname had rightly pointed out, diplomatic relations still existed between his country and Suriname. The issues which the representative of Suriname had raised were not appropriate to the forum of the Conference and could be dealt with through the normal diplomatic channels.

19. Mr. FONG POEN (Suriname) said he had brought the matter up at the sixth session of the Conference because it was a case of contractual development funds being halted overnight. The international community should not condone the unilateral use of financial and economic measures for political reasons.

The meeting rose at 1.20 p.m.

191st PLENARY MEETING

Friday, 17 June 1983, at 3.15 p.m.

President: Mr. Lazar MOJSOV (Yugoslavia)

TD/SR.191

AGENDA ITEM 8

The world economic situation with special emphasis on development: approaches to the current world economic crisis and perspectives for the 1980s, including issues, policies and measures relevant to the attainment of a new international economic order (*continued*) (TD/272 and Add.1, TD/285; TD/L.222, TD/L.223)

1. Mr. OSMAN (Somalia), speaking as co-ordinator of the Group of 77, introduced the text

* For the text of the statement, see part one, section A.1, above.

** For the summary of the statement, see part one, section A.2, above.

*** For the summary of the statement, see part one, section D, above.

**** For the summary of the statement, see part one, section F above.

(TD/L.223) and the draft resolution (TD/L.222) which the States members of the Group of 77 submitted to the Conference under agenda item 8.

2. The main features of the current crisis were described in the Ministerial Declaration which formed part of the Buenos Aires Platform adopted by the Group of 77 at its Fifth Ministerial Meeting. Two main conclusions should be drawn from the Declaration. The first was that the strategy for surmounting the crisis must recognize fully the new role of the developing countries as full partners in world development. There was an obvious link between, one the one hand, the commodity export earnings of developing countries, the access of their exports of manufactures to the markets of industrialized countries and their capacity to finance their development, their imports of essential goods and the servicing of their external debt, and on the other hand, the viability of international financial markets, economic activity, employment and the overall process of recovery in the developed countries. The second conclusion was that the structural problems of the world economy and the problems of the world economic system should be tackled simultaneously. The world economic crisis was recognized by all as being of a structural nature and as resulting precisely from neglect of the structural problems responsible for the inequity in the world economic system and from the lack of progress in the establishment of a new international economic order.

3. It was on those two aspects—on surmounting the immediate crisis and solving the longer-term structural problems—that the Conference must focus its efforts under the main substantive items of its agenda. As an immediate step to revive the development process, developing countries must unquestionably be given the necessary means for acquiring adequate import and external-financing capacity. The threat posed by the crisis to the stability and growth of developed and developing countries alike made it necessary for the international community to launch a programme of concerted measures for the reactivation of the global economy and accelerated growth and development on a sustained basis in developing countries. The reactivation of the growth process in the developing countries could not be seen merely in terms of the trickle-down effect of growth in developed countries. What was needed was an integrated set of policies encompassing both immediate measures designed to promote recovery and development and the restructuring of the international economic system that was required for the establishment of the new international economic order.

4. The members of the Group of 77 were therefore putting before the Conference a text containing, first, an analysis of the world situation, secondly, the conclusions logically resulting therefrom with respect to appropriate action, and lastly, an appeal to the international community to undertake a programme of concerted measures for reactivating the global economy, for accelerating sustained growth and development in the developing countries and for strengthening international economic co-operation. On behalf of the Group of 77, he invited all other members of the Conference to engage in serious negotiations with a view to reaching consensus on the texts concerned (TD/L.222 and TD/L.223).

5. The PRESIDENT suggested, in the light of the talks he had held with the co-ordinators of the regional groups, that the Conference should establish a working group on agenda item 8 open to all delegations. He also suggested that the Conference should waive the provisions of rule 65 of the rules of procedure and that Mr. Dadzie, the representative of Ghana, should be appointed Chairman of the working group, to which the draft resolution and text of the Group of 77, just introduced by the representative of Somalia, would be referred. The working group would begin its work on Monday, 20 June, and its Chairman would report to the plenary Conference between 22 and 24 June at the latest.

6. Mr. HUSLID (Norway), speaking as co-ordinator of Group B, said that his group could entirely agree to the procedure suggested by the President, namely, that an open-ended working group should be established to deal with agenda item 8 substantively. That agenda item was particularly important for Group B, both in itself and because it was closely related to agenda items 9, 10 and 11. The spokesman for Group B in the working group on agenda item 8 would be Mr. Smith, the Canadian representative. Group B also fully supported the suggestion that Mr. Dadzie (Ghana) should be appointed Chairman of the working group.

7. Mr. DIETZE (German Democratic Republic), speaking as co-ordinator of Group D, said that his group, too, fully supported the President's suggestions concerning the establishment of a working group on agenda item 8. That item occupied a central place in the work of the Conference, and Group D would make its views known at the first meeting of the working group. Group D was prepared to participate actively in the work of the working group and hoped that it would provide an opportunity not only for dialogue but also for arriving at tangible results. Group D gladly agreed that the working group on agenda item 8 should be chaired by the representative of Ghana.

8. Mr. LI Luye (China) endorsed the statement of the spokesman for the Group of 77 and approved the idea of establishing a working group to consider agenda item 8. Consideration of that item was vital to a better understanding of the current world economic situation. He also agreed that the representative of Ghana should be the Chairman of the working group on agenda item 8.

9. *The President's suggestions concerning the establishment of a working group on agenda item 8, open to participation by all members of the Conference and under the chairmanship of the representative of Ghana, who was requested to report to the plenary Conference by 24 June, were adopted.*

10. The PRESIDENT requested the co-ordinators of the regional groups to enter into negotiations on the scope, length and form of the document to be submitted to the plenary Conference by the working group on agenda item 8, so that the working group would not have to deal with those matters.

AGENDA ITEM 7

General debate (*continued*)

AGENDA ITEM 8

The world economic situation with special emphasis on development: approaches to the current world economic crisis and perspectives for the 1980s, including issues, policies and measures relevant to the attainment of a new international economic order (*continued*) (TD/272 and Add.1, TD/285; TD/L.222, TD/L.223)

11. Mr. DADZIE (Ghana) made a statement.*

12. Mr. ESTIME (Haiti) made a statement.*

13. Mr. FAJARDO MALDONADO (Guatemala) made a statement.*

14. Mr. QUEMO (Albania) made a statement.*

15. Prince NQABA (Swaziland) made a statement.*

16. Mr. LICHILANA (United Nations Council for Namibia), representing Namibia, made a statement.*

17. *Mr. Reino (Portugal), Vice-President, took the Chair.*

18. Mr. TOURE (Guinea) made a statement.*

19. Mr. CABRERA JOVANE (Panama) made a statement.*

20. *Mr. Al-Shamaa (Iraq), Vice-President, took the Chair.*

21. Mr. LOVO CASTELAR (El Salvador) made a statement.*

22. Mr. ENGBLOM (International Trade Centre UNCTAD/GATT) made a statement.**

23. Mrs. MALA PAL (International Alliance of Women) made a statement.***

The meeting rose at 6.30 p.m.

* For the summary of the statement, see part one, section A.2, above.

** For the summary of the statement, see part one, section C, above.

*** For the summary of the statement, see part one, section E, above.

192nd PLENARY MEETING

Saturday, 18 June 1983, at 10.30 a.m.

President: Mr. Lazar MOJSOV (Yugoslavia)

TD/SR.192

1. *In the absence of the President, Mr. Touré (Guinea), Vice-President, took the Chair.*

AGENDA ITEM 7

General debate (*continued*)

AGENDA ITEM 8

The world economic situation with special emphasis on development: approaches to the current world economic crisis and perspectives for the 1980s, including issues, policies and measures relevant to the attainment of a new international economic order (*continued*) (TD/272 and Add.1, TD/285; TD/L.222, TD/L.223)

2. Mr. SILES SALINAS (Bolivia) made a statement.*

3. Mr. CARTEY (Trinidad and Tobago) made a statement.*

4. Mr. CORREIA (Guinea-Bissau) made a statement.*

5. Mr. NYAMA (Central African Customs and Economic Union) made a statement.**

6. Mr. MOURSI (Afro-Asian People's Solidarity Organization) made a statement.***

7. *The President took the Chair.*

8. Mr. KEDIRETSWE NWAKO (Botswana) made a statement.*

9. Mr. SUBULWA (Zambia) made a statement.*

10. Mr. ABELA (Malta) made a statement.*

11. Mr. AHMED (Intergovernmental Bureau for Informatics) made a statement.**

12. Mr. OSMAN (Somalia), speaking as Chairman of the Group of 77, made a statement.*

13. The PRESIDENT said that during the general debate almost all aspects of the world economic scene had been covered by the 170 speakers and in the messages received from 16 statesmen.

14. Serious concern about the state of the world economy had been widely voiced. Although assessments of the causes and consequences of the crisis had differed, they nevertheless reflected by and large a growing feeling that there was a need for joint efforts to reverse negative trends, induce the process of recovery and promote the accelerated development of the developing countries.

15. Throughout the 20 meetings of the general debate, a constructive spirit had prevailed, which he interpreted as a recognition of the need to tackle without further delay the growing number of long-pending issues. That spirit would contribute to the revival of negotiations between developed and developing countries to seek appropriate solutions to the most important problems facing the international community and the developing countries in particular. It was to be hoped that the positive climate that had prevailed in the plenary would mark a positive turn in negotiations

* For the summary of the statement, see part one, section A.2, above.

** For the summary of the statement, see part one, section D, above.

*** For the summary of the statement, see part one, section E, above.

between the developed and developing countries in every organ of the Conference.

16. The debate had clearly brought out the dimensions of the economic problems facing the world. It had also shown that, with the steady rise of interdependence, the gap getween developed and developing countries was becoming an intolerable source of political and social instability. The futility of enormous material and human expenditure on armaments to the detriment of the much more important daily needs of people everywhere had been emphasized.

17. The issues of commodities, trade, money and finance and the least developed countries had dominated the debate. Stress had been laid on the interrelationship of those issues, with particular regard to the problem of indebtedness and the fact that action in a single area would be insufficient without simultaneous action in other related fields.

18. While many participants had indicated the importance of the positive signs of recovery in the economies of some developed countries, others had pointed out that it was still by no means certain that the world economy was on the way to sustained, non-inflationary growth and development. It had also been emphasized that the process of recovery, if it was to be stable, should, through internationally agreed actions, embrace the developing countries and that, at the same time, there would be a need to resolve such issues as budget deficits, to reduce interest rates and to introduce stability into exchange rates.

19. The positive approach in plenary session had to be transferred to the negotiating bodies of the Conference, and he appealed to delegations to speed up the work in those bodies and fulfil the hopes placed in the Conference.

The meeting rose at 1.50 p.m.

193rd PLENARY MEETING

Monday, 20 June 1983, at 4.55 p.m.

President: Mr. Lazar MOJSOV (Yugoslavia)

TD/SR.193

AGENDA ITEM 12

Progress in the implementation of the Substantial New Programme of Action for the 1980s for the Least Developed Countries (*continued*)* (TD/276 and Add.1, TD/285; TD/L.217)

1. Mr. MAZAIRAC (Netherlands), Chairman of the working group on agenda item 12, said that the group had held four formal sessions and a number of informal meetings. It was working in an excellent spirit of co-operation and had shown a common understanding of the urgent need to support the least developed countries within the framework of the Substantial New Programme of Action adopted at the Paris Conference in September 1981.

2. After a first reading of the draft resolution (TD/L.217) submitted by the representative of Somalia on behalf of the Group of 77, information had been provided to members of the working group belonging to other Groups, and there had been an exchange of views among them on the various issues contained in the draft resolution. He had then drafted an unofficial paper, which had become the basis for negotiation in the working group.

3. The working group had not been able to complete its work within the time allotted to it, and his report should therefore be considered as of an interim nature. He was, however, confident that with good will and mutual understanding the group would be able to complete its work within a reasonable period.

4. Mr. OSMAN (Somalia), speaking on behalf of the Group of 77, said he was encouraged to hear that the deliberations of the working group on agenda item 12 had been characterized by an excellent spirit of co-operation.

5. The draft resolution submitted by the Group of 77 represented the minimum realistic requirement. It was based on the provisions of the Substantial New Programme of Action. The Group of 77 was not asking for new commitments or a renegotiation of the Programme. but merely for an agreement on the fulfilment of commitments made at the Paris Conference. That should not prove unattainable, especially in view of the positive statements made by representatives of donor countries from different regional groups.

6. The urgent implementation of the Substantial New Programme of Action assumed high priority in view of the deteriorating economic and social conditions of the least developed countries, as amply illustrated by the representatives of those countries in their statements in the plenary Conference. He urged the members of the working group to see the requests of the Group of 77 within the context of the Substantial New Programme of Action and to show the same spirit of good will and co-operation that had enabled the Programme to be unanimously adopted in 1981. The plenary meeting should urge all participants in the working group to present an agreed text as soon as possible.

7. Mr. HUSLID (Norway), speaking on behalf of Group B, said that the willingness of all members of Group B to continue to alleviate the difficulties of the least developed countries had recently been highlighted in the communiqué of the OECD ministerial meeting in May 1983 as well as in most of the individual statements of members of the Group in the general debate. His statement expressing the common views within Group B on questions relating to the least developed countries would be supplemented by national or regional statements.

8. The Substantial New Programme of Action for the 1980s for the Least Developed Countries, adopted in Paris less than two years before, was an exceedingly comprehensive document covering almost all areas of co-operation between the least developed countries and

* Resumed from the 184th plenary meeting.

their partners in development. Most of its provisions were therefore of a long-term nature. A very important feature of the Programme was its careful balance between the obligations of the least developed countries themselves in terms of their own domestic efforts and supportive measures to be taken by the international community. Any review process must therefore reflect not only that balance but also the comprehensive long-term nature of most of the provisions on the Programme.

9. As part of the Substantial New Programme of Action, it had been agreed to undertake in 1985 a mid-term review of the implementation of the Programme. The members of Group B attached great importance to that review and its proper preparation. They were nevertheless acutely aware of the present extremely difficult situation of the least developed countries, which had actually worsened in some areas since the Paris Conference. The Group therefore agreed with the Group of 77 that a stock-taking of the state of implementation of the Programme would indeed be appropriate during the sixth session of the Conference in order to prepare the ground for the mid-term review in 1985.

10. The major aim of the discussions during the Conference must be to reaffirm commitment to the objectives of the Substantial New Programme of Action and to reach agreement to try to implement its provisions as fully and rapidly as possible. Group B would therefore be concerned if the discussions were to take the form of a renegotiation or a rewriting of the Programme, singling out selected issues for special emphasis. That would be detrimental to the very nature of the Programme and would weaken its status as the fundamental instrument guiding the Group's co-operation with the least developed countries. Group B was therefore gratified by the preliminary report of the Chairman of the working group on agenda item 12. On behalf of Group B, he congratulated the Chairman of the working group on the progress achieved so far and on the constructive spirit shown in the group. Its work seemed to be in the direction of a strong political reaffirmation of the Substantial New Programme of Action, reflecting recent developments but not distorting the basic content of the Programme.

11. Both the spokesman for the Group of 77 and the Secretary-General of UNCTAD had referred to the painfully slow rate at which the Substantial New Programme of Action was being implemented and to the gross inadequacy of the resource flows at the disposal of those countries. The members of Group B could not fully subscribe to that assessment. Despite major economic difficulties, donor countries in Group B had increased their overall ODA significantly from 1981 to 1982 and had directed an increasing part of their bilateral assistance to the least developed countries. According to preliminary calculations by the OECD secretariat, total bilateral and multilateral assistance from DAC members to the least developed countries had amounted to nearly $6.3 billion in 1982, as against $5.5 billion in 1981, corresponding to 0.09 per cent as against 0.08 per cent of GNP. He recalled that DAC donors accounted for roughly 73 per cent of total ODA.

12. Furthermore, a number of measures had been taken by DAC members to adapt their assistance to the special needs of the least developed countries within the framework of the immediate action component of the Substantial New Programme of Action. He drew attention to the fairly extensive measures taken over the last few years to alleviate the debt problems of the least developed countries, and to the recent adoption by DAC of guidelines on maintenance aid, which supplemented previous guidelines on the financing of local and recurrent cost and on aid effectiveness, dealing in particular with aid modalities. The adoption and application of such guidelines should be seen as a ready response by Group B donors to the deteriorating economic and social situation of the developing countries, in particular the weakest and most vulnerable among them, namely, the least developed countries.

13. Further work on aid modalities had been done since the Paris Conference in the context of the Second Meeting of Multilateral and Bilateral Financial and Technical Assistance Institutions with Representatives of the Least Developed Countries, held in October 1982. A very useful discussion had taken place among those most directly involved on both sides in development co-operation with the least developed countries. The result had been the adoption of a comprehensive set of agreed conclusions[4] which should be adequately reflected in the daily co-operation between the parties. The Second Meeting had concluded that after the completion of the first round of individual country review meetings, the Trade and Development Board should consider whether it would not be desirable to have a third meeting between donors and least developed recipients. If that were found to be the case, such a meeting should in the view of Group B be used as part of the preparatory process for the global mid-term review in 1985.

14. Group B donor aid amounted to approximately 7 per cent of the combined GNP of the least developed countries, one third of their imports and a very substantial part of their investments. On the export side, a significant number of Group B countries had made improvements in their GSP schemes in favour of least developed countries before the Paris Conference. After the adoption of the Substantial New Programme of Action, some Group B countries had introduced special provisions on least developed countries for the first time, and others had further improved their schemes in relation to such countries.

15. Although it was still too early to draw any final conclusions, valuable lessons could be drawn from the first round of individual country review meetings, which had now reached the half-way mark. The meetings were particularly useful as a framework for more efficient donor co-ordination within the overall context of the recipient country's development plans and priorities. They were also an excellent opportunity to take a more comprehensive look at the individual recipient's development needs and policies. In Group B's view, those were the aspects that should be emphasized during country review meetings.

16. Agenda item 12 was by definition a "horizontal item" touching upon a great number of sectors.

[4] See *Official Records of the Trade and Development Board, Twenty-sixth Session, Annexes*, agenda item 6, document TD/B/933, part two.

Endeavours to promote economic growth and social development in the least developed countries must of necessity cover almost all aspects of international development co-operation. Members of Group B were fully aware of the legitimate wish of the least developed countries that the discussion under agenda item 12 should be as comprehensive as possible. On the other hand, the goal for the longer term must be to see the least developed countries fully integrated into the world economy. It was therefore necessary to deal with certain provisions in favour of those countries in the context of the other major items on the agenda, namely, commodities, trade, and money and finance. It was crucial to ensure that the proceedings under all those agenda items were carried out as parallel exercises. Decisions on one aspect should not prejudge decisions under other agenda items, where they must be viewed within the broader overall context of the sector as a whole.

17. Mr. VOLKOV (Union of Soviet Socialist Republics), speaking on behalf of Group D, said that the socialist countries formed a positive estimate of the preparation of materials for the discussion of agenda item 12.

18. Since the adoption of the Substantial New Programme of Action at the Paris Conference in 1981, the international situation had been far from providing optimum conditions for solving the problems of the least developed countries. The world was in a state of hostility and unbridled arms race. The least developed countries were bearing the burden of the economic and financial crisis affecting the market-economy countries. The intensification of protectionist measures by the market-economy countries was not consonant with the interests of many countries, including the least developed. Furthermore, the activities of transnational corporations in many developing countries, including the least developed, gave grounds for serious concern. The prerequisites for solving the problems of the least developed countries, in addition to their own efforts in that direction, would be improvement in international political and economic relations, limitation of armaments and disarmament, restructuring of the world economic system on a just and democratic basis, and control of the activities of transnational corporations.

19. The approach of the Group D countries to the problems of the least developed countries was reflected in document TD/264 and Corr.1,[5] submitted to the Conference at its fifth session. The socialist countries had been expanding and diversifying co-operation with the least developed countries concerned, in a contribution to the Substantial New Programme of Action consonant with their socialist system and their possibilities. An important feature of that co-operation was that it was based on long-term intergovernmental agreements and, in accordance with the wishes of the least developed countries, it was applied in the government sector, first of all in the sphere of material production. The co-operation in that field served to increase the economic potential of the recipient countries, improving their export possibilities and assisting them to maintain an internal and external balance in their economy and to increase employment. In view of the food problems of the least developed countries, their co-operation with Group D countries in agriculture helped to increase food production. Such co-operation in surveying, prospecting for and developing natural resources, particularly potential energy resources, helped to solve the important energy problem of the least developed countries.

20. In their foreign trade policy, the Group D countries extended to the least developed countries most-favoured-nation treatment in bilateral and multilateral agreements. Import duties had been abolished on goods from the least developed countries, and an agreement had been signed on the standardization of rules of origin of their commodities. No quantitative limitations were imposed on goods from those countries and attempts were being made to diversify the trade nomenclature.

21. Individual socialist countries had positive records of co-operation with the least developed countries. Bulgaria maintained economic and trade relations with 16 least developed countries. Bulgarian economic co-operation with those countries covered all spheres of the economy, including industry and prospection for mineral resources, and also included assistance with food production and training programmes. In 1982, Hungary had registered a 65 per cent increase over its 1981 figure for trade turnover with least developed countries, and hundreds of citizens from those countries were following training courses in Hungary free of charge. The volume of material and financial assistance of the German Democratic Republic to the least developed countries in 1982 had amounted to over 260 million marks, or 0.13 per cent of GNP. The German Democratic Republic also provided professional training: 450 citizens of least developed countries had graduated from higher and intermediate institutes of learning in that country and over 800 had received other professional and technical training. More than one third of the experts from the German Democratic Republic working in developing countries were located in least developed countries. The Soviet Union had trading relations with 30 of the least developed countries—all those which had demonstrated an interest in such a relationship. Trade with 25 of them was conducted on the basis of long-term trade agreements. In 1982, trade between those countries and the Soviet Union had increased by nearly 25 per cent over 1980. The Soviet Union also had economic co-operation agreements with 19 least developed countries; with its assistance, 210 projects, including 66 industrial projects, had been carried out in those countries. In 1982, the total volume of economic aid by the Soviet Union to the least developed countries had amounted to 0.18 per cent of that country's GNP. Further detailed information on the subject was available to the Conference in the statements by heads of delegation and in documents TD/291, TD/301, TD/302 and TD/304. The Group D countries would further continue to develop their wide range of co-operation with the least developed countries.

22. There had been an extensive exchange of views in the working group on agenda item 12, and the Group D countries were prepared to continue to work on the basis of the unofficial draft resolution that had been prepared. They were convinced that the discus-

[5] See *Proceedings ..., Fifth Session*, vol. I, *Report and Annexes*, annex VII, sect. H.

sions would reach a successful conclusion and were ready to provide constructive assistance to that end.

23. Mr. ZHAO Gongda (China) expressed appreciation of the work done by the working group. The situation of the least developed countries had worsened since the Paris Conference, owing to the deepening economic crisis, and it was urgent to solve their increasing problems. Consideration of progress in the implementation of the Substantial New Programme of Action should be a major concern of the present session of the Conference. China had always sympathized with the least developed countries and supported their legitimate demands. In that spirit, it had put forward a number of proposals in the working group. Although China was itself a developing country, it had always extended preferential assistance to the least developed countries, and in their turn, those countries had always been strong supporters of China. Economic co-operation with the third world was an important aspect of Chinese foreign policy.

24. The working group should continue to operate, since it had been unable to complete its work. It was to be hoped that the delegations would approach the subject constructively so that an early consensus in favour of the least developed countries might be reached.

25. Mr. ŠTAJNER (Yugoslavia) said that the economic backwardness of the least developed countries had for years been one of the most serious problems of human development. The economic structures of those countries, already very weak, had suffered from the lack of development of the world economy. Production was unable to keep pace with the annual growth of the population, so that they were unable to solve their development problems through their own efforts.

26. Despite the consensus on the need to give the least developed countries special assistance and more favourable treatment in international economic co-operation, the international community had not fulfilled its commitments. The Substantial New Programme of Action, unanimously adopted at the Paris Conference in 1981, had not been implemented. The current session of the Conference must adopt the measures which the least developed countries were awaiting so ardently.

27. The draft resolution on the implementation of the Substantial New Programme of Action adopted at the Fifth Ministerial Meeting of the Group of 77 at Buenos Aires expressed concern at the serious economic situation of the least developed countries and indicated the steps to be taken. The Conference must unanimously adopt those proposals and thus enable the least developed countries to develop more fully. That in turn would have a positive influence on the promotion of world economic co-operation as a whole. It was above all urgent to increase direct financial assistance to those countries, both through bilateral and multilateral ODA and through a greater commitment by banks and other bodies in the developed countries. All countries which had not yet done so must fulfil their commitments immediately in order that the official aid target of 0.15 per cent of GNP could be attained by 1985. All developed countries must also honour the commitment contained in the relevant resolution of the Trade and Development Board and convert official bilateral aid and loans into gifts.

28. The least developed countries must be helped, first, to draw maximum benefit from their own economic potential, especially in food and energy production, and second, to diversify their exports. The GSP should play a much more important role in increasing their export income.

29. In a spirit of solidarity, the developing countries were adopting measures to encourage greater economic co-operation among developing countries and other types of co-operation with least developed countries, in the interests of both sides. They had also established the International Center for Public Enterprises in Developing Countries, a joint institution for research, promotion, consultation and documentation in that sector, which had been operating in Yugoslavia since 1974. Its activities included a special project for least developed countries concerning the internal management of public enterprises.

30. Yugoslavia was constantly working to ensure that special consideration was given to the specific problems of the least developed countries and that the international community helped them to improve their economic situation. As far as it was able, Yugoslavia was contributing to bilateral and multilateral aid and was endeavouring to stimulate economic co-operation with those countries as much as possible. It had adopted special measures to that end, in particular encouraging imports from them.

31. Support for the least developed countries should not be dictated by selfish considerations. It should be a matter of universal human solidarity, with no reservations or limitations. In that way, the international community could prove its maturity.

32. Mr. WIESEBACH (United Nations Development Programme) said that UNDP based its support to the least developed countries on a long-standing commitment to pay special attention to their needs. Expenditure on them from the UNDP main programme and UNDP-administered funds had increased almost threefold, from $87 million in 1977 to $250 million in 1981, while the bilateral ODA to least developed countries from DAC had doubled over the same period. Expenditure by the entire United Nations system, including IDA, for development activities in the least developed countries had risen by some 90 per cent, from about $629 million in 1977 to $1,200 million in 1983, and their share in UNDP expenditure had increased from about 27 per cent in 1972 to 32 per cent in 1983. Again by comparison, in 1981 DAC member countries had allocated 17 per cent of their total ODA to least developed countries.

33. The trend towards increased assistance for the least developed countries had been strengthened by the Governing Council of UNDP in June 1980 in its decision[6] to allocate 80 per cent of the resources available for country programmes in the period 1982-1986 to countries with a per capita GNP of up to $500, with the

[6] See *Official Records of the Economic and Social Council, 1980, Supplement No. 12* (E/1980/42/Rev.1), chap. XI, decision 80/30 of 26 June 1980.

highest increase in resources going to the 65 per cent of those countries with a per capita GNP of $250 and below.

34. In addition to the programmes financed from the central resources of UNDP, several other funds and programmes administered by UNDP had as their main objective to provide additional resources for least developed countries. The most important of those was the UNDP Special Measures Fund for the Least Developed Countries, which had added more than $116 million to UNDP's central resources in the period 1973-1982 for exclusive use in those countries. The Fund was made up of special voluntary contributions for the purpose of financing technical co-operation activities for least developed countries, and its allocations to individual countries were proportional to the indicative planning figures determined under UNDP's main programme. The programming of the resources was fully integrated into the country programming process. For the Substantial New Programme of Action, the Special Measures Fund was a main source of additional resources needed for more intensive planning efforts, feasibility studies and project preparation.

35. Another important fund under the administration of UNDP was the United Nations Capital Development Fund, which provided supplementary capital assistance on grant terms. Although it was not exclusively aimed at them, at present it was used primarily for the least developed among the developing countries. The Fund supported the efforts of the least developed countries in two crucial areas: meeting the basic needs of the population, and developing their productive sectors. Of the 43 countries currently receiving assistance from the Fund, 36 had been officially designated by the General Assembly as least developed countries. In addition, at the request of the General Assembly, another five countries were given consideration similar to that accorded to least developed countries. New projects approved for the least developed countries since the 1981 Paris Conference had totalled over $90 million, bringing the total commitments under the Fund in those countries to $277 million.

36. In addition to those two funds, the United Nations Volunteers had increasingly concentrated on least developed countries in accordance with the Substantial New Programme of Action, which emphasized the need for middle-level personnel, which the Volunteers programme was capable of providing. Since the beginning of the programme, almost 1,200 United Nations Volunteers had served in the least developed countries.

37. Another programme under UNDP administration, the United Nations Sudano-Sahelian Office, was by virture of its geographical concentration almost exclusively directed at least developed countries. In 1982 it had mobilized a total of $14.7 million for the support of drought-related activities in the countries members of the Permanent Inter-State Committee on Drought Control in the Sahel. All those countries were either least developed countries or were treated as if they were. In the same year, the United Nations Sudano-Sahelian Office had mobilized $16.5 million for national project activities in African least developed countries falling under its desertification control mandate and $3.9 million for the support of regional desertification control projects. Several other African countries had been included at the request of the General Assembly.

38. Those figures might give the impression that all was well, but in fact under the impact of world recessionary pressures and the weakening of the exchange rate of most currencies with respect to the dollar, the volume of operations of multilateral aid institutions, and especially of UNDP, had been adversely affected, thus offsetting to a large extent the gains made in the 1970s and early 1980s in increased allocations to least developed countries. If the growth in voluntary contributions to UNDP, the main source for multilateral technical co-operation with the least develolped countries, continued to stagnate, the promising trend of the later 1970s and early 1980s would not be regained in the next few years. After the November 1982 Pledging Conference, UNDP had been compelled to reduce, for the years 1982-1986 covering its third development cycle, the level up to which programme resources could be committed to 55 per cent of the indicative planning figures adopted for that cycle two years previously. Originally, $1,546 million had been programmed for UNDP-funded projects in the least developed countries, but the reduction of the resources for programming meant that about $700 million less would be available during that five-year period, leaving about $850 million, and even that figure was based on a higher growth rate of overall contributions than that currently attained.

39. Pledges for 1983 to the Special Measures Fund for the Least Developed Countries and to the United Nations Capital Development Fund would also mean that a lower level of resources would be available as compared with 1982. Pledges to the Special Measures Fund for 1983 amounted to only $13.9 million, as compared with $16.6 million in 1982, and only a generous Swiss contribution during the current Governing Council session had brought them up to about the same level as in the previous year. Perusal of a conference room paper showed that Sweden, Switzerland, Norway, France and Finland had contributed the bulk of the resources of that fund for 1983. Pledges to the Capital Development Fund for 1983 were estimated at $25 million, as compared with $28.8 million for 1982. The emergence of such a situation only a year after the adoption of the Substantial New Programme of Action by consensus in Paris made the contrast between expectations and reality even more dramatic. The Governing Council of UNDP would at its current thirtieth session in New York make a strong appeal to all Governments to increase their contributions to both Funds substantially.

40. Yet despite those bleak prospects, UNDP had stepped up its efforts during the past year to support the least developed countries in implementing the Substantial New Programme of Action. In particular, it had assisted them in organizing and servicing country review meetings ("round-table meetings) whenever the Governments concerned had requested UNDP to act as lead agency. UNDP was sparing no effort to meet that challenging task and had already responded to requests from the Governments of 28 countries in Africa, Asia and the Arab States to assist them in organizing such meetings. The countries included the five additional countries that had been designated as least developed

countries at the most recent session of the General Assembly[7] and in due course informed of the Substantial New Programme of Action and other facilities available to them. The recent report of the Administrator of UNDP to the Governing Council (DP/1983/11 and Corr.1), with the list of all planned round-table meetings as of 31 May 1983, had been made available to delegations.

41. In Africa, where there were 24 least developed countries south of the Sahara, including four newly designated least developed countries, 21 countries had requested UNDP assistance for the preparation of round-table meetings, and five had already been held. In the Arab region, Democratic Yemen had decided to hold a round-table meeting in 1983 and to request UNDP assistance for the purpose. In April 1982, the Yemen Arab Republic had organized an international conference at which the country's five-year plan for 1982-1986, prepared with UNDP assistance, had been reviewed with Yemen's development partners. The Government of Djibouti was planning a donor conference for November 1983 as a follow-up to a preliminary round-table meeting held in February 1981. UNDP had provided assistance in preparing the documentation for the meeting and would also provide support in organizing the donor conference.

42. Of the seven least developed contries in the Asia and Pacific region, five had requested UNDP support in organizing a joint round-table meeting, which had taken place at Geneva in May 1983. Bangladesh and Nepal, for which there were World Bank consultative groups, had attended that meeting in order to participate in deliberations of a regional nature.

43. Summarizing the experience of UNDP with the round-table meetings held so far, he pointed out that its role in the preparation of the meetings was determined primarily by the specific requirements of the individual country concerned, and therefore differed from case to case. Country presentations had been based as far as possible on the country's national plan and development strategy, and on a careful assessment of its external assistance requirements. To take the African cases as examples, the Government of Cape Verde had organized its first round-table meeting on the eve of the adoption of its first national development plan; the proposals of the Government of Mali had been based on its five-year development plan (1981-1985); and Rwanda, which had previously organized round-table meetings with UNDP assistance, had convened a third, with a view to mobilizing resources for financing its third five-year development plan (1982-1986).

44. Resident representatives, in their capacity as resident co-ordinators, had as far as possible involved the organizations of the United Nations system in the preparation of the various round-table meetings in accordance with the Government's requirements in each case. He was pleased to report that co-operation with the agencies was mutually regarded as satisfactory and that in all the meetings organized so far the agencies had contributed effectively.

45. Since the purpose of a round-table conference was to obtain the active involvement of the donor community in a country's development, the maximum participation of donors had been pursued, so far with satisfactory results. The delegations that had participated in the five African meetings included, in addition to multilateral financial institutions and funding organizations, members of the three major contributing groups, DAC, OPEC and OMEA, as well as potential donors from developing countries. In the case of Benin, 82 private enterprises had followed the round-table discussions.

46. Eighty delegations had attended the round-table meeting organized at Geneva in May 1983 for five of the seven least developed countries in the Asia and Pacific region. They had included 10 funding institutions, including the World Bank, the Asian Development Bank and IMF; 37 donor Governments, of which 17 were from the developing world itself; 26 United Nations agencies; and seven non-governmental organizations. The participants had agreed that that round-table meeting had produced very satisfying results, encouraging both for the least developed countries concerned and for the donor community, which had welcomed the opportunity provided by the meetings for a frank dialogue with individual Governments about their economic plans and external assistance requirements. Equally useful had been the exchange of information concerning the individual donors' current and future development assistance activities in a particular country, which had contributed to better co-ordination of the total assistance package. Various donors had announced new assistance or increased levels of assistance for specific least developed countries.

47. For the Governments of the least developed countries concerned, the preparations for the round-table conferences and the meetings with potential donors had been a valuable experience in planning development and in correlating assistance requested and offered with planned objectives, in other words, in trying to obtain optimum results in matching nationally perceived priorities with available assistance resources and the individual donors' preferences.

48. While the round-table conferences were a useful means for initiating the mobilization of resources needed by Governments to finance their development programmes, and while they usually provided an indication of the level of resources, it should also be borne in mind that the Substantial New Programme of Action did not assume that they should be outright pledging conferences; they had been viewed primarily as a means of setting in motion a process of consultation and negotiation. For that process to yield lasting results in terms of a stepped-up level of assistance, it was essential that Governments of least developed countries continued their dialogue with the donors and that systematic follow-up was ensured through a process of further consultations. UNDP was prepared to put the services of its field establishment at the disposal of the Governments for that purpose. It was encouraging to note that so far, each round-table meeting had led to agreement between the Government of the host country and donor delegations to establish follow-up arrangements.

[7] General Assembly resolution 37/133 of 17 December 1982.

49. However, there was no room for complacency about the relatively limited immediate results and future promises which the round-table meetings had yielded so far. While it should be recognized that time was needed to obtain substantial results in terms of increased aid to individual countries, UNDP also believed that with a more determined will on the part of the donor community to step up its assistance to the least developed countries, visible evidence of that determination could be shown at the round-table meetings. Such evidence would in itself be a powerful inducement for the country concerned to pursue negotiations vigorously with the potential donor. UNDP would pursue such an approach whenever Governments invited it to assist them in initiating the consultation process with donors. Such assistance might well include the organization of preliminary bilateral negotiations with potential donors before the actual round-table meeting took place. UNDP urged donors, most of whom were participating in the present Conference, to endeavour to determine the extent of their possible additional contributions to the development effort of the country concerned before the round-table meeting took place, and to make a positive announcement to that effect during the meeting.

50. Turning to the question of aid modalities, he drew attention to the considerable operational experience of UNDP and its adaptability to the needs of the least developed countries, acquired as a result of its long-standing partnership with them. UNDP, already reputed for its concern about responding to the stated needs of the countries it assisted, was giving special consideration to the specific requirements of the least developed countries. Its assistance, financed from its programme resources and from the Special Measures Fund for the Least Developed Countries, was provided on a grant basis, as was the financial assistance available from United Nations Capital Development Fund, which was aimed at the poorer countries. The basis for such technical co-operation was the five-year programming cycle, which provided developing countries with a predictable level of resources available for that period and with a framework for sustained co-operation closely related to each country's national plan and budget cycles. That approach enabled each developing country to determine how best to use the resources available from UNDP in support of its development.

51. In order to promote self-reliant development, the operational policy of UNDP was designed to make optimal use of available national resources and to develop and strengthen national capability. UNDP therefore emphasized the training of national personnel in development planning and administration. Consideration must be given in each case to government execution of UNDP-assisted projects and to selecting UNDP-financed professional staff, with recruitment of qualified nationals as an alternative to international experts. Finally, UNDP had liberalized its requirements regarding the financing of local inputs essential for the implementation of a project, including locally produced equipment and supplies, especially in the case of least developed countries.

52. UNDP was at present introducing a modified approach to the formulation and design of projects which involved, *inter alia*, a shorter and more concise project document. As a corollary, it was modifying its monitoring and evaluation procedures, which would emphasize strengthened self-evaluation at field level and more comprehensive reporting to the Governing Council, thus giving full cognizance to the accountability of the Administrator for the effectiveness of the Programme. Part of the endeavour would be an attempt at assisting least developed countries in building up their own evaluation capacities in order to enable them to make the best use of both internal and external inputs in their projects.

53. Another important feature of UNDP-assisted programmes in recent years had been the considerable strengthening of investment support. UNDP had recently introduced a special facility, financed from the Special Programme Resources, to support on a reimbursable basis short-term feasibility studies which would enable development finance institutions and other investors to reach quick investment decisions, primarily in the least developed countries, especially for small and medium-scale projects.

54. Finally, aid co-ordination was a very important aspect of development co-operation and of crucial importance to the least developed countries. Bilateral and multilateral external assistance should complement the Government's own efforts and each other as well. In order to achieve such complementarity and maximum benefit to the Government of the assistance available to it, co-ordination of external assistance was essential. While that was the responsibility of the Government concerned, it had not prevented Governments from seeking assistance from the UNDP resident representatives. Within the United Nations system itself, increased efforts had been made in recent years to strengthen the co-ordination of the system's operational activities. Thus, General Assembly resolution 32/197 of 20 December 1977, which dealt with the restructuring of the economic and social sectors of the United Nations system, provided for a single United Nations official to assume at the country level the function of resident co-ordinator, although it had normally been the resident representative of UNDP who had been designated as such by the Secretary-General.

55. Obviously, successful co-ordination depended not only on the agreement and participation of host Governments and on the United Nations system, but also on the willingness of donor countries to arrange for their local representatives to participate in the process and to provide the necessary information required for effective co-ordination and planning. In the interest of improved aid co-ordination and to ensure the complementarity of external assistance to national development efforts, UNDP invited the bilateral organizations not already so committed to participate and strengthen that co-ordination process. It would clearly entail a willingness on the part of donor Governments to steer programmes towards the requirements of least developed countries and the outcome of consultations within the framework of the Substantial New Programme of Action.

56. The Administrator of UNDP had taken steps to make the field office network available not only to the component parts of the United Nations system but also

to other donors, such as the World Bank and bilateral aid agencies, to support them in the preparation of technical co-operation programmes and projects. The Governing Council, which would have the relevant proposals before it at its current session, would have to decide on that extension of the role of the field office network, which might open up a new significant stage in the history of UNDP, adding a new element to its tireless efforts to support all developing countries in their quest for development.

57. The PRESIDENT said that the working group on agenda item 12 would continue its work. He urged all delegations to assist by adopting the draft resolution (TD/L.217) submitted by the Group of 77 by consensus.

The meeting rose at 6.20 p.m.

194th PLENARY MEETING

Tuesday, 21 June 1983, at 10.25 a.m.

President: Mr. Lazar MOJSOV (Yugoslavia)

TD/SR.194

Commemoration of the bicentenary of the birth of Simón Bolívar

1. The PRESIDENT reminded the Conference that 1983 was the 200th anniversary of the birth of Simón Bolívar, who had liberated Latin America from the colonial yoke. He spoke of the human, intellectual, military and political virtues of the hero who had led Venezuela, Colombia, Bolivia, Ecuador, Peru and Panama to independence. Simón Bolívar's many talents had been displayed both in peace and in war, because after the success of the liberation struggle, he had worked to establish régimes based on law, justice and equality. He had also been a far-seeing statesman in international relations. His example and his ideals would remain an imperishable memory and a source of inspiration for mankind.

2. Mr. BRACHO SIERRA (Venezuela), speaking of behalf of the Latin American delegations, said that the ideals of that clear-thinking, far-seeing man, Simón Bolívar, whose 200th anniversary was being celebrated in Latin America in 1983, were not alien to UNCTAD, whose mission was to find forward-looking ways of mobilizing the joint efforts of all countries for the common good. It was therefore appropriate to remember, when commemorating the Liberator, that politics imposed on the world the need for coexistence which disregarded narrow national interests for the benefit of the well-being of all. In that arduous task, guidance should be sought in the examples of great men, and one of the greatest of them was Simón Bolívar.

3. Simón Bolívar was the precursor of decolonization in the world. His liberating action was not to be confused with the winning of independence by the United States. That was confined to a single territory, whereas the Latin American liberation movement went beyond mere national frontiers. Moreover, the United States of the time were merely trying to defend their economic interests against the protectionism of the metropolitan country; with respect to political rights, they were in no way at a disadvantage in relation to England. Latin America, on the other hand, had been denied all rights, and Bolívar had helped to mobilize its oppressed peoples. That was what made his action so modern and awoke so many echoes in the contemporary world. Simón Bolívar was the symbol of the hero who rose up to defend a just cause against the obstinacy and insensitiveness of powerful forces intolerant of coexistence and deaf to appeals for conciliation. His example was more than ever valid in the present troubled times, when peace, justice and mutual understanding were so badly needed, and his ideals could be an inspiration for the Conference.

4. Although Bolívar was born in Venezuela, he had devoted himself to the cause of the whole of Latin America, and the Americas were his true home. Nature had eminently endowed him for the task to be done; he was at once a passionate man, an intellectual and a man of action, who placed all his gifts at the service of his mission. His qualities had been amply recognized by eminent writers such as Pablo Neruda and Miguel de Unamuno. Brought up on Rousseau and Montesquieu, he had drawn his inspiration from the thinking of the age of enlightenment in the moral, social and political spheres. An astute, clear-thinking statesman, he had fully understood the game being played by the United States and had in no way allowed himself to be seduced by the Monroe Doctrine.

5. Throughout his life, Simón Bolívar had never sought personal glory. He considered his political mission as divinely inspired; he was completely devoted to the public good and totally disinterested, leaving it to history to judge him; and history had seen in him a true statesman, a humanist and a realist, embodying all the aspirations and the spirit of his people and synthesizing the experience of the past, the preoccupations of the present and the concerns of the future. Simón Bolívar's life and work spoke volumes and gave the world a lesson of hope.

6. Paying a combined tribute to Simón Bolívar the Liberator and to Marshall Tito the statesman, he expressed the hope that the Conference, drawing inspiration from their noble example, would do its utmost to bring about peace and well-being in the world.

AGENDA ITEM 7

General debate (*concluded*)*

AGENDA ITEM 8

The world economic situation with special emphasis on development: approaches to the current world economic crisis and perspectives for the 1980s, including issues, policies and measures relevant to the attainment of a new international economic order

* Resumed from the 192nd plenary meeting.

(*continued*)* (TD/272 and Add.1, TD/285; TD/L.222, TD/L.223)

7. Mr. TOURÉ (Senegal) made a statement.**

8. Mr. PALME (Sweden) made a statement.***

AGENDA ITEM 14

Other business (*continued*)** (TD/L.231)**

Introduction of a draft resolution on provision of assistance for Lebanon

9. Mr. OSMAN (Somalia), speaking on behalf of the Group of 77, introduced a draft resolution (TD/L.231) entitled "Provision of assistance for Lebanon" submitted by Somalia on behalf of the States members of the Group of 77. It was based on the text of the resolution adopted at the Fifth Ministerial Meeting of the Group of 77 at Buenos Aires. It was well known that for eight years Lebanon had suffered from the ravages of war and conflict, which had largely destroyed the country's economy. The world conscience had been stirred, and the General Assembly had adopted a number of resolutions on assistance to Lebanon, the latest of them being resolution 36/205 of 17 December 1981. In 1977, the Secretary-General of the United Nations had established a special United Nations fund for Lebanon, an extremely active commercial and banking centre representing a kind of link between East and West. The States members of the Group of 77 considered that a generous gesture to enable Lebanon to overcome its trials, reconstruct its economy and find the means of co-operating anew in the development of the international economy was absolutely essential. The Group of 77 therefore appealed to donor countries and organizations, and to international agencies such as the World Bank and IMF, to provide Lebanon with financial facilities, and to the international community to grant trade facilities to that country. He earnestly hoped that the Conference would adopt the draft resolution by consensus.

10. The PRESIDENT suggested that the draft resolution should be submitted to a President's contact group, to be established as early as possible following his consultations with the co-ordinators of the regional groups.

11. Mr. GABAY (Israel) said that his delegation supported the provisions of draft resolution TD/L.231 concerning the granting of economic and financial assistance to Lebanon, and also the proposal to refer the draft resolution to a President's contact group. His Government had recently signed an agreement with Lebanon which had just been ratified by the Lebanese Parliament. His delegation earnestly hoped that that agreement would provide the basis for an early withdrawal from Lebanon of the other parties involved, namely, the Syrian Arab Republic and PLO. Although it could support the operative part of the draft resolution, his delegation observed that the preamble and operative paragraph 1 referred to the "Israeli invasion" but said nothing about those who were really responsible for the disturbances which had had such a harmful effect on the Lebanese economy.

12. Mr. OSMAN (Somalia), speaking on a point of order, said it was surprising that at that early stage, when he had merely introduced the draft resolution, to be examined in substance by a President's contact group, the Israeli representative had introduced political considerations which were totally irrelevant to a purely humanitarian problem arising out of the destruction and trials suffered by the Lebanese economy. The President should prevent the Israeli representative from engaging in political manœuvre.

13. The PRESIDENT, speaking in exercise of the powers vested in him under rule 34 of the rules of procedure, called upon the Israeli delegation and all the participants in the Conference to focus their comments exclusively on questions related to items on the agenda of the Conference and to refrain from raising problems which it was the responsibility of other United Nations bodies to consider.

14. Mr. GABAY (Israel) said that, in deference to the President's appeal, he would make no further comments for the time being. Nevertheless, the text of the draft resolution should in his view be supplemented or made more precise, and he hoped to be able to revert to the text in the President's contact group to be established.

15. The PRESIDENT assured the Israeli representative that he would have an opportunity of making any comments he wished to make on draft resolution TD/L.231 in the open-ended contact group to be established.

AGENDA ITEM 12

Progress in the implementation of the Substantial New Programme of Action for the 1980s for the Least Developed Countries (*continued*) (TD/276 and Add.1, TD/285; TD/L.217)

16. Mr. RAHMAN (Bangladesh) recalled that the Substantial New Programme of Action for the 1980s for the Least Developed Countries, adopted in Paris in 1981, represented a complete package of national and international support measures for bringing about structural economic transformation in those countries, together with a follow-up mechanism. He outlined the progress achieved so far in implementing those measures.

17. The least developed countries, some of which had prepared their social and economic development plans for the 1980s prior to the Paris Conference, had certainly worked for the implementation of the Substantial New Programme of Action. A number of them had taken steps to strengthen their planning capabilities and increase their effectiveness; and they had endeavoured to mobilize their domestic resources for development. Some had also formulated a food strategy and had

** For the summary of the statement, see part one, session A.2, above.

*** For the text of the statement, see part one, section A.1, above.

**** Resumed from the 172nd plenary meeting.

established medium-term food production plans. They had all made consultative arrangements as required by the Substantial New Programme of Action. Since the first round of country review meetings was to be completed in 1983, some of the meetings between the least developed countries and their development partners had already been held, while others were being arranged. The round-table meeting of the five least developed countries of the Asia and Pacific region had just been concluded at Geneva under UNDP auspices. The least developed countries had also designated government focal points for the review and implementation of the Substantial New Programme of Action at national level. In many cases, development plans had been revised or specially drawn up to correspond to the Programme's priorities.

18. As far as the developed countries were concerned, attention should be drawn to the essence of the commitments entered into in Paris: donor countries were either to devote 0.15 per cent of their GNP for ODA to the least developed countries in the coming years, or to double the volume of such assistance in relation to the transfers to those countries over the past five years. Under those commitments, the total annual amount of ODA to the least developed countries should increase from $6.6 billion in 1975-1979 to over $14 billion in 1985 and $24 billion in 1990. Unfortunately, with some rare exceptions, the donor countries had neither reached the target of 0.15 per cent of GNP nor doubled the volume of their ODA. Furthermore, contrary to the commitments made in the Substantial New Programme of Action, aid was increasingly tied, even in the case of commodity assistance. The real value of ODA had further declined, from 0.084 per cent in 1980 to 0.076 per cent in 1981. It was no wonder, therefore, that per capita GNP in the least developed countries had declined by 0.6 per cent in 1981. The fall in commodity prices had caused the exports of those countries to lose 10 per cent of their value, while their public debt had reached an estimated figure of $20 billion in 1981.

19. In Bangladesh itself, there had been a continuous deterioration in the external trade and aid situation which was due to persistent recession and growing protectionism in the developed countries. It had been necessary to make drastic reductions in the second five-year plan and to drop or defer the execution of 452 projects in the development programmes. In 1983, new fiscal measures had had to be adopted, resulting in severe hardship for the people, coming as they had in the wake of a decline in GDP growth rate from 6.1 per cent in 1980/81 to a mere 0.9 per cent in 1981/82. Even for the current year, the increase in per capita income would be only marginal. It was obvious that no adjustment process in a least developed country could succeed without growth and expanded aid flows.

20. The overall programme of implementation of the Substantial New Programme of Action was extremely frustrating. A firm new resolve was needed from all countries, North and South, market-economy countries and countries with centrally planned economies, to implement the Programme.

21. The Buenos Aires Platform contained concrete proposals for such implementation. In his delegation's view, the objectives of the Programme could be achieved if the following conditions were met: the aid targets contained in the Substantial New Programme of Action should be attained and the conditions and modalities of aid improved; all outstanding bilateral loans to the least developed countries should be converted into grants in accordance with Trade and Development Board resolution 165 (S-IX); the lending operations of the World Bank and of other multilateral financial institutions such as the Asian Development Bank and IFAD should be expanded and liberalized; the agreement on the Sixth Replenishment of IDA resources should be speedily implemented and the negotiations for the Seventh Replenishment brought to an early conclusion; contributions to UNDP, particularly to the Special Measures Fund for the Least Developed Countries and the United Nations Capital Development Fund, should be increased; the conditionality of IMF assistance should be revised to reflect the economic and social priorities of the least developed countries; a substantial and immediate additional allocation of SDRs should be authorized; the IMF compensatory financing facility should be expanded and liberalized, and special arrangements and new mechanisms for the least developed countries should be established; the Ninth General Review of Quotas should be completed by 1984; a Stabex-type scheme[8] should be established for all least developed countries; duty-free access of exports from the least developed countries to markets of other countries should be authorized, and there should be more flexible rules of origin for such exports.

22. Mr. STREEB (United States of America) said that for many years the United States of America had recognized the difficult problems of the least developed countries: low per capita income and hence limited savings and investment; a small industrial base, which made it difficult to diversify production to meet essential domestic needs and earn foreign exchange through exports; and lack of educational facilities, which was an obstacle to the full development of the human resources essential for social and economic progress. In many of the least developed countries, per capita food production had been declining since the 1970s and urgent action was needed to reverse that alarming trend.

23. The United States of America and other donor countries had participated in the Paris Conference of 1981 in the desire to establish a new partnership with the least developed countries. The Substantial New Programme of Action adopted by the Conference provided a framework of objectives and long-term action to help the least developed countries towards self-sustaining growth and set forth action on a wide front: food, agriculture and rural development; human resources and social development, including education, health and nutrition, and population policy; development of natural resources, energy and industry; creation of physical and institutional infrastructure, environmental

[8] Stabex is the name given to the system of stabilization of export earnings established by the first Lomé Convention, concluded between EEC and 46 ACP States on 28 February 1975, and reinforced by the Second ACP-EEC Convention, concluded between EEC and 58 ACP States at Lomé on 31 October 1979 (see *Official Journal of the European Communities*, vol. 23, No. L 347 (22 December 1980)).

protection and improvement, and the promotion of foreign trade.

24. The international community had responded to the call through a variety of measures, including increases in ODA. While there was no question of the importance of ODA, it was too seldom recognized that the volume of aid was already very large: for example, in 1982 net ODA for the least developed countries from member countries of DAC had represented 7 per cent of the estimated combined GNPs, which was equivalent to the cost of about one third of all their imports and a much higher percentage of their estimated gross investments.

25. The United States had established bilateral development assistance programmes and contributed to the multilateral programmes, and individual citizens had also participated under the auspices of various bodies, including voluntary organizations. In 1982, net total United States assistance for the least developed countries, including contributions through multilateral agencies, had reached $1.6 billion, more than double the amount provided in 1975. Since 1975, the volume of its multilateral assistance had increased more than fourfold, and plans for the next fiscal year called for growth in bilateral aid to the least developed countries at a rate greatly exceeding the expected growth of the country's own economy and indeed of its total assistance programme.

26. During the 1970s, the United States had also adopted a range of measures to tailor its assistance to the special needs of the least developed countries. United States aid was largely in the form of grants, which in 1982 had represented nearly 96 per cent of total aid for the least developed countries, and it was not tied as far as purchases in other third world countries were concerned, thus contributing to the creation of new trade relations among the developing countries. Local cost financing was the rule in most of the United States food, agriculture and rural development programmes.

27. As for multilateral institutions, his country welcomed the agreement to expand the resources of IMF and fully supported the World Bank's special action programme. It believed that the Fund and the Bank, in co-operation with donors, creditors and the countries concerned, had been doing an outstanding job on working out the measures needed to cope with each situation by facilitating adjustments and promoting development efforts. The least developed countries should take full advantage of the assistance being offered by those agencies and, in particular, should not hesitate to approach IMF at an early stage when difficulties arose, in order to make an immediate start on the search for solutions. The United States also supported the efforts of UNDP, which played a leading role in the field of development assistance, and it had increased its contribution to UNDP in 1983.

28. The international community was now emerging from the longest recession of the post-war period. As demand grew, trade would increase and commodity prices improve. His country was convinced that an expanding world economy with an open trading system would greatly assist all developing countries, including the least developed. Nevertheless, it shared the view that the least developed countries merited special consideration to assist in the long-term growth of their trade, and it welcomed the declaration adopted at the GATT ministerial session on 29 November 1982, inviting contracting parties to pursue action towards facilitating the trade of least developed countries, and hoped that all countries would give careful consideration to the declaration and that the GATT contracting parties would implement it without delay.

29. Trade between the United States and the least developed countries had grown rapidly over the past decade. United States imports from the least developed countries had increased nearly fourfold between 1972 and 1981 and now amounted to some $1.2 billion. Much of that trade benefited from the GSP, which his country hoped to strengthen for the benefit of the countries most in need of it. His country also believed that technical assistance should be provided to the least developed countries to promote the continued healthy growth of trade between them and the United States of America.

30. The Substantial New Programme of Action took account both of the obligations of the developed countries and of the supportive measures to be taken by the international community. He welcomed the fact that, despite their difficulties, the least developed countries had in many cases taken the steps necessary for adjustment to altered domestic and international conditions, thus promoting their economic and social progress. Much remained to be done, however. In the words used in paragraph 1 of the Substantial New Programme of Action, "The least developed countries have primary responsibility for their overall development, and the domestic policies they pursue will be of critical importance for the success of their development efforts". The necessary general framework could not be established overnight. It needed steady effort at all levels and in all sectors.

31. A number of speakers had expressed disappointment at the slow pace at which the Programme was being implemented, but it must be remembered that it was only 21 months since it had been adopted. His country could not agree with those who expressed "alarm" at "the painfully slow implementation" of the Programme; on the contrary, it considered that things were going well. It was of the utmost importance for the schedule of country review meetings provided for in the Programme to be completed promptly. The mid-term review at global level in 1985 would certainly be informative.

32. He would like to state, however, that his country did not accept every proposal contained in the Substantial New Programme of Action. Its position on specific aid targets was well known and need not be repeated. Nor could it agree to participate in a Stabex-type arrangement. Nevertheless, the record of the United States clearly demonstrated the increasing attention paid to the problems of the least developed countries, and he emphasized his country's continuing support for the Substantial New Programme of Action as a whole.

33. The United States delegation believed that the working group was proceeding in the right direction.

The objective should be a strong political reaffirmation of the Substantial New Programme of Action, reflecting recent developments, but without changing the basic agreement reached in Paris. His country would continue to make every effort to help the least developed countries to speed up their economic and social development and to improve the living standards of their inhabitants.

34. Mr. OLBERG (Norway), speaking on behalf of the delegation of Finland, Sweden and Norway, said it was a regrettable fact that the world economic crisis had continued to worsen since the Paris Conference and that the least developed countries were particularly hard hit. Those countries had played no part in causing the crisis and could do little to remedy it, yet they were the very countries that could least afford to cut back programmes against poverty and hunger. In 1985, there was to be a review of the progress made towards the targets established in Paris for implementing the Substantial New Programme of Action—a review that would provide an opportunity for possible readjustment. The Nordic countries would take an active part in that review with a view to maximizing the benefits which the Programme was meant to bring to the least developed countries. The sixth session of the Conference was a good opportunity to reaffirm the commitments entered into in the Programme.

35. The Substantial New Programme of Action stressed that the primary responsibility for implementing the development plans of the least developed countries rested on those countries themselves, which should adopt vigorous measures to mobilize their national resources, while at the same time the plight of the poorest countries was a responsibility of the international community as a whole. International solidarity should be reaffirmed at the sixth session of the Conference. The Substantial New Programme of Action also recognized that the least developed countries were not benefiting sufficiently from general policy measures designed to assist developing countries in general, and that special measures in favour of the least developed countries were needed.

36. The Nordic countries were firmly resolved to fulfil the commitments made in Paris. The least developed countries already occupied a prominent place in bilateral aid from those countries, and consideration was being given to further increasing the aid provided to them and softening its terms. The Nordic countries had fully implemented section A of Trade and Development Board resolution 165 (S-IX) of 11 March 1978 by converting all outstanding development credits to the least developed countries into grants. They were considering further measures in favour of the least developed countries in the fields of trade and raw materials, in the hope that those issues would receive special attention in the various sessional committees of the Conference.

37. The Substantial New Programme of Action further recommended that there should be an increase in IBRD, IDA and regional bank resources. Unfortunately, resources had stagnated since the Paris Conference and had even declined in real terms. The Nordic countries suggested that the Sixth Replenishment of IDA resources should extend over four years rather than three years. They hoped that early agreement would be reached on the Seventh Replenishment, and they urged donors to take that opportunity of providing IDA with the necessary means to continue to assist the least developed countries. A further matter of concern was that UNDP had had to cut back its programming by 45 per cent because of the low level of contributions. The Nordic countries, which together provided nearly 30 per cent of UNDP resources, wished to stress the need for a broader resource basis for that body to ensure long-term financing of the activities for the least developed countries envisaged for the third programming cycle. The financial situation of the Special Measures Fund for the Least Developed Countries and the United Nations Capital Development Fund—the major share of whose resources was still being provided by the Nordic countries—was anything but satisfactory.

38. Lastly, he recalled the statement made during the general debate by the representative of the United Republic of Tanzania, emphasizing the considerable impact that the measures applied by the international community to solve the current world crisis could have. For developing societies, such solutions might mean the safeguarding of democratic values, or they might on the other hand usher in a future of authoritarianism, repression and violation of basic human rights. The Nordic countries would do everything possible to help the international community to choose the right path.

39. *Mr. Mariadason (Sri Lanka), Vice-President, took the Chair.*

40. Mr. SULIMMA (European Economic Community), speaking on behalf of the States members of the Community, recalled that that body had played an active part in the adoption of the Substantial New Programme of Action at the Paris Conference in 1981. The Programme, based on the principle of supplementary and simultaneous action in the least developed countries and at the international level, was coherent and well balanced. The balance must be maintained in the implementation of the Substantial New Programme of Action, which should be subject to periodic review. Unfortunately, since the Paris Conference the situation of the least developed countries had continued to deteriorate, as could be seen in the figures quoted in document TD/276.

41. EEC maintained close relations with most of the least developed countries, 27 of which were signatories of the second Lomé Convention.[9] Its financial assistance to the least developed countries not parties to that Convention had increased by 50 per cent between 1981 and 1982. The Community supplied the least developed countries with 35 per cent of their imports and absorbed 40 per cent of their exports. The Community and its member States were the main source of assistance for the least developed countries, and had provided approximately $3 billion in 1982. Some member States were very close to the target of 0.15 per cent of GNP established at the Paris Conference; others had considerably exceeded the target. Following the

[9] Second ACP-EEC Convention, signed at Lomé, Togo, on 31 October 1979 (see *Official Journal of the European Communities*, vol. 23, No. L 347 (22 December 1980)).

Paris Conference, EEC had decided to devote $40 million to the anti-hunger campaign in the least developed countries as part of a concerted programme of action between donor countries and those countries. In trade, the Community under its GSP had granted the least developed countries duty-free entry for most of their agricultural products and had removed the restrictions to the preferential system for all their industrial products.

42. EEC recognized the progress achieved by the least developed countries under the Substantial New Programme of Action and hoped that their situation would be given special consideration in the discussions on the stabilization of commodity earnings. At the current session, consideration of problems of international trade in goods and services, the subject of agenda item 10, gave a special place to the least developed countries. He mentioned that the States members of the Community had approved the target of 0.15 per cent of GNP established at the Paris Conference, and he assured the Conference that those countries which had not yet done so were taking the necessary steps to reach the target as early as possible. The States members of the Community were likewise prepared to participate at an appropriate level in the Seventh Replenishment of IDA resources, taking account particularly of the needs of the least developed countries. In conclusion, he expressed the hope that the questions he had just referred to would occupy a prominent place in the Belgrade negotiations in favour of the least developed countries, in confirmation of the results of the Paris Conference.

43. Mr. SIMEON (Haiti) said that the optimism which had followed the Paris Conference had given way to general perplexity on the part of the least developed countries. Everyone recognized that the implementation of the Substantial New Programme of Action over the past two years had been extremely slow. The Conference at its sixth session should therefore seek appropriate ways and means of fulfilling the expectations of the least developed countries, which had so far been satisfied only in part.

44. With respect to ODA, his delegation urged that the commitment of donor countries to devote 0.15 per cent of their GNP to the least developed countries should be honoured. All countries which had not made such a commitment should do everything possible to achieve the 0.15 per cent target by 1985. His delegation also hoped that the least developed countries would have access, without any discrimination, to all bilateral and multilateral financing mechanisms and that consideration would be given to the overall conversion of outstanding bilateral assistance to them into grants, in accordance with Trade and Development Board resolution 165 (S-IX).

45. Secondly, his delegation emphasized the importance of stabilizing the export earnings of the least developed countries. A Stabex-type mechanism should be established for all those countries, and should be extended to the few which were not parties to the Lomé Convention. In addition, the industrialized countries should give preferential treatment to the least developed countries in allowing duty-free entry of their products. The type of action taken recently by the countries of North America in that direction must be given encouragement.

46. It was regrettable that the current session of the Conference should so far have been concerned to so small a degree with economic co-operation among developing countries. His country favoured firm co-operation, directed in particular at joint participation in productive investment in the agricultural and industrial sectors. He urged all groups of countries to help in seeking concrete solutions for implementing the commitments made at the Paris Conference.

47. Mr. LOHANI (Nepal) said that the consideration by the Conference of agenda item 12 showed the importance attached at the current session to the problems and difficulties of the least developed countries and to the urgent implementation of the measures adopted in their favour. His delegation welcomed the reaffirmation by many representatives, particularly of developed countries, of their commitment to implement the Substantial New Programme of Action, but it was concerned at the deterioration in the economic and social situation of the least developed countries. In introducing draft resolution TD/L.217 at the 184th plenary meeting, the representative of Somalia, speaking as Chairman of the Group of 77, had given an eloquent account of the situation in those countries. Draft resolution TD/L.217 called for urgent international action to achieve the objectives of the Substantial New Programme of Action.

48. He welcomed the increased flow of assistance to the least developed countries as shown in the recently published OECD figures, but he pointed out that the increase largely reflected contributions to multilateral bodies, such as IDA and the regional banks, deferred since 1981. An average for the years 1981 and 1982 was more to the point. Since 1979, the ODA provided to the least developed countries by the countries members of DAC had fallen in real terms: expressed in dollars at 1980 rates, it had amounted to $5,450 million in 1979, $5,370 million in 1980 and $5,200 million in 1981.

49. He urged the developed countries of East and West to double their ODA with a view to reaching the target of 0.15 per cent of their GNP by 1985. ODA should be provided to the least developed countries in the form of grants and should be free from any tying; and its quality and effectiveness should be improved. The proposals made in draft resolution TD/L.217 were modest and realistic. He hoped the draft resolution would be adopted by consensus.

50. The least developed countries were making vigorous efforts to achieve the objectives of the Substantial New Programme of Action. In Nepal, a number of measures had been taken to that effect, at general policy level and at institutional level, in various sectors of the economy, in line with national priorities and requirements. However, as stressed by Mr. Corea, the Secretary-General of UNCTAD, the efforts of the least developed countries should be supplemented by adequate financial, technical and material assistance from the international community. With respect to the UNCTAD secretariat activities described by Mr. Corea, he fully supported the idea of strengthening within UNCTAD the Special Programme for Least Developed,

Land-locked and Island Developing Countries, and of converting the existing machinery into a separate UNCTAD division, provided with the necessary additional resources. He thanked the Chairman of the working group on agenda item 12 for his efforts to arrive at a resolution that could satisfy all groups of countries, particularly the least developed countries, and that could be adopted by consensus.

The meeting rose at 1 p.m.

195th PLENARY MEETING

Tuesday, 21 June 1983, at 3.10 p.m.

President: Mr. Lazar MOJSOV (Yugoslavia)

TD/SR.195

AGENDA ITEM 5

Credentials of representatives to the Conference (*continued*)*

(*a*) Appointment of the Credentials Committee (*continued*)*

1. The PRESIDENT said that in accordance with rule 14 of the rules of procedure of the Conference, the Credentials Committee should consist of nine members to be appointed by the Conference upon the proposal of the President. At its 172nd plenary meeting, the Conference had decided, as recommended by the Pre-Conference Meeting in paragraph 17 of its report (TD/289), that the Credentials Committee should be composed of the following States: Bahamas, China, Dominican Republic, Nepal, New Zealand, Nigeria, Seychelles, Union of Soviet Socialist Republics, United States of America.

2. He had been advised that the delegation of the Seychelles would not attend the sixth session of the Conference. Consequently, the Conference should appoint another country from the African Group. In accordance with rule 14 of the rules of procedure, he proposed, having consulted the African Group, that the Conference should appoint the United Republic of Tanzania to replace Seychelles as a member of the Credentials Committee.

3. *It was so decided.*

4. The PRESIDENT reminded the Conference that in accordance with rule 14, the Credentials Committee should examine the credentials of representatives and report to the Conference.

* Resumed from the 172nd plenary meeting.

AGENDA ITEM 12

Progress in the implementation of the Substantial New Programme of Action for the 1980s for the Least Developed Countries (*continued*) (TD/276 and Add.1, TD/285; TD/L.217)

5. Mr. CHATENAY (World Bank) said that each least developed country was well aware of the importance of IDA, and internationally it was recognized that IDA was the largest multilateral institution for highly concessional assistance to countries that were not creditworthy for World Bank loans or in the commercial markets. Over the previous five years, 31 per cent of IDA funds had been allocated to the least developed countries, and over the next five years nearly 40 per cent of its funds would be so earmarked.

6. Since the Paris Conference, the World Bank had prepared and held meetings of aid co-ordination groups for Bangladesh, Nepal, Sudan and Uganda. A consultative group for Somalia was under preparation and should meet before the end of the year. He was able to confirm the World Bank statement to the Paris Conference that it would be willing to set up a few more such co-ordination groups if approached by Governments of least developed countries. At the request of UNDP, the Bank had also played an important role in the preparation of round-table meetings. It would continue to provide such assistance for meetings still pending.

7. The World Bank's ability to help the least developed countries with financial and technical assistance was of course dependent on an adequate expansion of the commitment authority of IDA for the forthcoming period. The spokesman for the Nordic countries had drawn attention at the previous meeting to the disturbing situation with regard to the financial resources of IDA. The outcome of negotiations for the Seventh Replenishment of IDA would have an immediate and decisive effect on the volume of assistance which the World Bank would be able to provide to the poorest countries, especially the least developed, whose financial needs were both large and urgent.

8. Mr. KAZIM (Afghanistan) said that item 12 was one of the most important items on the agenda and of direct interest to his country. The general economic situation of the least developed countries had further deteriorated in the recent past and their standards of living continued to be totally inadequate. At its third and fourth sessions, the Conference had called on the international community to provide adequate assistance urgently to the least developed countries to overcome their structural problems. At its fifth session, the Conference, by resolution 122 (V), had decided, as one of its major priorities, to launch a comprehensive and substantially expanded programme with both immediate and longer-term phases. However, the implementation of the Immediate Action Programme had been disappointing. In fact, the flow of resources to the least developed countries had declined during 1979-1981, the period scheduled for its implementation.

9. The unanimous adoption of the Substantial New Programme of Action for the 1980s for the Least Developed Countries had been an encouraging step by

the international community. In that Programme, both the least developed countries and their development partners had committed themselves to a number of priority areas for action, and to certain targets. At the United Nations Conference on the Least Developed Countries, held in Paris in 1981, it had been recognized that only a substantial increase in ODA in real terms during the current decade would enable the least developed countries to achieve the objectives of their country programmes within the framework of the Substantial New Programme of Action. However, the decline in the flow of ODA to least developed countries, both in current and in real terms, was alarming, and it was all the more regrettable because it came at a time when those countries were facing serious economic problems and financial difficulties due to the international economic crisis.

10. His country fully appreciated the efforts made by UNCTAD for the implementation and monitoring of the Substantial New Programme of Action. The work done by the UNCTAD secretariat to update the basic data series on least developed countries and to prepare in-depth analyses of progress in the implementation of the Programme was very useful. His delegation also commended UNDP for its efforts to convene the round-table meetings of least developed countries with their development partners. A number of those meetings had already taken place, including that of his own country, which had been held with the assistance of UNDP in May 1983 at Geneva. A number of donor countries, financial institutions and international organizations had participated. The country paper presented by the Afghan delegation had been thoroughly considered. His country was satisfied with the discussions at that meeting and looked forward to a positive and fruitful outcome.

11. It was, however, deeply concerned at the lack of progress in the implementation of the Substantial New Programme of Action. That problem had been thoroughly examined at the Fifth Ministerial Meeting of the Group of 77 at Buenos Aires in April 1983, and as a result a minimum set of policy proposals and recommendations had been put forward for consideration at the Conference. They were based on the provisions of the Substantial New Programme of Action and did not call for new commitments or renegotiation, but merely for fulfilment of the commitments made in Paris by 1985. In view of the positive and encouraging statements made by the representatives of donor countries, those objectives seemed to be attainable.

12. The slow and unsatisfactory progress of the working group on agenda item 12 was a source of serious concern. His delegation urged the developed partners in the working group to show more flexibility and to co-operate in presenting a consensus text to the conference as soon as possible. To prevent further deterioration in the socio-economic conditions of the least developed countries there was need for an urgent response by the international community, and his delegation was certain that it would be forthcoming.

13. Mr. KOBAYASHI (Japan) said that the international community fully recognized the difficulties faced by the least developed countries, which were the most vulnerable because of their particularly low level of development and structural economic problems. The deterioration of their economies as a result of the world economic recession was demonstrated by the fact that their per capita GDP and food production had declined by 0.6 per cent and 0.9 per cent respectively in 1981.

14. Japan was more than ever determined to do its utmost to alleviate the plight of the least developed countries. It therefore fully supported the objectives of the Substantial New Programme of Action adopted in 1981 and intended to implement the Programme faithfully. The Conference must reaffirm the commitments made and safeguard the status of the Programme so that it would continue to be the instrument guiding international co-operation in favour of the least developed countries.

15. One of the Programme's main objectives was to promote the structural changes in the least developed countries necessary to overcome their difficulties and transform them into economies of self-sustaining development. Of course, as with other developing countries, the primary responsibility lay with the least developed countries themselves. On the other hand, the need remained for international support measures, including an increase in the transfer of resources from all developed countries, developing countries in a position to do so, and multilateral development and financial institutions.

16. The provisions of the Substantial New Programme of Action were essentially long-term, and therefore it was appropriate to undertake a mid-term review of its implementation in 1985. Japan attached great importance to that review process as well as to the country review meetings preceding it.

17. The Group B countries had been making some progress, although perhaps not sufficient from the point of view of the least developed countries, in the implementation of the Substantial New Programme of Action, in the field of ODA, for example. In 1982, Japan's bilateral ODA to the least developed countries had increased by 60 per cent in terms of yen or 40 per cent in terms of dollars over the previous year. On the multilateral side, his country attached great importance to co-operation with the multilateral financial institutions, in particular with respect to their "soft windows", from which low-income countries, including the least developed countries, benefited. It was the largest contributor to the Asian Development Fund and the African Development Fund and the second largest contributor to IDA.

18. Realizing that there was not much incentive for private capital to flow into the least developed countries, which consequently relied on ODA for their external financing, Japan intended to continue to expand and improve its ODA programme for those countries. It attached particular importance to assistance for rural and agricultural development, the development of energy and human resources, improvement of the infrastructure, and the promotion of small and medium-sized enterprises, which should be a basis for the development of the least developed countries.

19. With regard to the debt problem of the least developed countries, Japan had taken steps, in line with resolution 165 (S-IX) adopted by the Trade and Development Board at its ministerial session in March 1978, to convert all ODA debts incurred by the least developed countries as of that date into grants. Recognizing that debt relief should be implemented on the basis of the circumstances of each individual debtor nation, it intended, in various international debt-relief operations mounted for specific debtor nations, to pay special heed to the economic vulnerability of the least developed countries.

20. In the field of trade, Japan had introduced special preferential tariff treatment for the least developed countries a year before the adoption of the Substantial New Programme of Action. His delegation hoped that some of the points made might be accepted as possible elements for a consensus. He was convinced that in a spirit of understanding and co-operation, the Conference would contribute to the progress of international efforts for the solution of the problems of the least developed countries.

21. Mr. KAFE (Comoros) said that since his country, an island nation which had recently achieved independence, was one of the 36 poorest countries in the world, his Government naturally attached great importance to the results of the sixth session of the Conference.

22. The least developed countries were the worst victims of the present world economic crisis. Unfortunately little progress had been made following the fifth session of the Conference and the Paris Conference in 1981. Commitments had not been met, and the richer countries were reluctant if not unwilling to help the poorer ones.

23. Assistance to the Comoros for economic and social recovery had been reduced. The resources allotted to donor institutions, including UNDP, had declined by some 45 per cent, thus jeopardizing the efforts by the least developed countries to achieve economic recovery. It was essential to restructure the multilateral financial institutions and give them the resources that would enable them to meet the specific needs of the developing countries more adequately.

24. The present crisis affected the whole world, but it could not be resolved if the specific problems of the poorest countries were not taken into account. Those problems were the direct result of the present monetary and trade system and above all of the increasing debt burden of the countries of the third world. A global approach was needed to solve them.

25. Because of the geographical position of the Comoros and the small scale of its domestic market, its Government was convinced that development required a regular growth in exports and greater diversification in production. The decline in sales of the commodities produced by the Comoros and unfair competition from synthetic products on world markets, aggravated by a continual deterioration of the terms of trade, were major obstacles to progress. His Government had therefore welcomed the initiatives to set up the Common Fund for Commodities and the extension of the Stabex scheme,[10] which were the only means of guaranteeing the export earnings of the developing countries. The Parliament of the Comoros had recently endorsed the ratification of the Agreement Establishing the Common Fund for Commodities, and he appealed to the developed countries to sign it also. It was likewise essential to renegotiate the debts of the poor countries, in particular those of the least developed countries, in accordance with Trade and Development Board resolution 165 (S-IX); in addition, *ad hoc* bodies, in particular the Paris Club, should take urgent practical measures to reschedule or even annul the external debts of the poorest countries.

26. In order to cope with the economic crisis, the rules of the monetary system had to be revised and geared to current conditions. Since the Paris Conference his Government had therefore taken energetic steps towards reviving the national economy. It had formulated an interim plan and a national document for submission to the next round-table meeting of financial backers, to be held at Moroni, the capital of the Comoros, in December 1983,

27. The country's national development policy was based on the recommendations of the Substantial New Programme of Action and also on the Monrovia Strategy for the Economic Development of Africa[11] and the Lagos Plan of Action.[12] A series of measures had been taken to restrict State expenditure and increase earnings so as to provide better support for the investment programme proposed to the round-table meeting of financial backers. Those measures provided, *inter alia*, for a 33 per cent decrease in operation expenditure, an increase of 34 per cent in tax receipts coupled with reorganization of the Treasury, improved organization of the public sector through strict management of State corporations, and the establishment of a development bank to stimulate initiative and investments in the private sector. They had already resulted in an increase in economic growth of some 5 per cent per year during the first three years.

28. His delegation had been seriously concerned by untrue statements made at the current session to the effect that the least developed countries were making no efforts to promote their recovery. The least developed countries should not be asked to make even more sacrifices. Despite the adjustment measures taken by the Governments of those countries, sometimes with distressing social consequences, an attempt was still being made to make assistance conditional upon the acceptance of further and even more severe measures. But such a step would condemn the least developed countries to recession and thus jeopardize their economic progress.

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[10] See footnote 8.

[11] Resolution 722 (XXXIII) of the Council of Ministers of OAU, adopted at the thirty-third session of the Council, held at Monrovia, Liberia, from 6 to 20 July 1979 (see A/34/552, annex I).

[12] Lagos Plan of Action for the Implementation of the Monrovia Strategy for the Economic Development of Africa and Final Act of Lagos, adopted at the second extraordinary session of the Assembly of Heads of State and Government of the Organization of African Unity, held at Lagos, Nigeria, on 28 and 29 April 1980 (see A/S-11/14, annex I).

29. The economic position of his country, one of the five least developed island countries, remained precarious despite the efforts it had made during the last five years. The Comoros had the smallest electrical capacity of all five, the lowest per capita energy consumption, and the poorest harbour, airport and telecommunications infrastructure. It also had the largest population, which was increasing at the rate of 3.5 per cent per year.

30. His Government was promoting and stimulating private initiative, supplemented by the regulatory role of the State. The primary aim was to increase the GDP by at least 50 per cent before 1990, with an average growth rate of 6 per cent per year, better distribution of the national revenue, and a fairer policy of social justice and economic balance capable of sustaining the investment programme and increasing production while reducing underemployment and unemployment.

31. In order to achieve those objectives, the Government had laid down priorities in the 1983-1986 interim plan. They included the increase and diversification of agricultural production to help towards food self-sufficiency; the development of fisheries, livestock and agro-industry; the establishment of essential infrastructures; the adaptation of training and educational policy to development needs; the strengthening of basic health infrastructures; the extension and modernization of hospital equipment and a better social housing policy; and the establishment of selective tourist development and cultural and sports facilities.

32. Clearly, however, all the Government's endeavours over the last five years did not suffice to overcome the structural problems of the country's economy. The plans to meet the vital needs of the people of the Comoros could not be achieved without increased assistance from the international community. He made a solemn appeal to the whole international community, and particularly to the developed countries and donor institutions, to accept his Government's invitation to take part in the round-table meeting on international solidarity for the development of the Comoros scheduled to take place at Moroni on 12 December 1983. In so doing they would be helping to implement United Nations resolutions on assistance to the Comoros.

33. Mr. WOLDE (Ethiopia) agreed that item 12 was one of the most important items on the Conference's agenda. In the years preceding the United Nations Conference on the Least Developed Countries, the least developed countries had experienced severe structural problems. The deterioration in the international economic climate during the 1970s had aggravated those problems and had weakened the capacity of the least developed countries to embark on a course of sustained growth and development. The per capita income of those countries had risen by less than 0.7 per cent per year, a much lower growth rate than the 2.9 per cent for the developing countries as a whole. Food production per head had actually declined, while the resource gap had widened.

34. It was against that background that the United Nations Conference on the Least Developed Countries had been convened in Paris. The discussions in the international community about the least developed countries which had started as far back as the third session of the Conference, had by 1981 resulted in a common understanding of their special circumstances and needs. Through the Substantial New Programme of Action, the international community had expressed its commitment to undertake concentrated support measures which, along with strengthened national efforts, would enable the least developed countries to provide for the basic needs of their population.

35. The major objective of item 12 was to examine the record of the two years that had passed since the Paris Conference and to propose immediate measures which would expedite the implementation of the Substantial New Programme of Action and thus halt the deteriorating trend in the least developed countries. Those who had spoken earlier had indicated that the position was indeed grimmer than in the pre-Paris decade. The ability of the least developed countries to realize their full potential had been severely impaired. Many developments had contributed to the gravity of the situation, but the external environment must be recognized as being the major constraint. The prices of export commodities had in recent years swung to the lowest levels in post-war history, while the prices of essential imports continued to rise. The developing countries' production base for exportables remained exposed to the vagaries of climate. In the areas where the developing countries had succeeded in expanding their production and export capacity, there had emerged a tendency on the part of developed countries to curb imports through protective measures and the withdrawal of most-favoured-nation treatment.

36. The developing countries' external financing requirements had therefore immensely increased, yet the sources of finance had not been responsive to their needs. Conditions of access to the resources of international financial institutions continued to disregard the special social and economic circumstances of the least developed countries, while the more concessional windows of those institutions had not been adequately replenished. Bilateral ODA remained inadequate and much lower than envisaged in the Substantial New Programme of Action.

37. The result had been a prolonged deterioration in the balance of payments of the least developed countries. Their capacity to import had been curtailed to the point of stunting and in certain cases reversing development. They had been rendered incapable of providing their peoples with the minimum standards of nutrition, health, housing, education and other basic needs agreed by the international community. Moreover, that situation had arisen despite the Substantial New Programme of Action and the commitment therein to undertake immediate and concentrated global action in support of the development efforts of the least developed countries.

38. He therefore urged the development partners in the world community to live up to the spirit and letter of the Substantial New Programme of Action. Developed countries, and others in a position to do so, should substantially increase ODA to the least developed countries to enable them to achieve the objectives of

their country programmes. The commitments of developed countries within the Programme to double ODA or to attain a level of 0.15 per cent of their GNP to the least developed countries should be promptly implemented. The flow of resources and technology must be stepped up to reverse the decline in food production and to facilitate food security measures in least developed countries. Trade and Development Board resolution 165 (S-IX) should be implemented, and all outstanding bilateral ODA loans should be converted into grants for the least developed countries, without discrimination.

39. IMF and other international financial institutions should undertake a fundamental review of their principles of conditionality with a view to making them reflect the economic and social priorities of the least developed countries. IMF should make substantial allocations of SDRs commensurate to the requirements of expanded world trade, and in the process it should take into consideration the special needs of the least developed countries. In addition, a trust fund funded by IMF gold sales was warranted.

40. He thanked the Chairman of the working group on agenda item 12 for his able leadership and for the manner in which he had led the negotiations. He hoped that the working group would come back to the plenary meeting with a document which reflected the spirit of solidarity expressed by the international community through the Substantial New Programme of Action.

41. Mr. AKTAN (Turkey) said that the developing countries as a whole were continuing to suffer from the recession, but the least developed countries were far more seriously affected. That had justified the convening of the United Nations Conference on the Least Developed Countries in Paris in 1981, resulting in the adoption of the Substantial New Programme of Action. However, prospects for the implementation of the Programme did not seem very encouraging.

42. It was true that the world recession had been the cause of cut-backs in international co-operation, but more efforts were needed to put the Programme into force more rapidly. The difficulties facing the least developed countries required immediate solutions. Moreover, it was easier to agree upon the specific needs of the least developed countries than on ways of reviving the world economy. The gap between prosperity and underdevelopment would only make destabilization of the world economy more acute, and thus political and economic as well as human considerations justified the adoption of appropriate measures. His delegation welcomed the constructive approach shown by all countries in that regard.

43. Document TD/276 contained useful studies and proposals on which the secretariat must be congratulated. It was essential for priority to be given to official aid and other forms of financial assistance in implementing the Substantial New Programme of Action, for IDA to be replenished, and for co-ordination between multilateral and bilateral financial and technical assistance institutions. But it was no less important to improve food security and to develop energy resources in the least developed countries.

44. His own country's technical assistance would be updated and improved in order to meet the specific needs of the least developed countries, as had already been made clear at the Paris Conference.

45. He hoped that a spirit of understanding and conciliation would prevail at the current session, so that the Conference would be able to tackle the difficulties of the least developed countries with all the seriousness that the problem merited. He hoped too that the session would provide an opportunity to make progress in order to facilitate the global mid-term review to be undertaken in 1985.

46. Mr. ARZADON (Economic and Social Commission for Asia and the Pacific) stressed that the adoption of the Substantial New Programme of Action had reflected the will of the international community to give special attention and support to overcoming the basic development problems of the least developed countries during the 1980s.

47. One of the components of the Programme was the establishment of a review and follow-up mechanism. While at the national level the Government of each of the least developed countries was to establish a focal point for maintaining contact with its development partners, both current and potential, at the regional level the regional commissions were to support the global efforts of UNCTAD and to undertake other activities indicated in the Programme.

48. At the regional level, ESCAP was the only multidisciplinary body dealing specifically with the countries of Asia and the Pacific. If the problems of the least developed countries were seen as essentially multidisciplinary, and if they had a strong regional or subregional dimension, then ESCAP was in a good position to play a unique role in assisting the least developed countries of the region to deal with their special problems in an integrated manner.

49. With those considerations in view, steps had been taken to strengthen the efforts of ESCAP to carry out the review of the implementation, follow-up and monitoring of the Substantial New Programme of Action. A special section within the secretariat had been created to implement and co-ordinate the Commission's programme of work and priorities relating to the least developed countries of the region, within the framework of the Substantial New Programme of Action. Efforts had been made to set up relations with the government focal point in each of the least developed countries at the national level and to administer the monitoring of that information, and work was under way to designate a "country correspondent" in each least developed country of the region to provide the secretariat with up-to-date information, on a regular basis, on the current economic and social situation.

50. As a part of the regular activities of ESCAP, a series of periodic monitoring exercises had been planned on the implementation of the Substantial New Programme of Action. Each of those exercises would survey the latest developments in the economic and social field for the least developed countries in the region.

51. At its thirty-ninth session, held in April 1983, ESCAP had unanimously adopted a resolution on progress with the implementation of the Programme, in which it had expressed serious concern over the deteriorating situation of the least developed countries of the ESCAP region. The Commission had urged the international community to provide adequate assistance to those countries in improving their economic and social situation. It had also called upon developed countries, developing countries in a position to do so, and other donor institutions to fulfil their commitments made at the Paris Conference, and had requested the Executive Secretary of ESCAP to report to the Commission at its fortieth session on the progress in the implementation of the Substantial New Programme of Action.[13]

52. Almost all the programme of work and priorities of the secretariat covered activities on behalf of the least developed countries. In addition, there were some projects under implementation specifically in favour of the least developed countries, while others were being programmed. Within its competence and resources, the ESCAP secretariat, as the regional arm of the whole United Nations system in Asia and the Pacific, would always be ready to assist with, co-operate in, and give necessary regional inputs for the successful implementation of decisions and resolutions adopted by the Conference in favour of the least developed countries.

53. Mr. SANZE (Burundi) said that by a caprice of history or perhaps of nature, his country was classified as one of the least developed. The Paris Conference had launched special measures to ensure that such countries should not rely perpetually on external assistance but should look forward to the time when they would fly with their own wings. For that reason, Burundi had elaborated and set in motion a development policy under the direction of the President of the Republic. Donor countries and international organizations occasionally expressed reservations, not without reason in some cases, on the management of funds accorded to beneficiaries. As far as Burundi was concerned, all sources of funds testifies to the efficient functioning of its economic and social arrangements and the exemplary use it made of the funds allocated to it.

54. At previous meetings, few donors had resisted the temptation to rehearse details of assistance previously granted. Certainly their previous action had been highly beneficial, but the question now arose whether their attitude was a prelude to holding back urgently needed resources. There was general appreciation of magnanimous gestures, but when the subject related to future action, surely discussion should concentrate on what should be done rather than what had been done. Recent assistance, however generous, had not lived up to the commitments made at the Paris Conference. It might be argued that the resolutions adopted there did not legally bind the countries or bodies which had pledged further assistance. But if international conferences took decisions which were subsequently disregarded, he wondered what were the future prospects for the United Nations and what was the value of its decisions, past and future. The beneficiaries too could draw up a balance sheet, but for them it would be characterized by accelerated depression rather than accelerated development.

55. Apart from certain countries such as China and France, which had fulfilled their pledges, there seemed to be a certain vagueness concerning the review date of 1985 fixed by the Paris Conference. It seemed impossible for some countries to adopt any position before that date. It might be asked whether such countries wished to confirm their acceptance of the aspirations unanimously endorsed at the Paris Conference. His delegation wished to pay a tribute to the example set by China, a country still not over-developed, in spite of its impressive progress. Other countries might perhaps show as much generosity. Billions of dollars were being spent on armaments. If the major military Powers as a group cut as little as $5 billion from such expenditure for only one year in favour of the least developed countries, the effect would be impressive. He would leave it to the wisdom of the Conference to decide whether funds were really lacking—whether it was the widespread depression that was the cause of the cut-back, or whether it was that the spirit of humanity was limping badly.

56. Reverting to the idea he had previously advanced of a new Marshall Plan for the least developed countries, though not set up by one country alone or with the same name, he said that the participants might be the United States of America and Canada, Western and Eastern Europe, Australia and New Zealand, China, Japan, and third world countries whose economic level enabled them to contribute. It might take the name of the International Development Association, but the rules could be modified so that membership of the World Bank was not a necessary criterion for participation.

57. The wheel of fortune was capricious. The third world had so far been the milch cow for raw materials, while in all other respects it had been in a position of weakness. But tomorrow, the third world with its natural resources might also become the possessor of science and technology and with it economic and financial power. When, as seemed inevitable from a reading of history, the third world rose to the top of the wheel, posterity in the North might be subjected to deserved reprisals because their ancestors had been reluctant to give the necessary assistance to the South. To his delegation, proposals which dealt with need seemed more realistic than the propensity to draw up a balance sheet. The Conference must cast off the fetters in which rampant regionalism was holding captive a growing number of members of UNCTAD. It was high time that universality prevailed over regionalism and egotism.

58. Mr. CORREIA (Guinea-Bissau), pointing out that his country was one of those most recently placed in the category of least developed countries, said that in view of the serious problems facing the world economy, the least developed countries realized that they must make every possible effort to strengthen their national independence by challenging the existing economic structures and co-operating among themselves in inter-

[13] See *Official Records of the Economic and Social Council, 1983, Supplement No. 12* (E/1983/43), chap. IV, resolution 233 (XXXIX) of 28 April 1983.

national, regional and subregional organizations. The action undertaken by the non-aligned countries following their summit conference at New Delhi and by the Fifth Ministerial Meeting of the Group of 77 at Buenos Aires, and the strengthened unity of the Group of 77, represented an affirmation of the will of the developing countries to rely first and foremost of their own resources for their development.

59. In view of the gravity of the situation, however, especially as it affected the least developed countries, new measures must be sought. Although the results of earlier sessions of the Conference had proved disappointing, the sixth session should constitute a landmark in the relations between the third world and the developed countries. A programme that consisted chiefly of promises hedged about by reservations, unless accompanied by precise commitments to provide the means for its implementation, would be as unsuccessful as those of the past.

60. The dialogue must continue, but it must be realized that the long, costly and ineffective dialogue already undertaken had discouraged even the most optimistic of the developing countries.

The meeting rose at 4.40 p.m.

196th PLENARY MEETING

Wednesday, 22 June 1983, at 3.55 p.m.

President: Mr. Lazar MOJSOV (Yugoslavia)

TD/SR.196

Progress in the work of the Conference

1. Mr. OSMAN (Somalia), speaking on behalf of the Group of 77, said that his Group had formally requested the floor at the current stage of the session to express to participants, and more particularly to world public opinion, its serious concern and sense of deep disappointment at the lack of progress in the work of the Conference. Despite many positive statements by heads of delegation of the developed countries in the general debate, the Conference had unfortunately been faced in committee by a most rigid attitude on the part of the developed market-economy countries.

2. In the Buenos Aires Message for Dialogue and Consensus, the Group of 77 had agreed to come to Belgrade in a spirit of understanding and co-operation and to urge their colleagues from advanced countries to bring the same attitude to bear on their participation in the Conference.

3. At the 192nd plenary meeting, he had stated that the Group of 77 had discerned a fairly widespread sense of concern at the lack of progress in the negotiations on substantive issues in the Committee and that it hoped for a more productive dialogue and negotiations in the second half of the session. Regrettably, that did not appear to have been the case.

4. The Group of 77 had prepared for the current session in a more thorough-going and painstaking manner than for any previous session of the Conference. The resolutions and declarations adopted at Buenos Aires had been with Group B since the end of April 1983. Nevertheless, that Group had waited for a full two weeks before responding, rather negatively, to the proposals of the Group of 77.

5. After almost three weeks of intensive work, a grim picture had emerged. The negotiations that had taken place so far had led to nothing. Not only was there no progress on any of the substantive issues of vital interest to the developing countries, there was even an attempt to go back on past commitments and to impose parallel obligations and counter-obligations on those countries by ignoring their development problems and the structural differences in their economies and development process as compared to those of the developed countries.

6. In Committee I, apart from the case of the Common Fund for Commodities, on which no additional commitment was called for, negotiations had become bogged down.

7. The negotiations on trade in Committee II were continuing, but there appeared to be no prospect of any progress. The counter-draft submitted by Group B did not provide much scope for negotiations: in fact, in many respects, it went back on agreements that had already been reached. For example, Group B was not prepared to agree on any action for implementing the specific decisions of the fourth and fifth sessions of the Conference on protectionism and structural adjustment. It had gone so far as to state that commitments agreed upon by consensus in the past within the UNCTAD framework were not binding on its members. In its counter-draft, Group B also endeavoured to impose parallel obligations on the developing countries with regard to liberalization and the roll-back of protectionism, ignoring its own commitments of the past and the fact that there was a fundamental asymmetry and divergence in the positions of the developed and developing countries.

8. On the other issues also, Group B had given no indication of a positive move forward. On financial matters, for instance, no progress had been made in Committee III and the Group was backtracking on its previous commitments.

9. He regretted to say that the negotiations on special measures in favour of the least developed countries had become bogged down on certain key issues of particular interest to that group of countries and that Group B appeared to be backing away from the commitments it had made at the Paris Conference.

10. In Committee IV, Group B had drastically reversed its previous position on the transfer of technology and had become totally unco-operative, leaving the Committee with no alternative but to transmit the unagreed text to the plenary meeting.

11. There had not been any progress of significance to the developing countries in the negotiations on shipping. The text that had emerged was full of unresolved issues.

12. There was a complete deadlock in the negotiations on the question of trade relations between countries having different economic and social systems. No progress could be made on East-South trade if those negotiations were paralysed.

13. There was also no progress in the negotiations on economic co-operation among developing countries. Group B was insisting on the extraneous factor that it had introduced under that item, namely, participation of the so-called other developing countries in the negotiations undertaken by the Group of 77 among themselves.

14. On the question of assistance to national liberation movements, Group B had, to all intents and purposes, refused even to consider the draft resolutions adopted at Buenos Aires.

15. The only subject on which it had been possible to adopt resolutions in Committee IV was the problems of the land-locked countries and island developing countries.

16. The current situation was so serious that, if no immediate solution was found and if the very structure of the existing system was not reconsidered in the near future, an unacceptable degree of stagnation could become commonplace. That would not only perpetuate the current injustice but would also have an adverse effect on the whole system of international economic relations and would threaten the social peace that everyone desired and hoped to reach through an equitable programme of recovery and development. The Group of 77 once again reiterated that the economic situation could not be tackled without an integrated programme for development associated with recovery measures.

17. The documentation before the Conference clearly revealed an acute shortage of liquidity, fluctuation in exchange rates, high real interest rates, an unacceptable deterioration in the terms of trade, a world trade that was being obstructed by protectionist barriers and unfair competition, the well-nigh endemic social disease of unemployment and, in short, a structural disequilibrium in the factors contributing to the balance of the international economy. Such was the common reality, and no country, however powerful, could overcome that most serious situation single-handed.

18. When making an assessment of the current situation, the minimum objectives that the Group of 77 hoped to achieve from the Conference should be borne in mind. In the context of the current world economic crisis, and particularly its devastating impact on the economies of the developing countries, it had been the Group's expectation that the decisions and recommendations of the Conference, within the context of an integrated programme for recovery and development, would, at the very least: facilitate an increase in the flows of resources to the developing countries on acceptable terms and conditions, including a substantial injection of short-term liquidity with a view to enabling them to put their derailed economies back on the track; provide increased access to the markets of the developed countries for their exports; initiate measures to prevent the repetition of their experience during the last two years when commodity prices had virtually collapsed, upsetting their development programmes and prospects; set in motion the process of adapting and improving the international economic institutions; and take initial steps for dealing with the existing structural rigidities in the world economy by adopting structural adjustment programmes, particularly in sectors where there had long been protective measures against imports from developing countries.

19. The representatives of the developing countries had come to the Conference in the expectation of arriving at concrete measures, specific decisions and commitments and agreements on a mechanism for monitoring the implementation of those decisions and commitments. They had not come to cover up failure by platitudes and vague generalities. Unfortunately, their partners seemed to be heading in the opposite direction. In the discussion on agenda item 8, they had made it clear that their objective was to have the Conference issue a political declaration which would impress public opinion and political leaders. Their aim was, apparently, to include in such a declaration general objectives that had been subscribed to by the international community repeatedly over the last few decades and, without any commitment, a mere statement of their intention to take specific action in the future. The Group of 77 was unable to agree to that course of action. It still hoped that the Conference would yield some concrete results of interest to all.

20. It was not the intention of the Group of 77 to give a final verdict on the Conference, nor to utter a message of gloom and failure, but to reiterate its deep sense of frustration and concern at the lack of progress in the negotiations. The Group of 77 pledged its readiness to continue to negotiate in the Buenos Aires spirit of dialogue, consensus and understanding and solemnly appealed to its partners in the other groups, especially Group B, to review their positions and to negotiate seriously and meaningfully during the last few days of the Conference so that its expectations would not be entirely dashed. It could not, however, accept a fragmentary approach and expected that a global attitude would emerge from the Conference.

21. Mr. LI Ke (China) said it was a suitable moment to review the progress of the session. The fact that many heads of State or Government had made statements showed the importance attached to the sixth session of the Conference at a time of severe international crisis. Great hopes had been placed in it, especially by the developing countries which were the most severely hit by the crisis. It had been hoped that the discussions on the various items would make a positive contribution to the solution of current problems and the establishment of a new international economic order.

22. The President of the Conference had asked delegations to turn their enthusiasm from the general debate to the negotiating committees. Unfortunately, of the four negotiating committees and the working groups on agenda items 8 and 12, only Committee IV had produced results so far, in the form of a consensus text on land-locked and island developing countries, whereas there had been no tangible progress on important ques-

tions such as commodities, international trade, money and finance and the least developed countries.

23. His delegation was extremely concerned at that situation, as well as at the difference in views between the developed and developing countries concerning responsibility for solving the latter's problems. It was an encouraging fact that all countries had recognized the severity of the crisis and the need to reactivate the world economy, promote development and emphasize the interdependence of the various economies.

24. Some developed countries maintained, however, that their economic recovery would have a beneficial effect on the development of the developing countries, thus shifting the responsibility to the latter. However, recovery in the developed economies could not be long-lasting or self-sustaining unless the external conditions of the developing countries were improved and their self-reliance promoted. Consequently, the developed countries should adopt a positive attitude in the negotiations on substantive issues.

25. Some developed countries were trying to set UNCTAD against other forums in the United Nations system as if its deliberations on international trade and money and finance, for example, constituted an interference in the affairs of GATT and IMF whereas, in fact, the work of all those organizations was mutually complementary and interlinked. That mutually complementary role, which had been referred to by the representative of EEC at the twelfth special session of the Trade and Development Board,[14] should be strengthened. It should also be remembered that the mandate of UNCTAD had been confirmed by all the member States and that the current negotiations were the continuation of several rounds of previous negotiations.

26. The Conference had only seven working days left. The Group of 77 had made adequate preparations for the session and had tabled its resolutions early, and the host country had provided some very efficient facilities and services; most unfortunately, however, the developed countries had put off their response to the draft resolutions of the Group of 77 and had spent their time co-ordinating their own positions and preparing their own draft resolutions. Consequently, in the short time remaining, the developed countries had a responsibility they could not shirk. A few major developed countries had adopted a rigid stand and refused concessions. Even some texts which had been on the verge of consensus had been set aside.

27. His delegation called upon all the developed countries to abandon unproductive rhetoric and to respond positively to the proposals of the developing countries. The political will of the developed countries should be reflected in genuine co-operation and a spirit of understanding of the needs of the developing countries. His delegation much appreciated the support shown by those developed countries which had reached the ODA target of 0.7 per cent of GNP, as well as the position of Norway on the Common Fund for Commodities, an example which, it hoped, would be emulated by other developed countries.

28. The Chinese delegation appealed to the various negotiating committees and working groups to adopt a positive attitude and, in a spirit of co-operation, strive to reach agreement on substantive issues. All delegations, particularly those of the developed countries, should bear in mind the fact that the results of the Conference should improve North-South relations rather than increase tensions, and should promote the reactivation of the world economy rather than accentuate the current crisis, which could threaten world peace and security. The developed countries must express their good will by positive action.

29. Mr. HUSLID (Norway), speaking on behalf of the Group B countries, explained that, since he had not known in advance precisely what the representative of the Group of 77 was going to say, his reply might contain elements which were not subscribed to in all details by all members of Group B, but he thought that it would reflect their views in general.

30. In the first place, Group B considered it too early at the current stage of the Conference to prejudge its outcome or to predict its failure. Success and failure were always relative terms and a final evaluation at international conferences was always made with a degree of subjectivity. To make an attempt at an evaluation at the current stage was certainly premature and might even be dangerous. The representative of the Group of 77 had himself said that he would not yet pronounce a final verdict.

31. While the Group B countries had welcomed the Buenos Aires Platform and particularly its tone of dialogue and consensus, it was an undeniable fact that the demands made in the various accompanying resolutions were very extensive. Some of them reflected issues which had been debated over the years and on which there were divergencies of varying degrees, and it would be unrealistic to believe that the Conference could resolve them all.

32. It was also necessary to decide what was meant by "results". Some results would take the form of specific resolutions and decisions, of which he hoped there would be a number. It should not be forgotten, however, that the Conference was part of a process and that UNCTAD belonged to a family of organizations. The results of the session might also take the form of an impetus to an ongoing process or they might initiate new processes, the modalities for which would have to be worked out at a later stage.

33. Group B was ready to negotiate throughout the remaining period of the session and would spare no effort within its mandate and its capabilities to arrive at positive results. He reminded participants that the draft resolutions submitted by all groups were not immutable texts but were presented in the hope that they might provide a basis for fruitful negotiations.

34. He suggested therefore that, in the remaining time available, the Conference should concentrate on those areas where the prospects for success were the most promising. That would, of course, involve a certain selectivity with all its inherent difficulties in a global

[14] See *Official Records of the Trade and Development Board, Twelfth Special Session, Supplement No. 1A* (TD/B/958 (vol.II)), paras. 46-65.

gathering. Provision could be made for consideration of the other matters either within the continuing machinery of UNCTAD or in other forums.

35. With regard to agenda item 8, he did not quite recognize the attitude of Group B described in the statement by the representative of the Group of 77. Group B certainly did not regard that item as constituting a substitute for results concerning other main items but as a possible supplement to resolutions on items 9, 10, 11 and 12. A Belgrade declaration on recovery and development—the main themes of the Conference—could, if it were adopted unanimously, have an important political impact on the world.

36. It had been said that Group B had not come to the Conference as fully prepared as the Group of 77 which, for the first time, had arrived with its draft resolutions already prepared. The members of Group B had, however, worked hard, both before and during the session within the Group itself and in the various committees and working groups, to respond to those draft resolutions and put forward their own proposals.

37. He also wished to emphasize that, quite apart from whatever progress was made at the current session of the Conference, his Group generally stood by its previous commitments.

38. He wanted to underline the fact that the Group B countries had been adopting concrete policy measures to meet the exigencies of the current world economic situation. They had, for example, adopted extensive measures to cope with indebtedness, increased the resources of IMF, provided new lending facilities for the World Bank and instituted trade measures in GATT. Those measures were already in train and could not, therefore, be credited to the sixth session of the Conference, but it was certainly true that the imminence of the current session had served to galvanize the Governments concerned into action.

39. There was undoubtedly a need for flexibility on both sides. Polarization, confrontation and politicization should be avoided in the work of the Conference. Everyone had become more aware of the reality of interdependence. The participants in the Conference had a unique opportunity to revitalize the dialogue. The message they should broadcast to the world was one not of failure but of confidence that, in the period ahead, steady progress towards development could be resumed. The work of UNCTAD was a continuum and the outcome of the current session of the Conference should not be measured in terms of the number of pages of resolutions adopted. The participants must leave Belgrade in a spirit of co-operation which would ensure that, in addition to what was achieved there, there were optimum prospects for success in the subsequent ongoing dialogue.

40. Mr. DIETZE (German Democratic Republic), speaking on behalf of the Group D countries, said that the assessment by the Group of 77 of the proceedings at the Conference, in particular at the current stage, closely corresponded to that of Group D. His Group had come to Belgrade with the firm intention of participating constructively in the work of the Conference and achieving a positive outcome. The sixth session of the Conference expected to do everything possible to further the recovery of the international political and economic situation.

41. The countries of Group D had prepared themselves thoroughly for the session, including appropriate documentation and draft resolutions. In a spirit of consensus and co-operation, they had accepted the Buenos Aires Platform as a basis for negotiations, even though on some issues they held rather different views. Group D would continue to adopt a constructive attitude in the negotiations.

42. It was extremely worried that those negotiations were being obstructed by a single group and particularly concerned that draft resolutions on important issues, on which a decision had to be taken at Belgrade, such as the normalization of international trade, and international monetary and financial relations, had been submitted only at the last minute and that most of the proposals were extremely controversial.

43. The Conference had to adopt specific decisions on the issues he had already mentioned as well as on technology, commodities, trade between countries with different economic and social systems, and the least developed countries. Group D therefore called upon the delegations which had hitherto adopted inflexible positions to tackle those issues in a constructive manner.

44. Group D was in full agreement with the proposal of the Group of 77 to speed up negotiations, take politically motivated decisions and deal with pending issues in such a way as to achieve tangible results. What was needed was meaningful and constructive dialogue in order to improve international economic relations. The Conference had an important role to play in that respect and the opportunity provided by the current session must not be lost.

45. The PRESIDENT said that he too wished to express his concern at the lack of progress in the committees and working groups. From the information supplied by their Chairmen, he understood that the positions of the developed and developing countries on crucial issues, such as commodities, trade, and monetary and financial matters, were still far apart and that real negotiations had not yet started. There was also a lack of progress in finalizing draft resolutions on other issues. In his capacity as President he had tried to stimulate the negotiating process in the meetings he had held with the chairmen of committees and the group coordinators.

46. The Bureau had agreed to extend the committees' deadlines to the end of the week ending 25 June and, in the case of Committee I, until the evening of 27 June. It was to be hoped that, by that stage, negotiations would be sufficiently advanced for the high-level contact group of the President to begin its work on selected issues which could not be resolved in committee. He urged all participants, particularly the Group B countries, to consider their positions on the most important issues. There was some suggestion that their representatives had been retreating from those they had previously accepted in international forums, including UNCTAD.

47. A positive outcome of the current session of the Conference was in the interest of all countries. The session had brought together all the countries of the world in a common search for improved economic conditions and accelerated development so as to strengthen political stability, and it could not afford to be unsuccessful.

The meeting rose at 5.05 p.m.

197th PLENARY MEETING

Friday, 24 June 1983, at 4.45 p.m.

President: Mr. Lazar MOJSOV (Yugoslavia)

TD/SR.197

AGENDA ITEM 8

The world economic situation with special emphasis on development: approaches to the current world economic crisis and perspectives for the 1980s, including issues, policies and measures relevant to the attainment of a new international economic order (*continued*)* (TD/272 and Add.1, TD/285; TD/L.222, TD/L.223)

PROGRESS REPORT BY THE CHAIRMAN OF THE WORKING GROUP

1. Mr. DADZIE (Ghana), Chairman of the working group on agenda item 8, recalled that, at the 191st plenary meeting, an open-ended formal working group had been established at the suggestion of the President to deal with agenda item 8 and it had been decided that the text submitted by the Group of 77 (TD/L.223) should form the basis for the discussions in the working group. It had also been decided that the Chairman of the working group would report to the Conference in plenary meeting on 24 June 1983.

2. At its first meeting, the working group had reached a broad agreement that the results of its work should take the form of a non-technical text of a substantive character. It had also agreed that its work should proceed along two parallel lines: first, an informal exchange of views on the structure of that non-technical text and related matters, and secondly, substantive discussions in the working group itself leading to the preparation of the text.

3. The informal consultations were leading to a common understanding on the structure of the text and agreement had also been reached on the principal aspects of the organization of the group's work. In the three meetings it had so far held, the working group had completed its first reading of the basic document (TD/L.223) and had completed an exchange of views on an informal paper submitted by Group B, entitled "Indicative outline of structure and elements for a possible declaration: item 8". It had also begun a discussion on the proposal presented by Group D (TD/L.230). At its forthcoming meeting, the group expected to complete that discussion and to embark upon a second reading of the basic document (TD/L.223), with a view to reaching agreement on elements for the drafting of a text to be submitted to a plenary meeting of the Conference.

4. While it was too early to make an assessment of the working group's work, it was the general view that some progress had been made in clarifying the ideas that had been presented to it. There was also a wide measure of agreement that the text for submission to a plenary meeting should incorporate the results of the work of the various committees on the substantive items that had been referred to them. Once agreement had been reached on the elements for the drafting of the text and adequate results were forthcoming from the committees, the group should be able to complete its work expeditiously.

5. The PRESIDENT said that the Bureau of the Conference had decided to give the working group on item 8 some additional time to complete its work. Progress to date had been rather limited, but it was a hopeful sign that there was general agreement on the structure of a text for submission to a plenary meeting of the Conference.

AGENDA ITEM 14

Other business (*continued*)**

Introduction of a draft resolution on assistance to Yemen (TD/L.235) and a draft resolution on implementation of the medium-term and long-term recovery and rehabilitation programme in the Sudano-Sahelian region (TD/L.240)

6. Mr. OSMAN (Somalia), speaking on behalf of the Group of 77, introduced the draft resolution on assistance to Yemen (TD/L.235). He said that the text in question had been agreed upon at the Fifth Ministerial Meeting of the Group of 77 at Buenos Aires. In accordance with General Assembly resolution 37/166 of 17 December 1982 and the relevant section of the Economic Declaration of the Seventh Conference of Heads of State or Government of Non-Aligned Countries, held at New Delhi,[11] it appealed to the international community to assist those who had suffered in the 1982 earthquake in Yemen.

7. In addition to considerable loss of life, tens of thousands of dwellings had been destroyed and very many persons had been rendered homeless. Emergency relief had been sent to the area but the rehabilitation and reconstruction programme would require a larger measure of assistance. A joint mission, including representatives of the World Bank, the international development funds and the Economic Commission for Western Asia, had visited the area and had estimated the cost of housing, assistance to farmers and general reconstruction measures at $600 million.

* Resumed from the 194th plenary meeting.

** Resumed from the 194th plenary meeting.

[11] See A/38/132-S/15675, annex, chap. III, para. 137.

8. The Government of Yemen had prepared an initial reconstruction programme to meet basic needs in the affected villages at a cost of $1 million. The international community was requested to provide that assistance to the Government of Yemen, which was one of the countries hardest hit by natural disasters. He hoped that the draft resolution would be unanimously adopted.

9. Next, on behalf of the Group of 77, he introduced the draft resolution entitled "Implementation of the medium-term and long-term recovery and rehabilitation programme in the Sudano-Sahelian region" (TD/L.240). That region had long been suffering from a severe and permanent drought with consequent desertification. Those problems had devastated the environment, adversely affected animal husbandry and greatly limited the possibility of food production, thus creating a very serious obstacle to the development of the countries of the region.

10. For the past 10 years, the attention of the international community had been drawn to the problems faced by those countries, and a number of resolutions had been adopted by the General Assembly, the Economic and Social Council and the Governing Council of UNDP, as noted in the first three preambular paragraphs of the draft resolution. The situation in the Sahelian region, where most of the countries were least developed ones, remained critical, and continuing support and assistance from the international community were needed. At the summit conference of non-aligned countries at New Delhi, an appeal had been made to the international community, particularly the developed countries, for an intensification of their efforts, for the adoption of urgent measures to alleviate the desertification problem and for the provision of increased assistance to the affected countries of the Sudano-Sahelian region.[16]

11. In the operative paragraphs of the draft resolution, the international community was commended for its contribution to the development efforts of the member countries of the Permanent Inter-State Committee on Drought Control in the Sahel and was invited to continue and intensify support for the programme of recovery and rehabilitation. The draft resolution also called on the Secretary-General of UNCTAD, in collaboration with UNDP, ECA, FAO and other relevant agencies of the United Nations system, to undertake concrete actions with a view to mitigating the consequences of the drought situation in the economies of those countries.

12. The Group of 77 felt that the draft resolution in question was a straightforward one whose adoption should pose no difficulty, since the matter was one in which the support of the international community had been forthcoming. The Group hoped, therefore, that the Conference would adopt it by consensus.

13. The PRESIDENT suggested that the two draft resolutions (TD/L.235 and TD/L.240) should be submitted to his high-level contact group for consideration.

14. *It was so decided.*

[16] *Ibid.*, para. 135.

Establishment of the President's high-level contact group

15. The PRESIDENT said that, after consultations with the Bureau, the chairmen of sessional bodies and the co-ordinators of regional groups, he had decided, in accordance with the authorization given to him at the 172nd plenary meeting, that his high-level contact group would have the following membership: nine members of the Group of 77, of which three would be from Africa, three from Asia and three from Latin America; six members from Group B; three members from Group D; and China. If there were no objections, he would take it that the Conference agreed to establish such a group with the composition he had mentioned.

16. *It was so decided.*

17. The PRESIDENT said that he had been informed by the regional group co-ordinators that the members of his contact group would be: from Africa: Algeria, United Republic of Tanzania, Zaire; from Asia: India, Indonesia, Saudi Arabia; from Latin America: Argentina, Cuba, Mexico; from Group B: Canada, Federal Republic of Germany, Japan, Spain, United States of America and one other country; from Group D: Bulgaria, Hungary, Union of Soviet Socialist Republics; and China.

18. In addition, all the co-ordinators, namely, the co-ordinators of the Group of 77 (the African Group, the Asian Group, the Latin American Group), Group B and Group D, should participate in the work of the contact group. Furthermore, any ministers of member countries present at the Conference in the final stage of negotiations would be invited to participate fully in its work.

19. In reply to a question by Mr. HARAN (Israel), the PRESIDENT confirmed that, in accordance with the usual UNCTAD practice, the contact group would be an open-ended body.

The meeting rose at 5.15 p.m.

198th PLENARY MEETING

Wednesday, 29 June 1983, at 6 p.m.

President: Mr. Lazar MOJSOV (Yugoslavia)

TD/SR.198

Statement by the representative of Malaysia

1. Mr. ABDUL HAMID (Malaysia) said he had pleasure in announcing that his Government had decided to ratify the Agreement Establishing the Common Fund for Commodities. Arrangements were being made to deposit the instrument of ratification. His delegation hoped that other Governments would join in the process of ratifying the Agreement so as to ensure that the Fund came into being according to the schedule proposed.

2. His Government believed that the Fund could make a meaningful contribution to efforts towards price stabilization and other measures in the field of commodities and that it would also provide a constructive framework of co-operation for the mutual benefit of producers and consumers.

Statement by the representative of the Bahamas

3. Mr. HEPBURN (Bahamas) said that, since his delegation had been unable to attend the early stages of the Conference, he had been unable to make a general statement on behalf of his Government during the general debate.

4. It seemed clear from the general debate, however, and from the negotiations in the committees, that there was total agreement on the existence of a global economic crisis and a consensus that urgent action was needed to reverse the downward spiral, but that there was also confusion and frustration as to the best way to implement measures that would benefit equitably both the developing and the industrialized States.

5. It was essential to recognize the interdependence of all countries. They all had their parts to play. Circumstances dictated that the developing countries had an obligation to exert pressure and the industrialized countries to resist. The final outcome of the deliberations of the Conference should not be labelled failure or success. The experience should be viewed as another chance to overcome misunderstanding and to enhance the idea of negotiations as the only means of reaching consensus.

AGENDA ITEM 14

Other business (*continued*)

Report of the Trade and Development Board

6. The PRESIDENT announced that, as indicated in the note by the UNCTAD secretariat (TD/288), the report of the Trade and Development Board to the Conference consisted of the reports of the Board on the eight regular sessions and two special sessions held since the fifth session of the Conference, namely: the nineteenth session;[17] the eleventh special session;[18] the twentieth session;[18] the first and second parts of the twenty-first session;[19] the first and second parts of the twenty-second and twenty-third sessions;[20] the first, second and third parts of the twenty-fourth session;[21] the first and second parts of the twenty-fifth session;[22] the twenty-sixth session,[23] and the twelfth special session[24] held to prepare for the sixth session of the Conference.

7. The Conference might wish to take note of those reports.

8. *It was so decided.*

Amendment of the rules of procedure of the Conference (*concluded*)

9. The PRESIDENT recalled that, at its 172nd plenary meeting, the Conference had decided to take up later on im the session certain amendments to its rules of procedure that had been recommended by the Pre-Conference Meeting in paragraph 33 of its report (TD/289).

10. The amendments to the rules of procedure recommended by the Bureau of the Conference were to be found in document TD/318. It was proposed that the first sentence of rule 1 of the rules of procedure be amended to read:

> "The United Nations Conference on Trade and Development (hereinafter referred to as the Conference) shall normally meet at intervals of not more than four years."

If he heard no objection, he would take it that the Conference wished to adopt that amendment.

11. *It was so decided.*

12. The PRESIDENT said that it was also proposed that the first sentence of rule 74, paragraph 1, should be amended to read:

> "Summary records authorized by the General Assembly for public meetings of the Conference and of its main committees shall be prepared by the secretariat."

If he heard no objection, he would take it that the Conference wished to adopt that amendment.

13. *It was so decided.*

Introduction of a draft resolution entitled "Rejection of coercive economic measures" (TD/L.252)

14. Mr. OSMAN (Somalia), speaking on behalf of the Group of 77, introduced a draft resolution on the rejection of coercive economic measures (TD/L.252).

15. The Group of 77 believed that it was important that the Conference should adopt that draft resolution because, in spite of all the appeals made in various international forums, some developed countries had increasingly resorted to coercive discriminatory and unilateral economic measures against developing countries for political and economic purposes. Such measures accentuated instability and arbitrariness in international relations and rendered the situation of the developing countries even more difficult.

16. In that connection, the Group of 77 was particularly concerned at the pressure being exerted to limit Nicaragua's access to the resources of multilateral financing bodies and, more recently, the drastic reduction of the quota for the export of sugar from that country to the United States market, as well as indirect measures prejudicial to the normal development of its trade relations. The Group of 77 considered that such measures had a negative effect on external trade, which played a crucial role in the economies of developing

[17] *Official Records of the General Assembly, Thirty-fourth Session, Supplement No. 15* (A/34/15), vol. II.

[18] *Ibid., Thirty-fifth Session, Supplement No. 15* (A/35/15), vol. I.

[19] *Ibid.*, vol. II.

[20] *Ibid., Thirty-sixth Session, Supplement No. 15* and corrigendum (A/36/15 and Corr.1).

[21] *Ibid., Thirty-seventh Session, Supplement No. 15* (A/37/15), vol. I.

[22] *Ibid.*, vol. II.

[23] *Official Records of the Trade and Development Board, Twenty-sixth Session, Supplements Nos. 1 and 1A* (TD/B/957).

[24] *Ibid., Twelfth Special Session, Supplements Nos. 1 and 1A* (TD/B/958).

countries, particularly during the current international economic crisis, and did not help to create the climate of peace needed for development.

17. While urging the developed countries concerned to cease all coercive measures against developing countries affecting their economic, political and social development, the Group of 77 also exhorted the international community to enhance and strengthen the programmes for co-operation with Nicaragua and the other countries affected, so as to lessen the effects of the measures already applied and to contribute to the process of recovery of their national economies and to the preservation of peace.

18. Mr. HARAN (Israel) said that his delegation welcomed the introduction of a draft resolution calling for the rejection of coercive economic measures for political reasons, since his country had been the target of such measures ever since its inception. It would be an excellent thing if UNCTAD could take the matter up. His delegation had, incidentally, subscribed to a declaration calling for the abolition of all such measures that had recently been adopted by the GATT ministerial session.

19. However, if he had correctly understood the introductory statement by the representative of Somalia, the draft resolution dealt only with coercive measures adopted by developed countries against developing countries. That was only half the picture and his delegation would be unable to support such a resolution when many developing countries, including some of the sponsors of the draft resolution, engaged in coercive economic measures for political reasons.

20. Mr. STREEB (United States of America), speaking in exercise of the right of reply, said that his delegation rejected the unfounded, political charges made against his country on behalf of the Group of 77. He could, of course, provide a detailed explanation of his Government's position but, in view of the President's appeal to his high-level contact group not to raise political issues, he would refrain from doing so.

21. The PRESIDENT suggested that the draft resolution in question be transmitted to his high-level contact group for further consideration.

22. *It was so decided.*

23. Mr. ABU-KOSH (Palestine Liberation Organization), speaking at the invitation of the President in exercise of the right of reply, said that he was sure that all present were opposed to the use of economic resources for aggressive or expansionist purposes in the manner practised by certain countries.

24. Israel had the least right of any to talk of equity and justice, since it had not only used economic resources for the purpose of suppressing the Palestinian people but had even employed military force to that end, supported by all the resources of the United States of America. The *International Herald Tribune* had stated that the United States had spent more than $2.2 billion to enable Israel to suppress the Palestinian people and to carry out aggression against the Arab nation. His organization rejected Israel's opportunist attitude to a draft resolution that was aimed at combating such aggressive measures.

25. The PRESIDENT said that all delegations would be entitled to speak on the draft resolution at the meeting of his high-level contact group.

AGENDA ITEM 5

Credentials of representatives to the Conference (*concluded*)*

(*b*) Report of the Credentials Committee (TD/316; TD/L.245)

26. Mr. HEPBURN (Bahamas), Chairman of the Credentials Committee, introduced the report of that Committee (TD/316).

27. The Committee had met on Monday, 27 June, to examine the credentials of the representatives participating in the sixth session of the Conference.

28. Statements made with respect to the credentials of certain representatives were reflected in paragraphs 6 to 11 of the Committee's report.

29. The Committee had decided, without a vote, to accept the credentials of the representatives participating in the sixth session of the Conference and had further decided, without a vote, to recommend to the Conference that it approve the report of the Committee. In the case of those representatives who had not yet submitted their credentials in due form, the Committee had agreed to accept the communications received concerning their appointments, on the understanding that proper credentials would be submitted as soon as possible.

30. The Committee, which had adopted its report without a vote, recommended that the Conference adopt the draft resolution approving its report (TD/L.245).

31. The PRESIDENT said that, if he heard no objection, he would take it that the Conference wished to adopt the draft resolution approving the report of the Credentials Committee (TD/L.245).

32. *The draft resolution was adopted.*[25]

The meeting rose at 6.35 p.m.

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* Resumed from the 195th plenary meeting.

[25] For the final text, see Conference resolution 136 (VI).

199th PLENARY MEETING

Saturday, 2 July 1983, at 12.10 p.m.

President: Mr. Lazar MOJSOV (Yugoslavia)

TD/SR.199

Statement by the representative of Argentina

1. Mr. HOTTON RISLER (Argentina) said that, on 24 June 1983, his Government had ratified the Agree-

ment Establishing the Common Fund for Commodities, which it had signed on 20 September 1982, and he had just deposited the relevant instrument of ratification.

2. It would be remembered that, in his opening address to the Fifth Ministerial Meeting of the Group of 77 at Buenos Aires, the President of Argentina had indicated his intention of speeding up the legal procedure to enable Argentina to join the Common Fund, which was destined to play an essential role in the implementation of the Integrated Programme for Commodities.

Reports of Committees I, II, III and IV

Report of Committee I on agenda item 9 (TD/L.248; TD(VI)/C.1/L.9)

3. Mr. KOBAYASHI (Japan), Chairman of Committee I, introducing the report (TD/L.248 and TD(VI)/C.1/L.9), said that the Committee had held six meetings between 7 and 27 June. After the closure of its deliberations, its drafting committee had been converted into a working party under the President's high-level contact group to complete the unfinished work of the Committee. He was pleased to report that six draft resolutions had thus been completed for submission to the plenary meeting of the Conference.

4. The PRESIDENT said that, if he heard no objection, he would take it that the Conference wished to take note of the report of Committee I and to incorporate its substance, as appropriate, into the report of the Conference on its sixth session.

5. *It was so decided.*

Report of Committee II on agenda item 10 (TD/L.241; TD(VI)/C.2/L.5)

6. Mr. PIRINSKI (Bulgaria), Chairman of Committee II, introducing the report (TD/L.241 and TD(VI)/C.2/L.5), said that it had been adopted unanimously at the Committee's last meeting, on 25 June.

7. On 17 June, he had introduced a synoptic text of all the draft resolutions and proposals that were before the Committee in order to assist it to prepare a definitive draft resolution for submission to the Conference. The Committee had subsequently reconvened as a contact group, which had subsequently worked in close co-operation with the President's high-level contact group, as a result of which it had been possible to arrive at two texts for submission to the Conference (TD/L.258 and TD/L.259 and Corr.1) on an item that was recognized to be of extreme complexity.

8. The PRESIDENT said that, if he heard no objection, he would take it that the Conference wished to take note of the report of Committee II and to incorporate its substance, as appropriate, into the report of the Conference on its sixth session.

9. *It was so decided.*

Report of Committee III on agenda item 11 (TD/L.243; TD(VI)/C.3/L.8)

10. Mr. NWANKWO (Nigeria), Chairman of Committee III, introducing the report (TD/L.243 and TD(VI)/C.3/L.8), said that the Committee had held several meetings and had established a drafting group which had made serious efforts to produce an agreed text for each of the draft resolutions submitted to it for consideration. However, in spite of intensive efforts, certain difficult issues still remained unsettled at the time when the Committee was formally wound up. The Committee's drafting group had then been converted into the President's drafting group and had agreed to four draft resolutions and one draft decision.

11. The Committee had encountered a number of major problems in the course of its work. One had been the question of the 0.7 per cent target for ODA and the time frame within which it was its be attained by the developed donor countries. The second problem related to the size of the capital base of the multilateral financial institutions, the issue of selective and general capital increase and its level of growth. The third issue was the Seventh Replenishment of IDA resources and whether they should be increased in real terms over the level negotiated for the Sixth Replenishment. Other issues concerned the resource level of IMF, special drawing rights and the conditionality attaching to access to the Fund's resources. All those problems had proved extremely difficult to resolve but, as a result of the spirit of accommodation that had prevailed throughout the work of the Committee, it had been possible to produce the draft resolutions he had mentioned.

12. The PRESIDENT said that, if he heard no objection, he would take it that the Conference wished to take note of the report of Committee III and to incorporate its substance, as appropriate, into the report of the Conference on its sixth session.

13. *It was so decided.*

Report of Committee IV (TD/L.242; TD(VI)/C.4/L.8)

14. Mr. MAHMOOD (Pakistan), Vice-Chairman of Committee IV, introducing the report (TD/L.242 and TD(VI)/C.4/L.8) in the absence of the Chairman, said that Committee IV had been entrusted with the seven sub-items of agenda item 13 and, subsequently, with a number of topics coming under agenda item 14. It had recommended to the plenary meeting of the Conference for adoption two draft resolutions on item 13 (*c*) (TD/L.233 and Add.1 and TD/L.234) and one draft resolution on item 13 (*e*) (TD/L.246). It had also recommended to the plenary meeting for adoption two draft resolutions on topics under item 14 (TD/L.237 and TD/L.238).

15. Despite very considerable efforts, the Committee had been unable to reach agreement on the other sub-items of agenda item 13 and had had to refer them to the President's high-level contact group. In that connection, he wished to mention the text which had been agreed upon in the contact group relating to agenda item 13 (*a*) (TD/L.254) since it constituted a major contribution to the transfer of technology to the developing countries.

16. The PRESIDENT said that, if he heard no objection, he would take it that the Conference wished to take note of the report of Committee IV and to incorporate its substance, as appropriate, into the report of the Conference on its sixth session.

17. *It was so decided.*

AGENDA ITEM 12

Progress in the implementation of the Substantial New Programme of Action for the 1980s for the Least Developed Countries (*concluded*)* (TD/276 and Add.1, TD/285; TD/L.217, TD/L.244; TD(VI)/CG/CRP.9)

18. Mr. MAZAIRAC (Netherlands), Chairman of the working group on agenda item 12, introduced the report of the group (TD/L.244) and recalled that the President had converted it to a drafting group with a co-ordinator, who had identified five areas in which consensus was lacking and had offered the negotiating parties a package proposal. After some discussion in informal groups and in the drafting group, a final draft of a resolution (TD(VI)/CG/CRP.9) had been prepared for submission to the plenary meeting of the Conference. The discussions in the working group and the drafting group had been held in an atmosphere of good will and mutual understanding in a common effort to reach a consensus. The draft resolution made a strong reaffirmation of the Substantial New Programme of Action, which was of critical importance for the development of the least developed countries.

19. The PRESIDENT said that it was his understanding that, as a result of informal consultations, agreement had been reached on the text contained in document TD(VI)/CG/CRP.9 and that the sponsors of the draft resolution submitted on behalf of the Group of 77 (TD/L.217) were ready to withdraw it. If he heard no objection, therefore, he would take it that the Conference wished to take note of the report of the working group on item 12 and to adopt the draft resolution contained in document TD(VI)/CG/CRP.9.

20. *The draft resolution was adopted.*[26]

21. Mr. WILLIAMS (United Kingdom) said that the Conference had quite properly recognized the serious situation of the least developed countries. While his delegation had very willingly reaffirmed the commitment its Government had made at the 1981 Paris Conference, there was one aspect of the resolution just adopted on which its position should be restated. While the United Kingdom was substantially increasing its assistance to the least developed countries as compared with the period 1976-1980, it had simultaneously to pay attention to the needs of other developing countries which, although among the poorest, were not included in the least developed country category and with many of which it had particularly close ties.

22. His Government intended, therefore, to concentrate most of its aid on the least developed countries and on those other very poor countries, and its progress towards the targets referred to in paragraph 4 of the resolution would be influenced by those claims and by the overall constraints on public expenditure.

23. Mr. STREEB (United States of America) said that the United States had been pleased to join the consensus on the resolution just adopted, which was a reaffirmation of the commitments of the international community and of the least developed countries themselves to work in partnership towards realization of the goals of the Substantial New Programme of Action. However, his delegation wished to draw attention to the statements it had made when the Programme was being adopted at the Paris Conference in September 1981 and its understanding of the conclusions of the Second Meeting of Multilateral and Bilateral Financial and Technical Assistance Institutions with Representatives of the Least Developed Countries, held in October 1982,[27] which were also applicable to the resolution just adopted. The commitment to make a special effort to increase contributions and to direct them increasingly towards the least developed countries implicitly recognized that due account had to be taken of national circumstances and that donor countries and institutions would make use of a variety of criteria when allocating funds. There had been no change in the well-known position of the United States on not accepting specific GNP-related targets for ODA.

24. With respect to the debt issue, it was his delegation's view that the second part of paragraph 10, beginning with the words "calls upon", elaborated upon the commitments made by the developed countries in Trade and Development Board resolution 165 (S-IX). More specifically, the "alleviation" of debt service obligations referred to would be granted for the purpose of improving net ODA flows in order to enhance the development efforts of the least developed countries. Such alleviation might also take place within the framework of section B of Trade and Development Board resolution 222 (XXI) in the case of those least developed countries facing acute balance-of-payments difficulties or longer-term problems.

25. With respect to the question of export earnings shortfalls, he wished to recall his delegation's statement at the time of the adoption of the Substantial New Programme of Action that the United States considered IMF to be the appropriate and best qualified forum for dealing with that problem. In fact, the compensatory financing facility of IMF had been a very useful mechanism for providing assistance in such cases. Possible new programmes for the least developed countries, analogous to Stabex,[28] had been discussed at the Paris Conference. His own Government, for its part, did not consider that such programmes would be either feasible for itself or a significant way of assisting the least developed countries. However, if other Governments felt that they could provide useful assistance to those countries in that manner, the United States would view their action with sympathy.

* Resumed from the 195th plenary meeting.

[26] For the final text, see Conference resolution 142 (VI).

[27] See *Official Records of the Trade and Development Board, Twenty-sixth Session, Annexes*, agenda item 6, document TD/B/933, part two.

[28] See footnote 8.

26. Since the adoption of the Substantial New Programme of Action, his Government had substantially increased its ODA to the least developed countries and had also adopted a highly flexible approach to the modalities of such assistance. It had welcomed the GATT Ministerial Declaration of 29 November 1982, inviting the Contracting Parties to pursue action towards facilitating the trade of the least developed countries, and it urged all countries to consider taking similar steps. The United States hoped to provide further special measures to improve the use of its GSP.

27. In conclusion, the United States remained fully dedicated to working with the least developed countries towards accelerating their economic and social development.

28. Mr. DIETZE (German Democratic Republic), speaking on behalf of the Group D countries, said that his Group had a profound understanding of the determination of the least developed countries to overcome economic backwardness and proceed along the lines of independent economic and social development. The socialist countries had broadened their co-operation with interested least developed countries in conformity with their economic and social systems and possibilities and were thereby making an important contribution to the implementation of the Substantial New Programme of Action. They declared their strong determination to develop such co-operation still further.

29. With regard to the appeals in the resolution that had just been adopted to developed donor countries with regard to the granting of financial and other assistance to the least developed countries, including fixed targets (paragraphs 3 and 4), Group D wished to confirm its own position, as stated at previous international meetings, including the thirty-fifth session of the General Assembly when resolution 35/56 and 35/205 were adopted.

30. With regard to the preparation of the report on ways and means of helping the least developed countries to offset the loss of foreign exchange earnings arising from fluctuations in their exports of primary commodities, referred to in paragraph 11 of the resolution, his Group was convinced that the problem was generated entirely by the functioning of the capitalist economy and could not be applied to the relations between socialist countries and developing countries, including the least developed. The Group D countries would therefore act accordingly on that issue.

31. The PRESIDENT said that the Conference had completed its consideration of agenda item 12.

AGENDA ITEM 13

UNCTAD activities in the fields of:

(*a*) Technology (TD(VI)/C.4/L.1, TD(VI)/C.4/L.2, TD(VI)/C.4/L.15; TD/L.254 and Add.1 and Add.1/Corr.1)

32. The PRESIDENT said that, under sub-item (*a*) of agenda item 13, Committee IV had had before it two draft resolutions (TD(VI)/C.4/L.1 and TD(VI)/C.4/L.2) submitted by the Group of 77 and Group B respectively. Subsequently, the Chairman of the Committee had submitted a draft resolution (TD(VI)/C.4/L.15) on the same subject which had been transmitted to the President's high-level contact group and a drafting group. After intensive consultations, the drafting group had agreed on a text (TD/L.254) which the contact group recommended for adoption. In view of that agreement, it appeared that the sponsors of the draft resolutions submitted to Committee IV were prepared to withdraw them.

33. He drew attention to the statement of administrative and financial implications (TD/L.254/Add.1 and Add.1/Corr.1) of draft resolution TD/L.254.

34. Mr. CHAGULA (United Republic of Tanzania), speaking on behalf of the Group of 77, said that the negotiations on technology had spanned almost the entire period of the sixth session of the Conference. In order to achieve a consensus, the Group of 77 had made many concessions and it had been pleased to note that its negotiating partners had also moved from their original positions. His Group was convinced that the adoption of draft resolution TD/L.254 would open a new chapter in the discussion on technology at all levels, in which the pioneering work of UNCTAD had been noteworthy. The 1980s had thus opened with an international consensus on the first steps towards the formulation of a strategy for the technological transformation of the developing countries, and he wished to express his thanks to all those involved in that achievement.

35. However, the Group of 77 had been surprised to discover that there were what almost amounted to two different versions of the financial implications of the draft resolution. In its view, the draft resolution was of an executive nature, being addressed to the UNCTAD secretariat, in general, and the Advisory Service on Transfer of Technology, in particular. The resources of that service should be reinforced in every possible way as a contribution by the international community towards the technological transformation of the developing countries. Such views had been unequivocally expressed in the Buenos Aires Platform. The financial implications, as presented in document TD/L.254/Add.1 and Add.1/Corr.1, were very modest in comparison with the needs of the developing countries. The Group of 77 therefore strongly urged the Secretary-General of UNCTAD to do his utmost to ensure that all possible means were indeed utilized to meet the resource requirements of the Advisory Service on Transfer of Technology.

36. The PRESIDENT said that, if he heard no objection, he would take it that the Conference wished to adopt draft resolution TD/L.254 by consensus.

37. *The draft resolution was adopted.*[29]

38. Mr. DIETZE (German Democratic Republic), speaking on behalf of the Group D countries, said that it was the understanding of his Group, in joining the consensus on the resolution just adopted, that the convening of a special session of the Committee on Transfer of Technology, as stipulated in paragraph 22, would be financed within the framework of the regular

[29] For the final text, see Conference resolution 143 (VI).

UNCTAD budget and that the question of its duration would be decided by the Trade and Development Board at its twenty-seventh session.

39. The PRESIDENT said that the Conference had completed its consideration of agenda item 13 (*a*).

(*b*) Shipping (TD(VI)/C.4/L.3, TD(VI)/C.4/L.4, TD(VI)/C.4/L.5, TD(VI)/C.4/L.16; TD/L.251 and Add.1)

40. The PRESIDENT said that, under sub-item (*b*), Committee IV had had before it two draft resolutions submitted by the Group of 77 (TD(VI)/C.4/L.4 and TD(VI)/C.4/L.5) and a draft resolution submitted by Group B (TD(VI)/C.4/L.3). Subsequently, the Chairman of Committee IV had transmitted a draft resolution (TD(VI)/C.4/L.16) on the same subject to the President's high-level contact group and to a drafting group. The contact group had since recommended for adoption by the Conference a further draft resolution which was contained in document TD/L.251. Consequently, it appeared that the sponsors of the draft resolutions submitted to Committee IV were prepared to withdraw them. If he heard no objection, he would take it that the Conference wished to adopt draft resolution TD/L.251 by consensus.

41. *The draft resolution was adopted.*[30]

42. Mr. KELLER (Liberia) said his delegation regretted that it could not associate itself with paragraph 3 of the resolution on shipping that had just been adopted. General Assembly resolution 37/209 of 20 December 1982 had superseded the resolution of the *Ad hoc* Intergovernmental Working Group referred to in that paragraph. Although the concepts proposed by the *Ad hoc* Intergovernmental Working Group had not been dismissed by the General Assembly, the latter had, after consideration of the report of the Trade and Development Board on the subject, decided not to accept the Board's recommendations but to create a new body, the Preparatory Committee for the United Nations Conference on Conditions for Registration of Ships, to review the conditions for the registration of ships in a systematic manner so as to put an end to the deadlock and confrontation that had characterized the work of UNCTAD on the open registry issue.

43. It was indeed regrettable that the spirit and intent of General Assembly resolution 37/209 should be disregarded and that the very elements which had led to deadlock in the past should be reintroduced. The General Assembly had prescribed both the venue and the mandate for the Preparatory Committee.

44. While his Government did not object to discussing the "genuine economic link" concept at the proper time, it considered that the reference in paragraph 3 of the resolution just adopted to a defunct resolution constituted an attempt to misdirect the work of the Preparatory Committee and undermine the General Assembly resolution in question.

45. Mr. FADIKA (Ivory Coast), speaking on behalf of the Group of 77, said that peace, so threatened by man's activities at the end of the twentieth century, appeared to be finding a refuge on the seas, which had been described by the head of State of his country as "the true bastion of world peace for the decades to come". Since the beginning of the 1970s, the third world and all nations of goodwill had been conducting a pacific but determined struggle to establish the concept of the seas shared in development and peace—an evolution of historic importance in view of the importance of maritime activities to all sectors in the developing countries.

46. Two major international instruments, worked out under the auspices of the United Nations, marked the victorious advance of the new maritime order. The first was the Convention on a Code of Conduct for Liner Conferences,[31] which was to enter into force on 6 October 1983 and thus become an important pillar in the task of restructuring world shipping markets so as to promote an orderly and equitable expansion of world shipping which duly balanced the legitimate interests of developing and industrial countries, exporters and importers, shippers and the suppliers of maritime services. Secondly, there had been the new United Nations Convention on the Law of the Sea,[32] signed by the plenipotentiaries of 119 developed and developing countries at Montego Bay, Jamaica, on 10 December 1982. Those two major instruments, which were among the first successes of the North-South dialogue, were based on a synergic approach to world problems and furnished a lively illustration of the concept of interdependence in the service of global and balanced development.

47. Although the Convention on a Code of Conduct for Liner Conferences had been supplemented by the United Nations Convention on the Carriage of Goods by Sea (the "Hamburg Rules")[33] and the United Nations Convention on International Multimodal Transport of Goods,[34] the machinery was not yet adequate to ensure the irreversible progress of the new maritime order. Liner conferences covered only 20 per cent by tonnage of world freight and there were still grave imbalances in the sector of liquid and solid bulk transport, which represented over two thirds by tonnage of world shipping. The third world, which generated 58.5 per cent of world cargo, had only 13 per cent of world shipping tonnage. One reason was that the volume of freight transported by sea, which was dominated by bulk transport, was about the same as it had been 10 years previously, whereas the corresponding tonnage of shipping had multiplied by 1.7 during

[30] For the final text, see Conference resolution 144 (VI).

[31] See *United Nations Conference of Plenipotentiaries on a Code of Conduct for Liner Conferences*, vol. II, *Final Act (including the Convention and resolutions) and tonnage requirements* (United Nations publication, Sales No. E.75.II.D.12), annex I.

[32] See *Official Records of the Third United Nations Conference on the Law of the Sea*, vol. XVII (United Nations publication, Sales No. E.84.V.3).

[33] Signed at Hamburg on 31 March 1978. For the text, see *Yearbook of the United Nations Commission on International Trade Law*, vol. IX, 1978 (United Nations publication, Sales No. E.80.V.8), part three, annex I, B.

[34] See *United Nations Conference on a Convention on International Multimodal Transport, Geneva, 12-30 November 1979 and 8-24 May 1980*, vol. I (United Nations publication, Sales No. E.81.II.D.7 (Vol.I)), annex.

the same period, producing a considerable excess of capacity in the North, which was still increasing, owing to the promotion of shipbuilding in the industrialized countries. That trend was accentuated by the monopolistic practices, at the expense of the third world, of transnational corporations in the bulk and refrigerated cargo sectors. A careful examination of the world shipping industry was required so that the excess capacity could be reabsorbed while assuring a growing participation of the third world in the world transport of bulk and refrigerated cargo, with the assistance of institutional arrangements designed by UNCTAD.

48. The second serious imbalance to which the Group of 77 had drawn attention was the open registry of ships, which currently affected about one third of world shipping and might rapidly attain the unacceptable level of 50 per cent if appropriate steps were not taken in time. The open registry of ships was completely contrary to the spirit of fair competition in that it unjustly prevented the transfer of tonnage from North to South as a result of the comparative advantage of the merchant marines of developing countries in the matter of the cost of qualified crews. Furthermore it was almost universally acknowledged that the absence of a genuine economic link between the vessel and the flag State was one of the main causes of "deregulation" and insecurity in international shipping. Although, through the good offices of the President's high-level contact group, a compromise had been accepted in paragraph 3 of the resolution just adopted, that should not be interpreted as an abandonment of principles. The developing countries reaffirmed their unswerving adherence to the principle that there should be a genuine economic link between the vessel and the flag State and to the principle of the gradual conversion of open registries to normal registries. In that spirit, they intended to play an active part in the work of the United Nations Conference on Conditions for Registration of Ships and of its Preparatory Committee.

49. The resolution just adopted by consensus did not fully reflect all the legitimate aspirations of the Group of 77, as set out in the Buenos Aires Platform. However, it did represent a realistic and reasonable compromise between the concerns of the Group's partners, which could not be overlooked, particularly when they were justified, and the Group's determination substantially to promote the liner and bulk shipping of the developing countries in order to reach by 1990 the target of a 20 per cent participation in world shipping. The resolution also reaffirmed the will of the States members of UNCTAD to renew and to rationalize the legal instruments relating to world shipping.

50. In addition to North-South co-operation in the matter of shipping, particularly through the UNCTAD secretariat, there was also a need for South-South co-operation, as recommended in the Buenos Aires Platform, in the shape of high-level meetings to work out a programme of action for horizontal maritime co-operation, including multimodal transport and port activities, and for the strengthening of intraregional and interregional maritime transport between Africa, Asia and Latin America. Such a programme was essential not only for the endogenous development of those regions, but also for the effective promotion of the merchant marines of the developing countries, since it would enable them to take full advantage of their competitiveness in that sector.

51. In conclusion, the Group of 77 had been pleased to note the spirit of openness and mutual respect which had prevailed during the work on agenda item 13 (*b*) and wished to express its thanks to all concerned.

52. Mr. HUSLID (Norway), speaking on behalf of the Group B countries, said that, while his Group had no wish to go back on the well-balanced compromise that had been reached on item 13 (*b*), there was a reference in operative paragraph 10 of the draft resolution just adopted by consensus to the possible use of UNDP resources in non-convertible currencies. That reference did not imply any change in the position of the countries of his Group, which had been consistently maintained in UNDP and in other competent organizations. Furthermore, in noting the statement on the financial implications of the resolution (TD/L.251/Add.1), the Group wished to place on record the fact that it had accepted the resolution on the understanding that the work undertaken in its implementation would not require any extra financial resources.

53. Mr. STREEB (United States of America) said that he had decided, with some reluctance, to participate in the consensus on the resolution in question, despite the fact that it contained recommendations which would serve only to harden the position of member States and aggravate sterile controversy between the developed and developing countries. His delegation noted that the resolution had disregarded the secretariat recommendation not to reopen large conceptual issues relating to the rationale of market regulation or to the place of shipping in national economic development plans.

54. Operative paragraphs 2, 4 and 5 of the draft resolution instructed the UNCTAD secretariat to make certain studies of the shipping market. The secretariat's position on those issues was well known: document TD/278 contained a summary of the unacceptably biased arguments which it had regularly used in a number of its past reports in support of its view concerning the structure and operations of world shipping. His delegation would not be in a position to support any findings similar to those contained in past secretariat studies on similar subjects or to regard the Committee on Shipping as being bound by them. He did not expect the new studies to uncover any additional information that would materially assist the efforts of developing countries to participate fully in world trade by sea.

55. Operative paragraph 3 was of special interest to his Government. The United States delegation had refrained from attending the meetings of the Intergovernmental Preparatory Group on Conditions for Registration of Ships as a protest at the fact that the Committee on Shipping had acted in disregard of the views of a significant number of its members. His delegation was pleased to note that the General Assembly had directed the Preparatory Committee, which was to meet in November, to take into account the views of all interested parties and hoped that the Committee would take full account of General Assembly resolution 37/209. The decision by his

Government as to whether or not his delegation would attend the meeting in November would be determined by the commitment of other participants to that General Assembly resolution.

56. The PRESIDENT said that the Conference had completed its consideration of agenda item 13 (*b*).

(*c*) Land-locked and island developing countries (TD/L.233 and Add.1, TD/L.234)

57. The PRESIDENT said that draft resolution TD/L.233 had been recommended by Committee IV for adoption by the Conference. It was the understanding of the regional groups, as reflected in the statement of financial implications contained in document TD/L.233/Add.1, that the Secretary-General of UNCTAD would seek extrabudgetary resources, including funds from UNDP and other voluntary contributions, to enable him to comply with operative paragraph 9 of the draft resolution and that he would report on his progress to the Trade and Development Board at its twenty-ninth session.

58. If he heard no objection, he would take it that the Conference wished to adopt draft resolution TD/L.233 by consensus.

59. *The draft resolution was adopted.*[35]

60. Mr. HUSLID (Norway), speaking on behalf of the Group B countries, expressed his Group's satisfaction with the resolution just adopted by consensus. The Group had already explained in Committee IV its position concerning special categories of developing countries. It still maintained the position it had expressed at the moment of the adoption of Conference resolution 123 (V) concerning the United Nations Special Fund for Land-locked Developing Countries, referred to in paragraph 8 of the resolution that had just been adopted.

61. The PRESIDENT said that draft resolution TD/L.234 had also been recommended by Committee IV. If he heard no objection, he would take it that the Conference wished to adopt that draft resolution by consensus.

62. *The draft resolution was adopted.*[36]

63. The PRESIDENT said that the Conference had completed its consideration of agenda item 13 (*c*).

(*d*) Trade relations among countries having different economic and social systems and all trade flows resulting therefrom (TD/L.232, TD/L.256)

64. The PRESIDENT said that, by its resolution 262 (XXV) of 17 September 1982, the Trade and Development Board had remitted to the Conference a text on agenda item 13 (*d*). That text, as amended by a contact group of Committee IV, had been transmitted to him in document TD/L.232. Following consultations in the President's high-level contact group, it had become clear that the Conference wished to remit the draft proposal to the Trade and Development Board for its consideration. Consequently, it had before it a draft decision (TD/L.256) to that effect. If he heard no objection, he would take it that the Conference wished to adopt that draft decision.

65. *The draft decision was adopted.*[37]

66. Mr. DIETZE (German Democratic Republic), speaking on behalf of the Group D countries, said that his Group regretted that it had not been possible at the sixth session of the Conference to adopt a comprehensive resolution on agenda item 13 (*d*), such as that contained in document TD/L.232. According to the mandate of UNCTAD, as laid down in General Assembly resolution 1995 (XIX) of 30 December 1964, the promotion of international trade between the socialist countries of eastern Europe and the developing countries and between the socialist countries of eastern Europe and the developed capitalist countries was one of the major tasks of the Conference. Any UNCTAD resolution on trade relations among countries having different economic and social systems should organically combine both those trade flows. The members of Group D would be guided by that principle in future negotiations within UNCTAD on the subject.

67. In the detailed discussion of the sub-item, Group B had adopted a position with regard to the mandate of UNCTAD on the subject and to the fundamental principles of trade relations which was inconsistent with General Assembly resolution 1995 (XIX) and with the concept of interdependence. As in other fields of UNCTAD activity, Group B had demonstrated an intention to retreat from decisions and understandings previously reached within UNCTAD, and that had been a major obstacle to the resolution of the issues before the Conference under agenda item 13 (*d*). The Group D countries had naturally been unable to accept such attempts to modify the mandate of UNCTAD.

68. His Group had made every effort to complete successfully the work on draft resolution TD/L.232. It had not revised a single one of the previously agreed provisions of the draft text as transmitted by the Trade and Development Board. On the other hand, it had introduced a number of proposals to resolve the outstanding issues in the parts of the text still in square brackets, particularly in the section dealing with trade between the developing countries and the socialist countries of eastern Europe. The Group had been prepared to accept a compromise proposed by the President's coordinator on agenda item 13, to whom they wished to express their gratitude. However, the position of some of the negotiating partners had made it impossible to reach an agreement and the Group D countries were leaving the Conference with the conviction that most of the countries members of UNCTAD were aware of the consequences of that situation and shared their concern about it.

69. Mr. HUSLID (Norway), speaking on behalf of the Group B countries, said that his Group also regretted the fact that prolonged negotiations had once again failed to yield an agreed resolution on the subject in question. Negotiations had stalled on issues of principle and practice in the key section of the draft resolution concerned with economic relations between the socialist

[35] For the final text, see Conference resolution 137 (VI).

[36] For the final text, see Conference resolution 138 (VI).

[37] For the final text, see Conference decision 145 (VI).

countries of eastern Europe and the developing countries. The spokesman for Group D had attempted to blame Group B for the failure of those negotiations, an accusation that Group B firmly rejected. It was regrettable that Group D had sought to divert attention from the development questions which were at the heart of the draft resolution to matters for which the Conference was not the appropriate forum.

70. Group B reaffirmed its view that UNCTAD had a unique role to play in developing economic relations between the socialist countries of eastern Europe and the developing countries. In that as in other areas of its activities, the success or failure of UNCTAD would be judged primarily by the extent to which its work facilitated real economic progress in the developing countries. Until progress was made in the negotiations under consideration, it was the countries of the Group of 77 which had the most cause for disquiet.

71. The PRESIDENT said that the Conference had completed its consideration of agenda item 13 (*d*).

(e) Economic co-operation among developing countries (TD/L.246)

72. The PRESIDENT said that the Conference had before it a draft resolution on agenda item 13 (*e*) (TD/L.246) which had been recommended by Committee IV. If he heard no objection, he would take it that the Conference wished to adopt that draft resolution by consensus.

73. *The draft resolution was adopted.*[38]

(f) Assistance to national liberation movements recognized by regional intergovernmental organizations (TD/282)

DRAFT RESOLUTION ON ASSISTANCE TO THE PALESTINIAN PEOPLE (TD/305, TD/313, TD(VI)/C.4/L.11 AND CORR.1 AND ADD.1)

74. The PRESIDENT said that the draft resolution on assistance to the Palestinian people (TD(VI)/C.4/L.11 and Corr.1) had been submitted to Committee IV on behalf of the Group of 77. It had subsequently been transmitted to the President's high-level contact group for further consideration. A co-ordinator had been appointed to undertake consultations with interested delegations, but he had reported to the contact group that there was no agreement on a text. A statement of the financial implications of the draft resolution was contained in document TD(VI)/C.4/L.11/Add.1. He had received a request that the draft resolution be put to a vote by roll-call.

75. Mgr. ROVIDA (Holy See) said that, in order to avoid any misunderstandings, his delegation wished to state the position it would adopt during any voting. His delegation had already said that it attached much importance to the success of the Conference. Some very commendable efforts had been made to reach compromise solutions, but they did not appear to be sufficient for the outcome of the session to be regarded as clearly positive. Furthermore, political considerations appeared to be taking precedence over technical ones in certain resolutions. For the reasons he had just mentioned and also because the Holy See thought it was more in keeping with its special character to play the part of an observer in such sessions, his delegation had decided to abstain or, as appropriate, not to participate in votes on controversial matters or resolutions. In such highly regrettable cases, the Holy See was unable to make any positive contribution to the exciting adventure of development in which all mankind, with all its hopes, was engaged.

76. Mr. HARAN (Israel) said that, as the representative of the Holy See had just pointed out, the draft resolution before the Conference dealt with a political, not an economic, issue. There were other forums in the United Nations system where that issue and others of a similar nature could be debated and decided. UNCTAD should devote itself wholly to questions of trade and economic development for the benefit of the developing countries. The establishment of a special unit within UNCTAD to deal with political issues, as proposed in the draft resolution, would not only divert important resources from the main task of the secretariat but would also contribute nothing positive to the solution of problems in the Middle East. Furthermore, UNDP, as the competent organ within the United Nations family, was already engaged, with the fullest co-operation of his Government, in a large-scale programme of economic assistance to the Palestinian population.

77. Since the draft resolution expressed alarm "at the imposed Israeli domination of the foreign trade of the occupied Palestinian territories", he wished to point out that Israel had maintained a policy of open bridges since 1967 and did not impose any specific restrictions on trade between the West Bank or Gaza and Jordan or any other economy east of the Jordan river. Moreover, there were no restrictions on trade between the West Bank or Gaza and Israel. It was Jordan and the other Arab countries which restricted the trade of the West Bank and Gaza by imposing on it the Arab boycott. The draft resolution further alleged that the living conditions of the Arab inhabitants of the West Bank and Gaza had deteriorated, although his delegation had already provided, in document TD/305, full information to refute that allegation. For the reasons he had just stated, his delegation was unable to support the draft resolution and it urged all delegations with a sense of justice and an interest in development problems, rather than political arguments, to follow suit.

78. Mr. AL-BATAYNAH (Jordan) said that he hoped that the draft resolution would be fully supported by the Conference as a proof of the strength of the international conscience and of the fact that those suffering from colonialism had not been forgotten and an indication that the world was aware of the expansionism and discrimination practised by Israel, and also by South Africa in the same region of the world. It was well known that Israel was pillaging the wealth of the occupied territories, exploiting their people and trying to denationalize the country by evicting Palestinian citizens and withdrawing from them the right to own property. In the document which the Israeli delegation had submitted to the Conference (TD/305), it had attempted to give the impression that the Arab people in

[38] For the final text, see Conference resolution 139 (VI).

the occupied territories were living in prosperity, but as the United Nations and all other international bodies well knew, that was far from being the case. The Arab Group in the Conference had submitted a memorandum (TD/313) in which it had declared its intention of continuing to study the conditions under which the Palestinian people were living and to refute misleading statistics.

79. The estimate of the financial implications of the draft resolution given in document TD(VI)/C.4/L.11/Add.1 appeared excessively high, but the objections raised by the Group B countries did not relate solely to the sum of money involved. As was well known, the position of those countries was adopted for political reasons.

80. Mr. NASHABE (Syrian Arab Republic) said that the Zionist entity in the middle of the Arab world was an expansionist and aggressive entity. The economic and defence measures adopted by Arab countries against it were justified by their right to defend themselves against the aggression and racism rampant in the Middle East.

81. *A vote was taken by roll-call on draft resolution TD(VI)/C.4/L.11 and Corr.1.*

82. *Saint Lucia, having been drawn by lot by the President, was called upon to vote first.*

In favour: Albania, Algeria, Angola, Argentina, Austria, Bahrain, Bangladesh, Botswana, Brazil, Bulgaria, Burma, Burundi, Byelorussian Soviet Socialist Republic, Central African Republic, Chad, China, Colombia, Cuba, Cyprus, Czechoslovakia, Democratic People's Republic of Korea, Ecuador, Egypt, Ethiopia, Gabon, German Democratic Republic, Ghana, Greece, Grenada, Guinea, Hungary, India, Indonesia, Iran (Islamic Republic of), Iraq, Jamaica, Jordan, Kenya, Kuwait, Lebanon, Liberia, Libyan Arab Jamahiriya, Madagascar, Malaysia, Malta, Mexico, Mongolia, Morocco, Mozambique, Nepal, Nicaragua, Nigeria, Pakistan, Peru, Philippines, Poland, Qatar, Republic of Korea, Romania, Rwanda, Saudi Arabia, Senegal, Singapore, Somalia, Spain, Sri Lanka, Sudan, Suriname, Sweden, Syrian Arab Republic, Thailand, Tunisia, Turkey, Uganda, Ukrainian Soviet Socialist Republic, Union of Soviet Socialist Republics, United Republic of Cameroon, United Republic of Tanzania, Upper Volta, Venezuela, Viet Nam, Yugoslavia, Zambia, Zimbabwe.

Against: Israel, United States of America.

Abstaining: Australia, Belgium, Canada, Denmark, Dominican Republic, Finland, France, Germany, Federal Republic of, Ireland, Italy, Japan, Luxembourg, Netherlands, New Zealand, Norway, Papua New Guinea, Portugal, Switzerland, United Kingdom of Great Britain and Northern Ireland, Uruguay.

83. *The draft resolution was adopted by 84 votes to 2, with 20 abstentions.*[39]

84. Mr. YOSHINO (Japan), speaking in explanation of vote, said that his delegation had abstained from voting on the draft resolution just adopted because it did not think that UNCTAD was an appropriate forum to deal with agenda item 13 (*f*). That had been explicitly stated when the provisional agenda for the Conference had been adopted the previous year. The matter currently before the Conference fell within the terms of reference of the Division for Palestinian Rights of the United Nations Secretariat. However, his delegation wished to take the opportunity to reiterate the belief of the Government of Japan that the Israeli settlements policy in the occupied areas was without legal validity.

85. Mr. ROETHLISBERGER (Switzerland), speaking in explanation of vote, said that his delegation had abstained in the vote because it considered that UNCTAD was not an appropriate forum to deal with questions of an essentially political nature. Switzerland was also opposed to the setting up of a special economic unit, as proposed in paragraph 1 of the resolution, primarily for institutional reasons.

86. Mr. KUMLIN (Sweden), speaking in explanation of vote, said that, while his delegation had voted in favour of the draft resolution, that did not necessarily imply that it approved of all the elements of the text, in particular the passage relating to the establishment of a special economic unit. His delegation's hesitation on that matter had been further strengthened by the statement on the administrative and financial implications in document TD(VI)/C.4/L.11/Add.1. It would have preferred the Secretary-General of UNCTAD to have been given a more general mandate to organize any work that was needed within the current structure of the secretariat.

87. Mr. REINO (Portugal), speaking in explanation of vote, said that his delegation had abstained owing to its position of principle concerning the fields of competence of various United Nations bodies and the need to focus every effort on achieving an atmosphere within UNCTAD that would make it possible to obtain positive results on the fundamental issues with which the Conference was concerned. That abstention did not imply any change in his Government's substantive position on Palestine, which had been stated many times in the appropriate forums.

88. Mrs. SCHOO (Netherlands), speaking in explanation of vote, said that at Manila her delegation had been unable to support Conference resolution 109 (V) and that it had also abstained on a similar resolution at the twenty-third session of the Trade and Development Board because it believed that UNCTAD was not the proper forum for those questions. Her delegation's vote on the draft resolution just adopted could in no way be taken as an indication of her Government's views on the substantive issues involved, which had been fully explained in the appropriate United Nations forums where such issues were regularly considered.

89. Mr. REISCH (Austria), speaking in explanation of vote, said that his delegation had voted in favour of the draft resolution because it reflected in general the concern of his Government with regard to the economic situation of the Palestinian people. As his delegation had indicated to the sponsors, it would have preferred a different wording in certain parts of the text. As for operative paragraph 1, it should have been left to the Secretary-General of UNCTAD to make what ad-

[39] For the final text, see Conference resolution 146 (VI).

ministrative arrangements he considered appropriate to carry out his mandate.

90. Mr. SULIMMA (Federal Republic of Germany), speaking in explanation of vote, said that at Manila his delegation had been unable to support Conference resolution 109 (V) and at the twenty-third session of the Trade and Development Board it had also abstained on resolution 239 (XXIII) of 9 October 1981 because, as it had explained at the time, it believed that UNCTAD was not the proper forum for such questions. Its abstention on the current draft resolution should thus in no way be taken as an indication of his Government's views on the substantive issues involved, which had been fully explained in the appropriate United Nations forums where such matters were regularly considered. His delegation continued to be concerned that UNCTAD should concentrate its available resources on activities falling within its competence.

91. Mr. DIETZE (German Democratic Republic), speaking on behalf of the Group D countries and Mongolia, said that the position of the socialist countries with regard to rendering assistance to national liberation movements found expression in their unwavering support of the fight for national and social liberation. In keeping with that principle, they had voted for the draft resolution submitted by the Group of 77. The socialist countries stood firmly for the intensification of the activities of UNCTAD in that field, in harmony with United Nations decisions calling on all United Nations bodies and specialized agencies to render assistance to peoples fighting for national liberation. By adopting the resolution, the Conference had given expression to the deep concern of the international community at the deterioration in the economic situation of the Palestinian people and at the lack of progress in the implementation of its legitimate and inalienable rights.

92. The group of Arab countries had submitted to the Conference a document entitled "Repercussions of the Israeli occupation on the national economy of Palestine" (TD/313), which described the situation prevailing in the occupied territories. In addition to the economic exploitation of those Arab territories, Israel was pursuing a settlement policy to the detriment of the Arab population. The socialist countries had repeatedly declared that the Palestinian problem could be finally settled only within the context of a general solution in the Middle East in accordance with the relevant United Nations decisions. The reaction to the resolution of certain countries was further proof that their aim was to maintain Israeli rule over the occupied Arab territories together with their natural and human resources.

93. Mr. EKBLOM (Finland), speaking in explanation of vote, said that his delegation's abstention in the vote had been motivated by operative paragraph 1 of the draft resolution. In its view, that request was an attempt to influence an administrative decision which was clearly a prerogative of the Secretary-General of UNCTAD. However, that attitude should in no way be interpreted as indicating any change in his Government's position on the substantive issues dealt with in the resolution, a position which had been amply explained in the appropriate United Nations forums.

94. Mr. BAUCHARD (France), Mr. FRIIS-MOELLER (Denmark), Mr. ELLIOTT (Belgium), Mr. O'LEARY (Ireland), Mr. CATTANI (Italy), Mr. STONE (United Kingdom) and Mr. WOLZFELD (Luxembourg), speaking in explanation of vote, stated that their respective delegations had abstained in the voting for the reasons which had just been explained by the representative of the Federal Republic of Germany.

95. Mr. PEREN (New Zealand), speaking in explanation of vote, said that his delegation had abstained in the vote because his Government considered that UNCTAD was not an appropriate forum for the draft resolution in question and because it was concerned at the way in which the monitoring unit mentioned in operative paragraph 1 was to be established. His delegation's abstention did not reflect in any way on the goodwill of New Zealand towards the Palestinian people. New Zealand policy on such issues had been clearly enunciated in what his Government regarded as the proper United Nations forums.

96. Mr. OLBERG (Norway), speaking in explanation of vote, said his delegation had abstained in the vote because the issue with which it dealt was outside the competence of the sixth session of the Conference. It should be pursued in other forums.

97. Mr. HILL (Australia), speaking in explanation of vote, said that his delegation had abstained because it considered that UNCTAD was not the appropriate forum to discuss issues which, however important, were essentially of a political nature.

98. Mr. SENE (Senegal), speaking in explanation of vote, said that assistance to the Palestinian people was indeed discussed in a number of United Nations bodies but that his delegation had wished, through its vote in favour of the draft resolution, to reaffirm the inalienable right of the Palestinian people to a homeland in which they could develop freely. In addition, the situation prevailing in the occupied Arab territories made the living conditions of the Palestinian people precarious and involved serious violations of human rights.

99. It was a well-known fact that that situation precluded all possibility of development and if, by solving the Palestinian problem in the way his delegation would like to see, it proved possible to combine the natural resources and rich cultural heritage of all the people in the area, both Jews and Arabs, international co-operation and peace would be much strengthened. It was primarily from that point of view, the standpoint of development, that his delegation had concluded that it was fitting for the draft resolution to be submitted to the Conference.

100. Mr. HARAN (Israel), speaking in exercise of the right of reply, thanked all those delegations that had refrained from supporting the draft resolution, whether by abstaining or by being absent when the vote was taken. Those who claimed that the draft resolution had received overwhelming support should consider the number of those absent, which even included some of the sponsors. Two representatives had referred to document TD/313 and had adduced arguments along the lines that it hardly mattered about statistics, the main

point was to leave the Palestinian people alone. That was similar to the plea of the man who said that he should not be confused with the facts since his mind was already made up.

101. The claim that the Palestinian people should be left to exercise their legitimate rights over their own land implied that Israel must disappear, but Israel had no intention of disappearing. There was only one solution—direct negotiations. That method had been tried twice and each time it had been crowned with success. For that reason, his delegation looked forward to the future with confidence.

102. Mr. BARTHOLOMEW (Grenada) said that it would be wrong to assume, as the Israeli representative apparently did, that the delegations absent at the time of voting were, in point of fact, voting against the draft resolution.

DRAFT RESOLUTION ON ASSISTANCE TO THE PEOPLES OF NAMIBIA AND SOUTH AFRICA (TD(VI)/C.4/L.12, TD/L.249)

103. The PRESIDENT said that a draft resolution on assistance to the peoples of Namibia and South Africa (TD(VI)/C.4/L.12) had been submitted to Committee IV by the Group of 77. It had been transmitted to the President's high-level contact group for further consideration and, after consultations, a further draft resolution on the subject (TD/L.249) had been produced. He had received a request for a roll-call vote on the latter draft resolution. For that reason, the text, which had originally been submitted by him as President, was currently being sponsored by the Group of 77 in place of its original draft resolution (TD(VI)/C.4/L.12).

104. *A vote was taken by roll-call on draft resolution TD/L.249.*

105. *The Congo, having been drawn by lot by the President, was called upon to vote first.*

In favour: Albania, Algeria, Angola, Argentina, Austria, Bangladesh, Botswana, Brazil, Burma, Burundi, Byelorussian Soviet Socialist Republic, Central African Republic, Chad, China, Colombia, Cuba, Cyprus, Czechoslovakia, Democratic People's Republic of Korea, Dominican Republic, Ecuador, Egypt, Ethiopia, Finland, Gabon, German Democratic Republic, Ghana, Grenada, Guinea, Hungary, India, Indonesia, Iran (Islamic Republic of), Iraq, Jamaica, Jordan, Kenya, Lebanon, Libyan Arab Jamahiriya, Madagascar, Malaysia, Malta, Mexico, Mongolia, Morocco, Mozambique, Nicaragua, Nigeria, Pakistan, Panama, Papua New Guinea, Peru, Philippines, Poland, Qatar, Republic of Korea, Romania, Rwanda, Sao Tome and Principe, Saudi Arabia, Senegal, Singapore, Somalia, Spain, Sri Lanka, Sudan, Suriname, Sweden, Syrian Arab Republic, Thailand, Tunisia, Turkey, Uganda, Ukrainian Soviet Socialist Republic, Union of Soviet Socialist Republics, United Republic of Cameroon, United Republic of Tanzania, Upper Volta, Venezuela, Viet Nam, Yugoslavia, Zambia, Zimbabwe.

Against: United States of America.

Abstaining: Australia, Belgium, Canada, Denmark, France, Germany, Federal Republic of, Greece, Ireland, Israel, Italy, Japan, Luxembourg, Netherlands, New Zealand, Norway, Portugal, Switzerland, United Kingdom of Great Britain and Northern Ireland, Uruguay.

106. *The draft resolution was adopted by 84 votes to 1, with 19 abstentions.*[40]

107. Mr. EDWARDS (Canada), speaking in explanation of vote, said that his delegation would have been prepared to support a draft resolution authorizing the preparation of a document on economic planning for Namibia but had unfortunately been unable to do so because other elements extraneous to that objective had been introduced into operative paragraph 2 of the draft resolution just adopted.

108. Mr. REINO (Portugal), speaking in explanation of vote, said that his delegation had abstained because of its position of principle with regard to the spheres of competence of the different United Nations bodies, as he had explained in connection with the vote on the resolution on assistance to the Palestinian people. He wished, however, to reiterate his Government's support for the achievement of Namibian independence and its unequivocal condemnation of the policy of *apartheid* practised by South Africa. He also wished to express his delegation's concern regarding the living conditions of the people of Namibia.

109. Mr. STREEB (United States of America), speaking in explanation of vote, said that his delegation had opposed the inclusion of item 13 (*f*) in the agenda for the Conference, so there was no need to elaborate further on his Government's well-known arguments against considering such draft resolutions in UNCTAD. His delegation welcomed the efforts which had been made to depoliticize the draft resolutions and remove the linkage between the activities proposed and the national liberation movements. However, they had fallen far short in the case of the draft resolution on assistance to the Palestinian people, which contained some politically-inspired phraseology. In the case of draft resolution TD/L.249, had it not been for the inclusion of one preambular paragraph and a phrase in operative paragraph 2, his delegation might have been able to abstain.

110. Mr. OLBERG (Norway), speaking in explanation of vote, said that his delegation's abstention was of a purely procedural nature and did not reflect any opinion concerning the subject-matter. In his Government's view, the resolution fell outside the competence of the sixth session of the Conference. His Government being one of the largest contributors to liberation movements in southern Africa, it was with regret that it had been obliged to adopt that position.

111. Mr. DIETZE (German Democratic Republic), speaking on behalf of the Group D countries and Mongolia, said it was common knowledge that the socialist countries had been the initiators of the historic Declaration on the Granting of Independence to Colonial Countries and Peoples. In keeping with that basic principle of their foreign policy, the socialist countries stood for the full implementation of the Declaration and other United Nations statements in support of the

[40] For the final text, see Conference resolution 147 (VI).

fight of peoples for national and social liberation, independence and progress. The Group D countries and Mongolia had therefore voted in favour of the draft resolution, considering as they did that UNCTAD activities designed to assist national liberation movements would further the fight of the peoples of Namibia and South Africa for their freedom and contribute to improving the social and economic situation of those peoples. In conclusion, he wished to express concern at the negative vote of certain countries on the resolution.

112. Mr. MACRIS (Greece), speaking on behalf of the States members of the European Economic Community, said that those countries had abstained from voting on the draft resolution. However, as on previous occasions, their abstention should in no way be taken as an indication of their views on the substantive issues involved. Such a question should be treated in other forums of the United Nations system. The States members of EEC continued to believe that UNCTAD should concentrate its available resources on activities falling clearly within its mandate.

113. Mr. ROETHLISBERGER (Switzerland), speaking in explanation of vote, said that his delegation had abstained because UNCTAD was not the appropriate forum to deal with issues which were essentially political. He wished, however, to recall the often expressed hope of his Government that Namibia would attain its independence as soon as possible.

114. Mr. HILL (Australia), speaking in explanation of vote, said that his delegation had abstained because it considered that UNCTAD was not an appropriate forum for discussing issues which, however important, were essentially of a political character. He wished, however, to reiterate Australia's strong opposition to *apartheid* and its long-standing support for Namibian independence.

115. Mr. YOSHINO (Japan), speaking in explanation of vote, said that his delegation had abstained solely because it believed that UNCTAD was not an appropriate forum for dealing with such issues.

116. The PRESIDENT said that the Conference had completed its consideration of agenda item 13 (*f*).

(*g*) Institutional matters (TD(VI)/C.4/L.14, TD(VI)/C.4/L.17; TD/L.257)

117. The PRESIDENT said that a draft resolution (TD(VI)/C.4/L.14) and a draft decision (TD(VI)/C.4/L.17) submitted on behalf of Group B and the Group of 77 respectively had been transmitted to him by the Chairman of Committee IV. In spite of intensive consultations among the regional co-ordinators, they had been unable to agree on a common text. Consequently, he suggested that the Conference should adopt a draft decision (TD/L.257) transmitting the two texts to the Trade and Development Board for its consideration. If he heard no objection, he would take it that the Conference wished to adopt that decision.

118. *The draft decision was adopted.*[41]

119. Mr. BRILLANTES (Philippines) said that, as chief spokesman and negotiator for the Group of 77 on institutional matters, he wished to inform the Conference that it would have been possible to adopt a more meaningful and substantial decision on the matter in question were it not for the wide gap, in terms of political will and purpose, between the representatives of the Group of 77, Group D and China on the one hand, and the other group that had participated in the negotiations.

120. The PRESIDENT said that the Conference had completed its consideration of agenda item 13.

AGENDA ITEM 14

Other business (*continued*)

DRAFT RESOLUTION ON GENERAL ASSEMBLY RESOLUTION 35/10A OF 3 NOVEMBER 1980 AND ECONOMIC AND SOCIAL COUNCIL DECISION 1983/101 OF 4 FEBRUARY 1983 (TD/L.237)

121. The PRESIDENT said that the Conference had before it a draft resolution (TD/L.237) recommended by Committee IV regarding the scheduling of the sessions of the Trade and Development Board. If he heard no objection, he would take it that the Conference wished to adopt that draft resolution.

122. *The draft resolution was adopted.*[42]

DRAFT RESOLUTION ON GENERAL ASSEMBLY RESOLUTIONS 36/117A OF 10 DECEMBER 1981 AND 37/14 OF 16 NOVEMBER 1982 (TD/L.238)

123. The PRESIDENT drew the attention of the Conference to a draft resolution (TD/L.238) recommended by Committee IV which referred to the limit of 32 pages on the reports of the Trade and Development Board. If he heard no objection, he would take it that the Conference wished to adopt that draft resolution.

124. *The draft resolution was adopted.*[43]

DRAFT RESOLUTION ON PROVISION OF ASSISTANCE FOR LEBANON (TD/L.231, TD/L.250)

125. The PRESIDENT said that the draft resolution on assistance to Lebanon submitted to the Conference on behalf of the Group of 77 (TD/L.231) had been transmitted by the plenary meeting to the President's high-level contact group for further consideration. After consultations, he had been able to submit to the Conference a draft resolution on the same subject (TD/L.250) and he understood that the original draft resolution (TD/L.231) had been withdrawn by its sponsors. If he heard no objection, he would take it that the Conference wished to adopt draft resolution TD/L.250 by consensus.

126. *The draft resolution was adopted.*[44]

127. Mr. STREEB (United States of America) said that his delegation was pleased to join the consensus in

[41] For the final text, see Conference decision 148 (VI).

[42] For the final text, see Conference resolution 140 (VI).

[43] For the final text, see Conference resolution 141 (VI).

[44] For the final text, see Conference resolution 149 (VI).

support of extraordinary assistance to Lebanon, a country that had been suffering the ravages of wars and disturbances on its territory for eight years. As was well known, the United States was in the forefront of the donors for Lebanon's reconstruction needs. He would not dilate upon the manner in which such assistance was being given but would confine himself to stating that his Government fully supported all international efforts to come to Lebanon's assistance in time of need.

128. However, in joining those who supported the resolution, he would be remiss if he did not also note an imbalance in the way in which the cause of Lebanon's difficulties was presented therein. In singling out Israel for responsibility, while failing to acknowledge directly the far greater role placed by other foreign forces in Lebanon's difficulties, the resolution injected an element of political bias which his delegation found regrettable. Nevertheless, one of the more encouraging developments at the Conference had been the beginnings of an attempt to minimize the political nature of resolutions and his delegation's thanks were due to those who had worked diligently in that respect on the current resolution, particularly the delegations of Lebanon and Saudi Arabia.

129. Mr. NASHABE (Syrian Arab Republic) said he wished to clarify the position of his delegation on the resolution that had just been adopted. It had joined the consensus of those giving assistance to Lebanon because it considered it to be its duty to support anyone who was acting for the good of an Arab country. His delegation was in favour of lightening the burden on Lebanon and hoped that conditions in that sister country would soon be restored to normal.

130. He wished to make it clear, however, that his delegation had reservations about the wording in the first preambular paragraph and in operative paragraph 1 in which the expression "wars and disturbances that have taken place on the Lebanese territory, including the recent Israeli invasion" put the civil war and the Israeli intervention on the same footing. The result was a completely unbalanced one, unlike the clear resolution on the subject adopted by the Group of 77 at Buenos Aires. The aim of adopting the current drafting was clearly to lighten the responsibility of the Israelis, who had used the most destructive weapons in the war in Lebanon.

131. Mr. EL-ATRASH (Libyan Arab Jamahiriya) said that his delegation was certainly not opposed to the principle of giving assistance to Lebanon. In view of the historic ties linking the Libyan Arab people to the sister nation in Lebanon, his country had been giving that country, to the extent of its own ability and means, every form of assistance to enable it to face its enemies and overcome the current crisis. However, his delegation had serious reservations about the first preambular paragraph and paragraph 1 of the resolution just adopted, which put the civil war and Israeli intervention on an equal footing. The domestic problems which existed in Lebanon, and indeed were of daily occurrence in many other countries, had certainly had damaging effects, but their consequences could hardly be compared with the destruction wrought by the Israelis in their all-out attack on an independent sovereign country. Israel was solely responsible for the misfortunes of Lebanon and the drafting of the text of the resolution was quite unbalanced.

132. Mr. HARAN (Israel) said that when, in the course of the general debate, the representative of Lebanon had appealed for the assistance of the world community,[45] he had noted that, for the past eight years, Lebanon had been the victim of a war not of its seeking. Throughout those eight years, extensive damage had been caused in that country by many armies and by many factions. Despite that fact, Israel was the only country to be mentioned by name in the resolution just adopted. His delegation was unable to accept such a one-sided approach, although it certainly favoured the general purpose of the resolution. However, because the text singled out Israel unjustly, the draft resolution would not have received his delegation's support if it had been put to the vote.

133. The two previous speakers had attempted to rewrite history and to give the impression that what had been happening in Lebanon for some seven years had been in the nature of street demonstrations with no serious effects. While such had certainly not been the case, he did not wish to dwell on the past but rather to look to the future. In that connection, an important positive point was the agreement that had been reached between the Governments of Israel and Lebanon, an agreement which had been overwhelmingly approved by the Parliament and people of the latter country and which, he hoped, would, in spite of all the efforts to the contrary by some other forces, be fully implemented.

134. Mr. DIETZE (German Democratic Republic), speaking on behalf of the countries of Group D and Mongolia, said that they were in favour of the resolution that had just been adopted. It was common knowledge that Israeli aggression against Lebanon had caused heavy material damage in the country, for which Israel and its supporters should be held responsible. The immediate and unconditional withdrawal of Israel from Lebanon and from all other Arab territories occupied since 1967, as well as the implementation of the national rights of the people of Palestine, including the right to self-determination and the setting up of their own independent State, continued to be a prerequisite for reaching an overall settlement in the region.

135. Mr. MAHMASSANI (Lebanon) thanked the President and all the participants in the Conference for expressing their solidarity with Lebanon by assisting its Government and people to rebuild their war-torn economy. They were confident that, by their own firm will and determination and with the assistance of the international community, Lebanon would regain its proper place as a model of economic progress, a centre for commerce and banking and a bridge between east and west. Lastly, there could be no doubt that Lebanon would be greatly assisted in its task when its Government exercised full authority over all its territory and when all non-Lebanese forces had departed.

[45] See part one, section A.2, above.

DRAFT RESOLUTION ON ASSISTANCE TO YEMEN (TD/L.235)

136. The PRESIDENT said that a draft resolution on assistance to Yemen (TD/L.235) had been sponsored by the Group of 77 and transmitted to the President's high-level contact group, which had recommended it for adoption. If he heard no objection, he would take it that the Conference wished to adopt that draft resolution by consensus.

137. *The draft resolution was adopted.*[46]

DRAFT RESOLUTION ON IMPLEMENTATION OF THE MEDIUM-TERM AND LONG-TERM RECOVERY AND REHABILITATION PROGRAMME IN THE SUDANO-SAHELIAN REGION (TD/L.240, TD/L.255)

138. The PRESIDENT said that a draft resolution on implementation of the medium-term and long-term recovery and rehabilitation programme in the Sudano-Sahelian region (TD/L.240) had been sponsored by the Group of 77 and transmitted to the President's high-level contact group; as a result of the discussions therein, a new draft resolution had been prepared (TD/L.255) and the earlier draft resolution had been withdrawn by its sponsors. If he heard no objection, he would take it that the Conference wished to adopt draft resolution TD/L.255 by consensus.

139. *The draft resolution was adopted.*[47]

DRAFT RESOLUTION ON REJECTION OF COERCIVE ECONOMIC MEASURES (TD/L.252)

140. The PRESIDENT said that a draft resolution on rejection of coercive economic measures (TD/L.252), submitted on behalf of the Group of 77, had been transmitted to the President's high-level contact group for further consideration. Unfortunately, it had proved impossible to reach agreement on a text, and he had received a request that the draft resolution be put to a roll-call vote.

141. *A vote was taken by roll-call on draft resolution TD/L.252.*

142. *The Libyan Arab Jamahiriya, having been drawn by lot by the President, was called upon to vote first.*

In favour: Albania, Algeria, Angola, Argentina, Bangladesh, Botswana, Brazil, Bulgaria, Burma, Burundi, Byelorussian Soviet Socialist Republic, Central African Republic, Chad, Chile, China, Colombia, Cuba, Cyprus, Czechoslovakia, Democratic People's Republic of Korea, Dominican Republic, Ecuador, Egypt, Ethiopia, Gabon, German Democratic Republic, Ghana, Grenada, Guinea, Hungary, India, Indonesia, Iran (Islamic Republic of), Iraq, Jamaica, Jordan, Kenya, Lebanon, Libyan Arab Jamahiriya, Madagascar, Malaysia, Malta, Mexico, Mongolia, Morocco, Mozambique, Nepal, Nicaragua, Nigeria, Pakistan, Panama, Papua New Guinea, Peru, Philippines, Poland, Qatar, Republic of Korea, Romania, Sao Tome and Principe, Saudi Arabia, Senegal, Singapore, Somalia, Sri Lanka, Sudan, Suriname, Syrian Arab Republic, Thailand, Tunisia, Uganda, Ukrainian Soviet Socialist Republic, Union of Soviet Socialist Republics, United Republic of Cameroon, United Republic of Tanzania, Upper Volta, Uruguay, Venezuela, Viet Nam, Yugoslavia, Zambia, Zimbabwe.

Against: Australia, Belgium, Canada, Denmark, France, Germany, Federal Republic of, Ireland, Israel, Italy, Japan, Luxembourg, Netherlands, New Zealand, Norway, Portugal, Turkey, United Kingdom of Great Britain and Northern Ireland, United States of America.

Abstaining: Austria, Finland, Greece, Rwanda, Spain, Sweden, Switzerland.

143. *The draft resolution was adopted by 81 votes to 18, with 7 abstentions.*[48]

144. Mr. TORRENTE SECORUM (Spain), speaking in explanation of vote, said that his Government was strongly opposed to the use of any type of coercive economic measures as a form of political pressure and was particularly concerned when the countries affected by such measures were developing ones. However, in his delegation's view, the draft resolution should have been couched in general terms and have referred to coercive economic measures applied by any country, whether developed or developing. His delegation would have voted for a general resolution of that type. In the event, it had regretfully had to abstain.

145. Mr. STREEB (United States of America), speaking in explanation of vote, said that it was not necessary to make a long statement of the reasons why his delegation had voted against the resolution just adopted, which was obviously biased. If economic sanctions adopted by developed countries against developing countries were to be condemned, it would seem logical that sanctions or embargoes adopted by developing countries against other developing countries or by developing countries against developed countries should likewise be condemned. Experience over the last decade, especially the 1973 oil boycott directed against the United States and some other countries, revealed that such actions could prove just as disruptive to world trade, if not more so. Without the recognition of that fundamental fact, any resolution condemning restrictive economic measures was fundamentally flawed.

146. Mr. KUMLIN (Sweden), speaking in explanation of vote, said that his Government was, by tradition, firmly opposed to coercive measures of the kind mentioned in the resolution, which it thought should be applied only as a result of a Security Council decision. That principle of international economic relations, which was of peculiar importance to a neutral country like Sweden, was one of universal application, a fact that should have been reflected in the resolution. His delegation had been obliged to abstain from voting for that reason and also because coercive measures of that kind were currently under review within the framework of GATT, and his Government did not wish the outcome to be prejudged.

[46] For the final text, see Conference resolution 150 (VI).

[47] For the final text, see Conference resolution 151 (VI).

[48] For the final text, see Conference resolution 152 (VI).

147. Mr. van DIJK (Suriname), speaking in explanation of vote, said that some economic Powers were resorting more and more to the use of coercive measures against developing countries, especially in the Latin American region. In that connection, he wished to refer to his delegation's statement in the general debate[49] concerning the use of such measures against Suriname. Political pressure of that kind, especially when accompanied by coercive measures, was totally unacceptable in the Latin American region, which wished to be a zone of peace and development.

148. Mr. MACRIS (Greece), speaking on behalf of the European Economic Community and its member States, said that they had been unable to vote for the draft resolution just adopted. They confirmed their support for the relevant paragraph of the Declaration on Principles of International Law concerning Friendly Relations and Co-operation among States in accordance with the Charter of the United Nations (the second paragraph of the third principle), which he read out. They regretted, however, that draft resolution TD/L.252, which was clearly of a political nature, should have been introduced and voted upon in the Conference, the more so as it was one-sidedly addressed to the developed countries only.

149. Mr. ROETHLISBERGER (Switzerland), speaking in explanation of vote, said that his delegation had abstained. Switzerland was firmly attached to the maintenance of an open international economic system and to respect by all States for the commitments they had undertaken. It was unacceptable, therefore, that any group of States, irrespective of which group was concerned, should be exempted from obligations which were of their very nature universal.

150. Mr. CHIBA (Japan), speaking in explanation of vote, said that his delegation had voted against the draft resolution because it dealt with a matter of a political nature for which the Conference was not the appropriate forum and because it was unbalanced in that it addressed itself only to coercive measures by developed countries against developing countries and not to pressures in the other direction.

151. Mr. NAVARRETE (Mexico), speaking in explanation of vote, said that his delegation had voted for the draft resolution to express its concern at the growing recourse to such coercive measures, which were contrary to the provisions of the Charter of the United Nations and to those of the Charter of Economic Rights and Duties of States. In so voting, his delegation had also reflected the decision adopted by SELA to the effect that coercive economic measures, which were increasingly being used to exert pressure on the economies of developing countries, were quite unacceptable. In recent cases in the Latin American region, the use of such measures had merely exacerbated situations and made it more difficult to relax tensions and consolidate peace.

152. Mrs. CHEN (Panama), speaking in explanation of vote, said that her delegation's vote in favour of the resolution demonstrated that it was against the application of coercive economic measures to any country, particularly developing countries, as being contrary to the Charter of the United Nations and the decision by SELA. Disputes should be settled by means of dialogue and consultations.

153. Mr. MARTINEZ CUENCA (Nicaragua), speaking in explanation of vote, said that his delegation had consistently supported the principle set out in the Buenos Aires Platform and reflected in the pattern of voting on the resolution just adopted. It had voted for the resolution not only on a point of principle but also because, representing as it did a country directly affected by such measures, it appreciated the importance of letting the entire world see how harmful they were to development. Only two days previously, in spite of his own references to the matter in the general debate,[50] the major Power which was applying coercive economic measures against his own country had vetoed, in the Inter-American Development Bank, financing for the last phase of an agricultural development project there. He drew the attention of the international community to the fact that coercive economic measures, which were directly detrimental to Nicaragua's development plans, were still being applied on a daily basis in violation of the Charter of the United Nations, the relevant Security Council resolution and the SELA decision.

154. Mr. DIETZE (German Democratic Republic), speaking on behalf of the Group D countries and Mongolia, said that the socialist countries had already on several occasions expressed their concern at the growing application of restrictive measures, trade blockades, embargoes and other economic sanctions by certain developed market-economy countries for non-economic reasons. Such measures were not only incompatible with the provisions of the Charter of the United Nations, they also undermined established international economic relations, impeded the development of international trade and had a negative impact on the economies of all countries, particularly those of the developing countries. Discriminatory measures introduced by the United States of America against Nicaragua constituted just one example of the practice.

155. The socialist countries, which strongly condemned the policy of applying protectionist and discriminatory measures or any other restrictions on trade, also condemned the concept of using economic and trade relations as an instrument for exercising political pressure on and interfering in the internal affairs of sovereign countries. Their position on that issue was reflected in the declaration by the socialist countries of Group D and Mongolia on restoring confidence in international trade (TD/323). The socialist countries did not reject the application of coercive measures against developing countries only. They were convinced that any decision on the matter within the United Nations should not disregard the rightful interests of all countries being subjected to such measures, including the socialist countries.

156. Mr. BARTHOLOMEW (Grenada), speaking in explanation of vote, said that there should be no fear of or threat to use coercion in the development of trade and other economic relations between countries. Such relations should be based on mutual respect for the political, territorial and economic sovereignty of every nation. Another reason for his delegation's vote in

[49] See part one, section A.2, above.

[50] See part one, section A.2, above.

favour of the draft resolution was that it regarded coercive economic measures as being essentially political and believed that the Conference could be used to correct that position.

157. Grenada had for some time been suffering, together with Cuba and Nicaragua, from such measures. Although it was a country with an area of less than 200 square miles, another country which was 27,000 times as large had seen fit to adopt economic measures against it and had shamelessly gone out of its way to prevent Grenada from obtaining finance for national projects. Grenada constituted no threat to anyone, and he failed to see why such action should be taken against it.

158. Mr. BASKUT (Turkey), speaking in explanation of vote, said that, although the final draft of the resolution made no allusion to any State, it could not be dissociated from the introductory statement by the spokesman for the Group of 77 at the 198th plenary meeting. The substance of the resolution was thus concerned, in fact, with some very specific coercive economic measures. Turkey had always been, and still was, opposed to measures of that kind, but his delegation did not consider that they fell within the competence of UNCTAD. It had therefore voted against the draft resolution.

159. Mr. REISCH (Austria), speaking in explanation of vote, said that, as a matter of principle, his Government was opposed to the use of economic measures, and particularly coercive economic measures, for political ends. However, his delegation had abstained from voting on the resolution just adopted because it addressed one single group of countries, whereas the principle applied to all countries alike.

160. Mr. HARAN (Israel), speaking in explanation of vote, said that when the draft resolution had been introduced, at the 198th plenary meeting, he had taken the opportunity of pointing out that his country had a particular interest in preventing the use of coercive economic measures for political reasons. He had also stated that his delegation had subscribed to the declaration adopted at the GATT ministerial session in November 1982, which, *inter alia,* had called upon all countries to desist from measures contrary to the General Agreement, which included coercive measures.

161. The resolution in question was, however, drafted in terms applicable to all countries, whereas the resolution just approved by the Conference was completely one-sided and called for a halt to such measures only if they were applied by developed countries. For that reason, his delegation had voted against it. While there was no need to go into details concerning a 30-year-old Arab boycott, it would be clear to everyone that his country's primary interest was in preventing the application of coercive economic measures also by developing countries.

162. Mr. REINO (Portugal), speaking in explanation of vote, reaffirmed his country's opposition to any coercive measures, wherever they originated. Nevertheless, his delegation had voted against the draft resolution because it was unilateral and essentially political in nature. He shared the views on the subject which had been expressed on behalf of the EEC countries.

163. Mr. DELGADO BERMUDEZ (Cuba), speaking in explanation of vote, said that his delegation had voted in favour of the draft resolution because it considered that coercive economic measures were contrary to the Charter of the United Nations and to the Charter of Economic Rights and Duties of States and, more generally, to the principles and rules governing international trade. Such measures disrupted the normal evolution of international trade and the development of the developing countries.

164. It was a matter for serious concern that recourse to such measures was becoming increasingly frequent, the most recent examples being the action of the United States against Nicaragua and of certain European countries against Suriname. His own country had been the victim of an economic blockade imposed by the United States for over 22 years, a blockade that not only prevented trade between the two nations concerned, but also involved measures against Cuban products in third-country markets.

165. Mr. ZUADEH HERAVI (Islamic Republic of Iran), speaking in explanation of vote, said that his delegation had voted in favour of the draft resolution. Coercive economic measures had repeatedly been adopted against a number of developing countries. His country itself had been exposed many times to illegal action of that type. For that reason, his delegation fully supported the resolution.

166. Mr. SANZE (Burundi), speaking in explanation of vote, said that his delegation had voted in favour of the draft resolution because it attached the utmost importance to the principles of the Charter of the United Nations. Article 52 of the Charter provided for regional mediation and arbitration in the event of conflicts, and one of the parties directly concerned in a recent conflict—Nicaragua—had agreed to accept such mediation. Coercive economic measures were permissible only against a country that was in flagrant and systematic violation of the Charter, such as South Africa. While his delegation in no way wished to exacerbate the situation, it thought that one of the parties, the most powerful, should have intervened to reconcile certain other parties in the subregion involved.

167. Mr. AL-BATAYNAH (Jordan), speaking in explanation of vote, said his delegation had voted in favour of the draft resolution because if prohibited the use of economic measures for political purposes. The situation in respect of the Arab boycott of Israel was totally different. The Arab boycott did not constitute economic pressure for political purposes but economic pressure against a State which had invaded and occupied Arab territory.

168. Mr. NASHABE (Syrian Arab Republic), speaking in exercise of the right of reply, said that the Arab boycott was justified by the nature of the aggressive, expansionist and racist Zionist entity in the heart of the Arab world. It was in no way comparable to the coercive economic measures denounced in the resolution that had just been adopted.

The meeting rose at 4 p.m.

200th (CLOSING) PLENARY MEETING

Saturday, 2 July 1983, at midnight

President: Mr. Lazar MOJSOV (Yugoslavia)

TD/SR.200

AGENDA ITEM 9

Commodity issues. Review of the situation in the area of commodity trade. The implementation of the Integrated Programme for Commodities in the area of:

(*a*) Stabilizing and strengthening commodity markets;

(*b*) Marketing, processing and distribution, including transportation; and

(*c*) Compensatory financing of shortfalls in export earnings; with a view to the adoption of policies to promote commodity trade and development

Stabilizing and strengthening commodity markets (TD(VI)/C.1/L.2; TD(VI)/CG/CRP.5/Rev.1 and Rev.1/Add.1)

1. The PRESIDENT said that a draft resolution on agenda item 9 (*a*) had been introduced in Committee I on behalf of the Group of 77 (TD(VI)/C.1/L.2). A new text had been prepared by a drafting group and submitted to the President's high-level contact group (TD(VI)/CG/CRP.5/Rev.1). He was informed that agreement had been reached on that text. A statement of its financial implications was to be found in the corresponding addendum. Draft resolution TD(VI)/C.1/L.2 had thus been withdrawn by its sponsors. If he heard no objection, he would take it that the Conference wished to adopt draft resolution TD(VI)/CG/CRP.5/Rev.1 by consensus.

2. *The draft resolution was adopted.*[51]

3. Mr. STREEB (United States of America) said that his delegation had joined in the consensus adoption of the draft resolution as an indication of its continued willingness to abide by Conference resolution 93 (IV) and participate constructively in the Integrated Programme for Commodities, in spite of its well-known reservations as to the need for more price stabilization agreements. It had, however, a number of difficulties with regard to the text of the resolution. The fourth preambular paragraph might be interpreted as implying that a principal reason for the inability of commodity agreements to attain their objectives was that major consumers and producers had failed to support them. His delegation believed that, on the contrary, some such agreements had failed to attract universal participation because of inherent weaknesses in their economic and financial structures. Operative paragraph 7 implied that there was need for a new body to consider issues relating to hides and skins. His Government was not convinced that such action was either useful or necessary, believing as it did that the proper way to handle the issue was through consultations between all interested producers and consumers, a procedure which had never been completed in the case under consideration.

4. With regard to operative paragraph 8, his delegation was prepared to discuss the feasibility of provisional agreements or arrangements at a future session of the Committee on Commodities but his Government continued to believe that such agreements or arrangements were neither feasible nor practical. Moreover, the suggestion that commodity agreements should be used to mitigate declines in prices without addressing the question of increases was a recipe for long-term structural surpluses which were not in the interests of either producers or consumers. Furthermore, from the standpoint of the United States legal system, the procedures to be followed for provisional agreements or arrangements would be precisely the same as those for any commodity agreements with price stabilization provisions.

5. His delegation had accepted operative paragraph 9 on the understanding that the proposed review of commodities would be general in nature, rather than an assessment of the performance of individual agreements, and that it would consider the disadvantages as well as the advantages of such agreements. Lastly, as far as operative paragraph 14 was concerned, his Government would continue to honour its international and domestic commitments to avoid or minimize disruptions of international commodity markets when disposing of Government-held non-commercial reserves.

Common Fund for Commodities (TD(VI)/C.1/L.1 and Add.1; TD(VI)/CG/CRP.3/Rev.1)

6. The PRESIDENT said that the Group of 77 had submitted a draft resolution on the Common Fund for Commodities, later sponsored by China also, to Committee I (TD(VI)/C.1/L.1 and Add.1). Subsequently, a drafting group had submitted to the President's high-level contact group the text of a draft resolution on the same subject (TD(VI)/CG/CRP.3). In view of the agreement that had been reached on a revised version of that text, draft resolution TD(VI)/C.1/L.1 had been withdrawn by its sponsors. If he heard no objection, he would take it that the Conference wished to adopt draft resolution TD(VI)/CG/CRP.3/Rev.1 by consensus.

7. *The draft resolution was adopted.*[52]

United Nations Conference to Negotiate an International Arrangement to Replace the International Wheat Agreement, 1971, as extended (TD(VI)/C.1/L.5; TD(VI)/CG/CRP.6)

8. The PRESIDENT said that a draft resolution on the subject had been submitted to Committee I on behalf of Group B (TD(VI)/C.1/L.5). A drafting group had prepared a new text of a draft resolution and had submitted it to the President's high-level contact group. Since general agreement on the text had been reached, draft resolution TD(VI)/C.1/L.5 had been withdrawn by its sponsors. If he heard no objection, he would take it that the Conference wished to adopt draft resolution TD(VI)/CG/CRP.6 by consensus.

[51] For the final text, see Conference resolution 155 (VI).

[52] For the final text, see Conference resolution 153 (VI).

9. *The draft resolution was adopted.*[53]

10. Mr. STREEB (United States of America) said that, in spite of having several difficulties with the tone and substance of the resolution just adopted, his Government had acquiesced in its adoption as an expression of its willingness to maintain a dialogue concerning international co-operation in wheat. However, its doubts as to the feasibility or advisability of a new international wheat agreement with economic provisions remained unchanged. It had found in the past not only that it had not been possible to conclude such an agreement but also that it was by no means convinced that any such agreement would be an improvement over reliance on market forces or would make any meaningful contribution to world food security. Moreover, acceptance of the resolution in no way prejudiced his delegation's position with respect to any proposals put forward by developing countries. In fact, while his Government agreed to take the matter up again in the International Wheat Council, it doubted whether the deliberations in that body would result in a resumption of the United Nations Conference.

Marketing, processing and distribution, including transportation (TD(VI)/C.1/L.3 and Add.1, TD (VI)/C.1/L.6, TD(VI)/C.1/L.12; TD(VI)/CG/CRP.7/Rev.1 and Rev.1/Add.1)

11. The PRESIDENT said that two draft resolutions had been submitted on marketing, processing, distribution and transportation, by the Group of 77 and by Group B respectively, in documents TD(VI)/C.1/L.3 and Add.1 and TD(VI)/C.1/L.6. After informal consultations, the regional groups had agreed on the text of a draft resolution for submission to the plenary meeting of the Conference (TD(VI)/CG/CRP.7/Rev.1). The financial implications of that draft resolution were to be found in the appropriate addendum. The sponsors of the earlier draft resolutions on the subject had withdrawn them in consequence. If he heard no objection, he would take it that the Conference wished to adopt draft resolution TD(VI)/CG/CRP.7/Rev.1 by consensus.

12. *The draft resolution was adopted.*[54]

Compensatory financing of shortfalls in export earnings (TD(VI)/C.1/L.4, TD(VI)/C.1/L.7; TD(VI)/CG/CRP.8/Rev.1 and Rev.1/Corr.1, TD(VI)/CG/CRP.8/Rev.1/Add.1)

13. The PRESIDENT said that Committee I had had before it two draft resolutions on compensatory financing (TD(VI)/C.1/L.4 and TD(VI)/C.1/L.7). As a result of informal consultations, the text of a new draft resolution had been submitted to the plenary meeting of the Conference (TD(VI)/CG/CRP.8/Rev.1 and Rev.1/Corr.1) and the two earlier draft resolutions had been withdrawn by their sponsors in its favour. A statement of financial implications was contained in the relevant addendum.

14. *At the request of the representative of the United States of America, the vote on draft resolution TD(VI)/CG/CRP.8/Rev.1 and Rev.1/Corr.1 was taken by roll-call.*

15. *Chile, having been drawn by lot by the President, was called upon to vote first.*

In favour: Algeria, Angola, Argentina, Austria, Bangladesh, Belgium, Botswana, Brazil, Burma, Burundi, Central African Republic, Chad, Chile, China, Colombia, Cuba, Democratic People's Republic of Korea, Denmark, Dominican Republic, Ecuador, Egypt, Ethiopia, Finland, France, Gabon, Germany, Federal Republic of, Ghana, Greece, Grenada, Guinea, Holy See, India, Indonesia, Iran (Islamic Republic of), Iraq, Ireland, Israel, Jamaica, Japan, Jordan, Kenya, Liberia, Libyan Arab Jamahiriya, Luxembourg, Madagascar, Malaysia, Malta, Mexico, Morocco, Mozambique, Nepal, Netherlands, Nicaragua, Nigeria, Norway, Pakistan, Panama, Papua New Guinea, Peru, Philippines, Portugal, Qatar, Republic of Korea, Romania, Rwanda, Sao Tome and Principe, Senegal, Singapore, Somalia, Spain, Sri Lanka, Sudan, Suriname, Sweden, Switzerland, Syrian Arab Republic, Thailand, Tunisia, Turkey, Uganda, United Kingdom of Great Britain and Northern Ireland, United Republic of Cameroon, United Republic of Tanzania, Upper Volta, Uruguay, Venezuela, Viet Nam, Yugoslavia, Zambia, Zimbabwe.

Against: United States of America.

Abstaining: Australia, Bulgaria, Canada, Czechoslovakia, German Democratic Republic, Hungary, Mongolia, New Zealand, Poland, Union of Soviet Socialist Republics.

16. *The draft resolution was adopted by 90 votes to 1, with 10 abstentions.*[55]

17. Mr. STREEB (United States of America), speaking in explanation of vote, said that his delegation had voted against the draft resolution that had just been adopted primarily because export earnings stabilization was an overall balance-of-payments issue which should be addressed in IMF and not in UNCTAD. In addition, the text of the resolution itself had a number of serious shortcomings and, he believed, represented a deliberate attempt to exert pressure on the proceedings of another international organization, while severely prejudicing the conclusions of an expert level examination whose only chance of success lay in its impartiality and professional character. In that connection, he referred in particular to paragraphs 1 and 3. In paragraph 1, IMF was urged to conduct itself in a manner contrary to both its basic articles and its operating procedures: such an attempt at influence, however feeble, was unacceptable in principle. Paragraph 3 had been transformed from its original intent as a relatively detached feasibility study into a thinly disguised effort to presume a need where none had been proven and to meet that need with a totally inappropriate and impracticable institutional arrangement.

18. Mr. DIETZE (German Democratic Republic), speaking on behalf of the Group D countries, said that the Group wished to reaffirm that existing and proposed schemes in the area covered by the resolution just

[53] For the final text, see Conference resolution 154 (VI).

[54] For the final text, see Conference resolution 156 (VI).

[55] For the final text, see Conference resolution 157 (VI).

adopted or any other related activities were an attempt to respond to a situation created by the malfunctioning of the market-economy system. Such schemes were therefore not applicable to the economic relations of Group D countries with the developing countries.

19. Furthermore, on the issue of the financial implications of the resolution in question and of a number of other resolutions adopted by the Conference, he wished to recall the well-known position of his Group, which was convinced that the utmost effort should be made to find the necessary resources within the UNCTAD budget, by a more effective use and mobilization of reserves in the secretariat's activities. In any case, the delegations of the Group D countries and Mongolia were opposed to any increase in the UNCTAD budget as a result of the conclusions of the sixth session of the Conference.

20. Mr. STITT (United Kingdom) said that, although his delegation had voted for the draft resolution, it considered that operative paragraph 1 should not be interpreted as calling into question the non-discriminatory treatment accorded by IMF to all its members under its Articles of Agreement and operating procedures.

21. Mr. CATTANI (Italy) said that, if his delegation had been present during the roll-call vote, it would have voted in favour of the draft resolution.

22. Mr. HELISTRÖM (Sweden), speaking also on behalf of Finland and Norway, said those countries welcomed the positive decision on the subject made by the adoption of the resolution and the precise definition of the terms of reference and the time schedule of the expert group. They fully recognized the special problems faced by the least developed countries and their development assistance policies reflected their concern. While the principle of non-discriminatory treatment should continue to be applied by IMF, that principle could, in their view, be respected in the examination by IMF of various options in pursuance of paragraph 1 of the resolution.

23. Mr. BASKUT (Turkey) said that his delegation had voted in favour of the draft resolution. However, while supporting the proposal in operative paragraph 1 that studies should be made of the Fund's compensatory financing facility, it considered that any special arrangements the Fund established for the benefit of the least developed countries would have to be supplementary to the existing machinery and not affect the interests of other developing countries.

24. Mr. HILL (Australia) said that his delegation was most disappointed that, in spite of great efforts, the search for a consensus on the future handling within UNCTAD of the compensatory financing of export earnings shortfalls, which at one stage had appeared very close, had proved a failure. His country had a wide-ranging involvement in commodity trade and deep convictions regarding the functioning and problems of commodity markets. His delegation believed that Governments had the responsibility to ensure that the actions they took, individually or collectively, did not add additional impediments or distortions to the operation of commodity markets and that such actions were equitable in their effects. Consequently, it had questioned the appropriateness of arrangements for export earnings stabilization which were commodity specific and not related to overall balance-of-payments difficulties. However, it had been prepared to let an expert group undertake a thorough examination of the need for an additional compensatory financing facility, provided it was soundly based and did not prejudge the issue.

25. Unfortunately, however, language had been included in the resolution just adopted which both prejudged the outcome of the work of the proposed expert group and was not fully consistent with the mandate of the existing international institutions in the field of compensatory financing. His delegation had, therefore, had difficulties of principle with the resolution and had found it necessary to abstain. However, bearing those points in mind, it intended to continue its participation in UNCTAD's consideration of the subject.

26. Mr. OQUET (France) said that, while his delegation had voted in favour of the draft resolution, he wished to clarify its position. His Government had always supported the efforts of IMF to improve the compensatory financing facility it had established 20 years previously, but thought that the facility was still capable of improvement. It was along those lines that ways and means should be sought to provide the developing countries with better safeguards against falls in their export earnings, including those from commodities. His Government also considered that, as a matter of priority, an extra effort should be made to help the least developed countries. In that connection, his delegation had maintained from the outset of the Conference that the international community should sponsor the establishment of a facility for those countries along the lines of the Stabex mechanism operating under the Lomé Convention.[56]

27. Mr. YOSHINO (Japan) said that his delegation had voted in favour of the draft resolution, being aware of the importance of the work of the expert group on a complementary facility for commodity-related shortfalls in export earnings and trusting that it would produce a useful report for further consideration of the subject in UNCTAD. It was, however, concerned about the reference in operative paragraph 1 to the establishment of special arrangements within IMF for the benefit of the least developed countries since it was strongly in favour of the IMF principle of according non-discriminatory treatment to all its members. His delegation's support for the resolution was not to be interpreted, therefore, as an agreement to deviate from that fundamental principle of the Fund.

28. Mr. PEREN (New Zealand) said that, since New Zealand was a commodity producer, its Government was very well aware of the consequences for export earnings of the current commodity markets situation. However, the resolution just adopted might usefully have gone further and reflected some additional approaches such as regional or subregional schemes. Moreover, some aspects of paragraphs 1 and 3 were potentially prejudicial to elements of value in the

[56] See footnote 8.

existing IMF facility. Consequently, his delegation had abstained in the voting.

29. Mr. SMITH (Canada) said he regretted that his delegation had had to abstain in the voting on the draft resolution. His Government had long held the view that export earnings stabilization properly fell within the ambit of IMF, which had established a compensatory financing facility for that purpose. Canada, like other members of the Fund, had sought to ensure that the facility operated in such a manner as to compensate export earnings shortfalls promptly, efficiently and on a non-discriminatory basis. Relief of temporary export earnings shortfalls should, in his delegation's view, be extended only on a net balance-of-payments basis, as in the case of the assistance provided by the compensatory financing facility.

30. Over the years, however, the view had developed that there should be additional compensation for developing country commodity exporters on a gross and commodity-specific basis. His Government did not share that view since it considered that such an approach would inject an element of discrimination, build rigidities into commodity markets and discourage necessary structural adjustments. A number of the schemes that had been proposed would constitute an automatic but rather inefficient form of aid. However, since the issues involved were complicated and controversial, it would be useful to have them examined as thoroughly and as professionally as possible by a small, high-calibre and independent group of experts which would determine, first of all, whether there was any need for an additional facility and, if there were, would consider ways and means of responding to that need and thus provide the basis for governmental decisions. Such a study would, of course, have to be conducted without prejudice to any eventual decisions, and it was regrettable that it had not been possible to develop a neutral resolution to that effect which might have been adopted by consensus.

31. His delegation was also concerned about operative paragraph 1, which was not only prejudicial to the study by the expert group but also called upon IMF to introduce an element of discrimination into the operation of its compensatory financing facility, an element which would be inconsistent with the principle of uniformity of treatment. The principle of non-discrimination, which was one of the fundamental precepts of IMF, should not be lightly abandoned, however laudable the general objective of providing assistance to the least developed countries might be.

32. Mr. FRIIS-MOELLER (Denmark) said he associated himself with the statement made by the United Kingdom representative in explanation of vote. He added that his delegation considered there was need for further action with regard to the stabilization of commodity-related export earnings of the developing countries. It also continued to believe that the particular and urgent needs of the least developed countries could be met through arrangements similar to the Stabex scheme under the Lomé Convention.

33. Mrs. SCHOO (Netherlands) and Mr. LAMBSDORFF (Federal Republic of Germany) said that their delegations associated themselves with the explanation of vote given by the representative of the United Kingdom.

34. Mr. REISCH (Austria) said that his delegation had voted for the draft resolution on the understanding that operative paragraph 1 recognized the need for additional arrangements specifically benefiting those developing countries which were critically dependent on the export earnings of a few commodities. Such arrangements should not, however, be incompatible with the principle of the non-discriminatory treatment of members of IMF. It interpreted the wording of operative paragraph 3 regarding the mandate of the expert group as not prejudging the question of the need for, and the nature of, any additional compensatory facility.

Strengthening of the International Trade Centre UNCTAD/GATT, particularly in relation to commodities (TD(VI)/C.1/L.8; TD(VI)/CG/CRP.4)

35. The PRESIDENT said that, on behalf of Group B, a draft resolution on the strengthening of the International Trade Centre UNCTAD/GATT (TD(VI)/C.1/L.8) had been submitted to Committee I. After informal consultations, a new text had been transmitted by a drafting group to the President's high-level contact group and he was informed that that draft resolution (TD(VI)/CG/CRP.4) had the agreement of all parties and that the original draft resolution had been withdrawn by its sponsors. If he heard no objection, therefore, he would take it that the Conference wished to adopt draft resolution TD(VI)/CG/CRP.4 by consensus.

36. *The draft resolution was adopted.*[57]

37. The PRESIDENT said that the Conference had completed its consideration of agenda item 9.

AGENDA ITEM 10

Issues in the area of international trade in goods and services: protectionism and structural adjustment; examination of the impact of the principles, policies and practices in international trade relations taking into account recent developments, including those in other international forums; policies to expand trade and promote development, particularly that of the developing countries (TD(VI)/C.2/L.1 and Add.1, TD(VI)/C.2/L.2, TD(VI)/C.2/L.3; TD/L.258, TD/L.259 and Corr.1).

38. The PRESIDENT said that Committee II had had three draft resolutions or proposals under agenda item 10 submitted to it (TD(VI)/C.2/L.1 and Add.1, TD(VI)/C.2/L.2 and TD(VI)/C.2/L.3) on behalf of the Group of 77, and Group B and Group D respectively. After informal consultations, a text had emerged on protectionism, structural adjustment and the international trading system (TD/L.259 and Corr.1) which was before the Conference. The representative of the United States of America had requested a separate vote on operative paragraphs 20 and 21 of the draft resolution.

[57] For the final text, see Conference resolution 158 (VI).

39. *Operative paragraphs 20 and 21*[58] *of draft resolution TD/L.259 and Corr.1 were adopted by 95 votes to 1, with 1 abstention.*

40. *Draft resolution TD/L.259 and Corr.1 as a whole was adopted.*[59]

41. The PRESIDENT said that, if he heard no objection, he would take it that the Conference wished to adopt the draft decision contained in document TD/L.258 whereby the Trade and Development Board at its twenty-seventh session would establish a work programme on protectionism and structural adjustment, taking into account the resolution which the Conference had just adopted and other proposals that had been under consideration during the session.

42. *The draft decision was adopted.*[60]

43. Mr. STREEB (United States of America), speaking in explanation of his delegation's vote on operative paragraphs 20 and 21 of the draft resolution, said that it agreed with the statement in operative paragraph 19 that international trade in services was an activity requiring further study and understanding. International institutions had an important role to play in promoting such understanding and the United States had been among the strongest proponents of such work. Nevertheless, his delegation had voted against operative paragraphs 20 and 21 because they dealt inadequately with the issue of complementarity between GATT and UNCTAD in the area of services. Throughout the Conference, the Group of 77 had repeatedly taken up the position that GATT had no role in services. In the light of that orientation, his delegation had been unable to associate itself with those paragraphs. However, it did support the other parts of the resolution just adopted, which it regarded as an important contribution to the rejuvenation of world trade and to increased growth and development in the developing countries.

44. Mr. HUSLID (Norway), speaking on behalf of the countries of Group B which had voted in favour of operative paragraphs 20 and 21 of the draft resolution, said that their support for continued work by UNCTAD in the field of services, pursuant to Trade and Development Board decision 250 (XXIV), was without prejudice to their views on the competence of other international organizations in that sector.

45. Speaking on behalf of Group B as a whole, he said that, in connection with operative paragraph 6 (*a*), the Group B countries had agreed to monitor individual measures in other forums. The Group reiterated the view it had expressed during the Conference that the Trade and Development Board should monitor only the general situation and should not involve itself in consideration of the implementation by individual countries of the various commitments contained in the resolution. Recommendations by the Board should, moreover, relate to the general problems of protectionism. That position was in full conformity with the mandate for the annual review of protectionism and structural adjustment prescribed in Conference resolution 131 (V). With regard to section II of the resolution, the Group reiterated the views it had expressed during the Conference that any review or study by the Board should be of a general nature and should not be aimed at establishing a new set of rules for international trade.

46. With regard to the resolution as a whole, he wished to draw attention to the number of positive and constructive elements which it contained, including reconfirmation of undertakings made and understandings reached in the fields of protectionism and of structural adjustment and with regard to the GSP. Furthermore, the resolution underlined the international community's commitment to halt protecitonism and progressively dismantle trade restrictions. Those elements were an illustration of the spirit in which the Group B countries had entered into the discussion of that important agenda item.

47. Mr. DIETZE (German Democratic Republic), speaking on behalf of the Group D countries and Mongolia, said that those countries had supported the draft resolution since it represented a clear reaffirmation of the validity of the basic principles of the trading system, such as most-favoured-nation treatment and non-discrimination. They believed that such a reaffirmation was an important initial step on the road towards building a new international economic order based on greater equity and equality in the participation of all countries. They were prepared to support further efforts in that area by the Trade and Development Board.

48. Mr. PANKIN (Union of Soviet Socialist Republics) asked the secretariat to ensure that the Russian text of operative paragraph 20 of the draft resolution just adopted was amended to bring it into line with the original English text.

49. Mr. OSMAN (Somalia), speaking on behalf of the countries members of the Group of 77 on a point of clarification, said that the work of UNCTAD in the area of services stemmed from General Assembly resolution 1995 (XIX) and the Final Act of the first session of the Conference, as well as from subsequent relevant decisions, including Trade and Development Board decision 250 (XXIV) of 19 March 1982. Furthermore, with regard to paragraph 6 (*a*) of the resolution just adopted, it was the understanding of the Group of 77 that monitoring of the implementation of the resolution by individual countries was in no way excluded.

50. The PRESIDENT said that the Conference had completed its consideration of agenda item 10.

AGENDA ITEM 11

Financial and monetary issues: developments in monetary and financial questions in relation to trade and development, in particular of the developing countries; policies to promote the expansion of all flows of public and private resources and in particular to increase the net flow and improve the conditions of the transfer of resources to developing countries and to facilitate balance-of-payments adjustments

[58] Operative paragraphs 20 and 21 of the draft resolution became paragraphs 22 and 23, respectively, of the final text of Conference resolution 159 (VI).

[59] For the final text, see Conference resolution 159 (VI).

[60] For the final text, see Conference decision 160 (VI).

External debt (TD(VI)/C.3/L.1, TD(VI)/C.3/L.6; TD(VI)/CG/CRP.10)

51. The PRESIDENT said that two draft resolutions on external debt had been tabled in Committee III, by the Group of 77 (TD(VI)/C.3/L.1) and Group B (TD(VI)/C.3/L.6), respectively. Informal consultations held on those draft resolutions had reported directly to the President's high-level contact group and the resultant text, on which there appeared to be general agreement, was before the Conference in document TD(VI)/CG/CRP.10. He pointed out that the first part of operative paragraph 2 of the text should be deleted and the paragraph should start with the words "*Calls upon*". The draft resolutions previously submitted to Committee III had been withdrawn by their sponsors. If he heard no objection, he would take it that the Conference wished to adopt draft resolution TD(VI)/CG/CRP.10, as orally revised, by consensus.

52. *The draft resolution, as orally revised, was adopted.*[61]

53. Mr. HUSLID (Norway), speaking on behalf of the Group B countries, said that he wished to clarify his Group's interpretation of the text of the resolution just adopted. He confirmed that, under paragraphs 2 and 3, the Group B countries were prepared, in cases of acute balance-of-payments difficulties, to consider measures to alleviate the debt service of developing countries on a case-by-case basis, in the context of appropriate multilateral forums, in accordance with the agreed features annexed to Trade and Development Board resolution 222 (XXI) of 17 September 1980. Group B also recognized that all countries might grant ODA debt relief at any time to any borrower. Some of the less advanced Group B countries considered, however, that the factors to be taken into account should include the financial possibilities of the creditor countries, with due respect to the multilateral rescheduling principle of equal treatment between creditors.

54. With regard to paragraph 6, Group B interpreted the text to mean that the object of the consultations of the Secretary-General of UNCTAD with the Chairman of the Paris Club, Governments and relevant international institutions was limited to improving the basis for preparing a report for the purposes of the review of the implementation of resolution 222 (XXI) that was to be carried out by the Trade and Development Board at its twenty-eighth session, and did not consider that the resolution expanded the mandate of UNCTAD in the field of multilateral debt rescheduling operations.

55. In conclusion, he wished to add that the Group B countries considered the competent multilateral institutions mentioned in paragraph 8 to be IMF, the World Bank, OECD and the Bank for International Settlements and that, in the view of most Group B countries, the relevant multilateral institutions referred to in paragraph 9 were IMF and the World Bank.

[61] For the final text, see Conference resolution 161 (VI).

International monetary issues (TD(VI)/C.3/L.2 and Add.1, TD(VI)/C.3/L.7; TD(VI)/CG/CRP.11 and Corr.1 and 2)

56. The PRESIDENT said that two draft resolutions on international monetary issues had been submitted to Committee III on behalf of the Group of 77 (TD(VI)/C.3/L.2 and Add.1) and Group B (TD(VI)/C.3/L.7) respectively. As a result of negotiations, agreement had been reached on a text, which was before the plenary meeting of the Conference in document TD(VI)/CG/CRP.11 and Corr.1 and 2, and the original draft resolutions submitted to Committee III had been withdrawn by their sponsors. If he heard no objection, he would take it that the Conference wished to adopted draft resolution TD(VI)/CRP.11 and Corr.1 and 2 by consensus.

57. *The draft resolution was adopted.*[62]

58. Mr. HUSLID (Norway) speaking on behalf of the Group B countries, said that the Group welcomed the underlying recognition in the resolution just adopted of the interdependence of all countries and the part that both developed and developing countries should play in ensuring sound growth and development and the importance of sustaining a monetary exchange rate system which functioned and evolved in an orderly way. In the last-mentioned area, the role of IMF was central and well delineated.

59. Group B recognized that the Conference had an interest in considering international financial and monetary issues in areas most closely related to trade and development. In the resolution, there were a number of invitations to IMF to take into account particular factors or to make future analyses. The issues involved were highly technical and complex and could be properly pursued only through the detailed knowledge and expertise available within the Fund. Moreover, such invitations had to be interpreted in the light of article IV of the Agreement between the United Nations and the International Monetary Fund.[63] There was a need to respect the Articles of Agreement and the fundamental principles of the Fund, and a common understanding had to be reached that no part of the resolution just adopted was designed either to prejudge decisions that had yet to be taken within the Fund or to reopen decisions and conclusions that had already been reached.

60. It was against that background that operative paragraphs 3, 4, 5, 6, 8 and 14 of the draft resolution[64] should be viewed. It was particularly important to note that paragraphs 3 and 4 on SDR allocations had been drafted with care, and that they in no way prejudiced the outcome of the complex discussions which would be taking place in the IMF Executive Board. While Group B clearly recognized that a financially strong Fund was in the interests of all, it believed that the Conference should not interfere in the methods and time-table for reviewing the quotas of the Fund's member States. That applied equally to the Fund's borrowing arrangements and to its policies and operations.

[62] For the final text, see Conference resolution 162 (VI).

[63] See United Nations, *Treaty Series*, vol. 16, p. 328.

[64] The paragraphs referred to became paragraphs 3, 4, 5, 6-8, 10 and 16 of the final text of resolution 162 (VI).

61. Group B also emphasized the need for the Fund's access policies to strike a proper balance between an empirical forecast of the demands upon it and the current and contingent resources available to it. The Fund's primary concern in its lending policies was to promote adjustment and it was essential, therefore, that supply-side policies be implemented in a sound macroeconomic framework.

62. In conclusion, Group B wished to emphasize that in operative paragraph 10 the phrase "among them factors attributable to external developments" should not be taken as qualifying the Fund's guidelines on conditionality and that similarly, in reference to operative paragraph 6, quotas and access should be determined solely according to the criteria of the Fund.

63. Mr. AKTAN (Turkey) said that, while his delegation supported in general the interpretative statement just made on behalf of the Group B countries, it wished to underline its own interpretation of a point in operative paragraph 10 of the draft resolution just adopted. It was aware of the importance of the principle of uniformity but it believed that factors attributable to external developments were very important in the balance-of-payments adjustments of all countries, particularly the developing ones.

64. Most of the adjustment problems of developing countries were created by a deteriorating external environment to which they were all compelled to adjust in a way which contracted trade flows. In an interdependent world economy, such adjustments inevitably contributed to a further deepening of a recession. International economic management should, therefore, take into account both the impact of external developments, such as the recession in the developed countries, on the balance of payments of the developing countries and the cumulative impact of individual domestic adjustment programmes on the world economy. Only such a counter-cyclical approach to recessionary or, indeed, expansionary developments in the external environment could ensure sustained global growth and development.

International export credit guarantee facility (TD(VI)/C.3/L.5; TD(VI)/CG/CRP.2)

65. The PRESIDENT said that, on behalf of the Group of 77 a draft resolution on an export credit guarantee facility (TD(VI)/C.3/L.5) had been submitted to Committee III. As a result of negotiations, a draft decision had emerged which was before the plenary meeting of the Conference in document TD(VI)/CG/CRP.12, and the original draft resolution had been withdrawn by its sponsors. If he heard no objection, he would take it that the Conference wished to adopt draft decision TD(VI)/CG/CRP.12 by consensus.

66. *The draft decision was adopted.*[65]

67. Mr. STREEB (United States of America) said that his Government did not think there was any need for an international mechanism to refinance export credits extended by developing countries. Consequently, it did not interpret the resolution just adopted as being an endorsement of any kind.

Official development assistance (TD(VI)/C.3/L.3, TD(VI)/C.3/L.4; TD(VI)/CG/CRP.14/Rev.1)

68. The PRESIDENT said that two draft resolutions had been submitted to Committee III on ODA, on behalf of the Group of 77 (TD(VI)/C.3/L.3) and Group B (TD(VI)/C.3/L.4) respectively. A further draft resolution (TD(VI)/CG/CRP.14/Rev.1), on which there appeared to be general agreement, had been prepared by a drafting group and submitted to the high-level contact group of the President. The earlier draft resolutions had accordingly been withdrawn by their sponsors.

69. Mr. SOKOYA (Nigeria), speaking on behalf of the Chairman of Committee III, said that operative paragraph 2 of the draft resolution before the plenary meeting of the Conference should end with the words "as soon as possible thereafter." Operative paragraph 3 should begin with the words "*Recognizes also* that:" and be followed by the subparagraphs (*a*) to (*f*) inclusive currently appearing in operative paragraph 2; the original operative paragraph 3 should be renumbered accordingly.

70. The PRESIDENT said that, if he heard no objection, he would take it that the Conference wished to adopt draft resolution TD(VI)/CG/CRP.14/Rev.1, as orally revised, by consensus.

71. *The draft resolution, as orally revised, was adopted.*[66]

72. Mr. HUSLID (Norway), speaking on behalf of the Group B countries, said that he had an interpretative statement to make on the resolution just adopted. The Group warmly welcomed the adoption by consensus of that resolution, which represented an important reaffirmation of political will on one of the major issues before the Conference. On the basis of the resolution, redoubled efforts would be made to increase ODA both by the Group B countries which accepted the 0.7 per cent target and by those which, while not accepting the target, were nevertheless committed to expanding their assistance. He recalled that, when the International Development Strategy for the Third United Nations Development Decade had been adopted in 1980, a number of Group B countries had been able to commit themselves fully both to the 0.7 per cent and 1 per cent target and to the time-frame for their achievement. Some members of the Group had regretted that it had not been possible to achieve a consensus on an even firmer commitment. Others had taken the view that the text, as it stood, defined the full scope of their commitments. Yet others had felt it necessary to enter reservations or explain their interpretation with regard to the targets and time-frames, and some countries members of Group B had indicated at the time that progress towards the 0.7 per cent target would be made as economic circumstances permitted. Those positions remained valid as the basis for the efforts of the Group B countries in years to come. Lastly, it should be recalled that a very small number of Group B countries, which were not members of DAC, while making their best efforts to increase development assistance, had not yet

[65] For the final text, see Conference resolution 163 (VI).

[66] For the final text, see Conference resolution 164 (VI).

reached the level of development where they could be expected to assume commitments to ODA targets.

73. Since the adoption of the International Development Strategy for the Third United Nations Development Decade, progress towards the 0.7 per cent target had been maintained. Some countries had continued to surpass that target and a few donor countries had exceeded the 1 per cent target. On average, the DAC countries taken together had managed to augment their ODA by about 5 per cent per annum in real terms. Those developments had taken place in spite of the difficult financial circumstances of recent years. It might be expected that, as international recovery proceeded, the Group B countries would make further progress in increasing their ODA.

74. Finally, in connection with paragraph 2 of the resolution, on assistance to the least developed countries, reference should be made to the statements of interpretation that had been delivered by members of Group B in the discussion on agenda item 12 (TD/SR.199, paras. 21-27).

75. Mr. DIETZE (German Democratic Republic), speaking on behalf of the Group D countries, said that the socialist countries of his Group provided substantial economic and technical assistance to the developing countries and it was their firm intention to continue to do so. Official information on the subject had been presented by several of them at the Conference. The position of the socialist countries with regard to fixed targets as a percentage of GNP was well known and had been reconfirmed on the occasion of the adoption of the International Development Strategy for the United Nations Development Decade and the Substantial New Programme of Action for the 1980s for the Least Developed Countries. In accordance with that decision, the socialist countries did not feel obliged to provide information in the context of fulfilment of the ODA target.

76. Furthermore, Group D was convinced that ODA could be properly assessed only within the context of overall resource flows, which took account of both inflows to and outflows from the developing countries. Consequently, the Group regretted that its proposal to include the monitoring and review of financial outflows from developing countries had not been accepted in the resolution that had just been adopted. The Group D countries hoped that the Committee on Invisibles and Financing Related to Trade would, after the conclusion of the Conference, take steps to examine the outflow of resources from developing countries.

Multilateral development institutions (TD(VI)/C.3/L.2 and Add.1; TD(VI)/CG/CRP.15 and Corr.1)

77. The PRESIDENT recalled that a draft resolution on multilateral financial institutions and international monetary reform, submitted by the Group of 77, had been introduced in Committee III (TD(VI)/C.3/L.2 and Add.1). Some of its provisions had been dealt with by the Conference through the adoption of draft resolution TD(VI)/CG/CRP.11 and Corr.1 and 2 on international monetary issues. A drafting group had submitted to the high-level contact group of the President a further draft, on multilateral development institutions, which was currently before the plenary meeting of the Conference (TD(VI)/CG/CRP.15 and Corr.1). Draft resolution TD(VI)/C.3/L.2 and Add.1 had accordingly been withdrawn by its sponsors. If he heard no objection, he would take it that the Conference wished to adopt by consensus draft resolution TD(VI)/CG/CRP.15 and Corr.1.

78. *The draft resolution was adopted.*[67]

79. The PRESIDENT said that the Conference had completed its consideration of all the draft resolutions submitted in connection with agenda item 11.

80. Mr. OSMAN (Somalia), speaking on behalf of the countries members of the Group of 77, said that the Group had reached an agreement with Group B that the draft resolutions on the issues covered by agenda item 11 should be limited to a restatement of earlier positions. Accordingly, the texts of the resolutions negotiated and agreed upon had taken account of the positions of individual countries and groups of countries. The Group of 77 had thus been much surprised at the tone and content of some of the statements made by certain Group B countries. It continued to believe that the texts agreed upon by consensus themselves reflected the positions of the international community on the subjects with which they dealt. The Group of 77 could not, therefore, accept reservations or interpretative statements aimed at further diluting or weakening texts which had earlier been negotiated in good faith with Group B.

Direct foreign investment

81. Mr. HUSLID (Norway), speaking on behalf of the Group B countries, said that the Group had noted with interest that the Group of 77 had recognized in the Buenos Aires Platform that direct private foreign investment represented a significant contribution to development and to the strengthening of the national capacities of the developing countries. Group B shared that recognition of the positive contribution which direct foreign investment could make for the mutual benefit of both host and capital-exporting countries, as had also been noted in the report of the Secretary-General of UNCTAD to the Conference (TD/271). The Group B countries had therefore welcomed the opportunity for an exchange of views on the subject with other regional groups during the discussions in Committee III on the transfer of resources. The Group considered it important to recall that the International Development Strategy for the Third United Nations Development Decade had urged (paragraph 110) that "developing countries interested in foreign direct investment should make efforts to create and maintain a favourable investment climate in the framework of their national plans and policies". The Group had also stressed the relevance and importance of general economic policies conducive to such a climate.

82. In the belief that there was sufficient common ground for reaching a consensus resolution on the recognition of the significant contribution of direct foreign investment and on useful ways and means to

[67] For the final text, see Conference resolution 165 (VI).

promote its contribution, Group B had submitted a draft proposal on the subject (TD(VI)/C.3/L.4), but unfortunately it had not been possible to devote sufficient time to the subject to reach agreement during the Conference. The Group B countries hoped, however, that the serious and constructive discussion which had begun would be pursued in the appropriate forum of UNCTAD.

83. The PRESIDENT said that the Conference had completed its consideration of agenda item 11.

AGENDA ITEM 8

The world economic situation with special emphasis on development: approaches to the current world economic crisis and perspectives for the 1980s, including issues, policies and measures relevant to the attainment of a new international economic order (*concluded*)*

Report of the working group on agenda item 8 (TD/L.222, TD/L.223, TD/L.230 and TD/L.260)

84. Mr. DADZIE (Ghana), Chairman of the working group on agenda item 8, introducing the working group's report (TD/L.260), recalled that he had submitted a progress report at the 197th plenary meeting of the Conference. Since that time, the Group had worked by means of intensive informal consultations involving the representatives of the Group of 77, Group B, Group D and China. Those consultations had been far from easy, but they had led to agreement on the text of a statement concerning the item, which appeared as an annex to the working group's report and which it recommended for adoption by the Conference.

85. The annex included an analysis of the world economic situation, with special reference to the impact of the world economic crisis on the developing countries; the conclusions following from that analysis and the need for concerted and convergent actions, both short-term and long-term, designed to address the revitalization of the world economy and the reactivation of development in the developing countries, and finally, in its paragraph 12, the programme of measures emanating from the work of the various committees and subsidiary bodies of the Conference, which would need to be completed in due course. In that connection, he pointed out that the draft decision on an international export credit guarantee facility (TD(VI)/CG/CRP.12), which had just been adopted (see paragraph 66 above), had been inadvertently omitted from the list.

86. Owing to lack of time, the working group had been unable to consider the question of an international conference on money and finance for development or the draft resolution concerning the consultation mechanism (TD/L.222) or to make specific arrangements for following up the measures set out in paragraph 12 of the annex to the report. Nevertheless, procedures existed in UNCTAD which would allow that matter to be considered by the Trade and Development Board at its next session in the light of Conference resolutions 90 (IV) and 114 (V).

87. In conclusion, he expressed his gratitude to all those, whether members of delegations or of the secretariat, who had assisted the working group in its labours.

88. The PRESIDENT said that if he heard no objection, he would take it that the Conference wished to adopt the report of the working group on agenda item 8 with the statement annexed thereto (TD/L.260).

89. *It was so decided.*

90. Mr. STREEB (United States of America) said he regretted that his delegation had to dissociate itself from the statement annexed to the report of the working group, although it had participated actively in the discussions leading to its drafting. It did so because it considered that the text was too negative, too one-sided and, in places, too ideological to be acceptable.

91. His Government had expressed its views on the world economic situation in recent declarations of the OECD ministerial meeting and the Williamsburg summit meeting. While it had no illusions about the economic problems the world continued to face, it was also convinced that economic recovery was under way and that there was an opportunity to build on that recovery and strengthen mutual confidence and determination to achieve sustained, non-inflationary growth and development for all countries.

92. His Government supported the common effort being made in UNCTAD to shape shared views of the world economic situation and looked forward to participating actively in future discussions of the world economy in UNCTAD and in other organizations.

93. Mr. CHANNON (United Kingdom), speaking also on behalf of the delegations of the Federal Republic of Germany and Japan, said that those delegations had some reservations concerning the statement annexed to the working group's report. They had participated actively in the discussions in a spirit of co-operation and compromise and had hoped that the Conference would have been able to reach agreement on a common analysis of the international economic situation and a common approach to the transition to sustained economic growth in an interdependent world. It was regrettable that differing perspectives and lack of time had made it impossible to reach full agreement, despite sincere efforts on both sides.

94. The Governments of the Federal Republic of Germany, Japan and the United Kingdom subscribed to the view of the world economic situation recently expressed in the declarations of the OECD ministerial meeting and the Williamsburg summit meeting, and there were significant differences between that view and the analysis in the statement. That was hardly surprising since, at a time of rapid transition from crisis to the beginnings of economic recovery, perceptions of the world economic situation were bound to differ. The delegations on whose behalf he was speaking were encouraged that, despite their differences, all the participants in the sixth session of the Conference agreed on a number of themes, particularly interdependence and the special needs of the poorest countries.

* Resumed from the 197th plenary meeting.

95. Mrs. SCHOO (Netherlands) said that she wished to explain her delegation's position on the statement annexed to the working group's report, with particular reference to paragraph 2. The results of the session were not living up to expectations, notwithstanding the fact that both developed and developing countries realized that results were needed. Everyone agreed on the notion of interdependence, but as soon as attempts were made to translate it into action, difficulties arose. That deadlock had to be broken since immediate and specific action was required, particularly for the benefit of the least developed countries and other countries in difficulty. Her Government had thus endeavoured during the session to organize an action programme geared to the immediate needs of such countries. Her delegation had received many valuable suggestions and encouraging reactions and it was determined to continue its efforts to put together a comprehensive package which would enable the international community to provide additional and speedy assistance.

96. Mr. FRIIS-MOELLER (Denmark) said that his delegation had been able to join in the consensus on the statement annexed to the working group's report (TD/L.260) as constituting a valuable input into the continuing search for a common understanding of the world economic situation and for solutions to the problems faced by all countries. Nevertheless, the text contained several assessments and formulations to which his delegation could not subscribe. It would have liked the statement to have contained a resolve to pursue individually and collectively measures that would serve to sustain the emerging economic recovery and to reactivate development in the developing countries. It hoped, however, that the statement would help to lay the foundations for a concerted effort to those ends.

97. Mr. HILL (Australia) said that his delegation had difficulty in associating itself with all aspects of the statement. Fine judgements were involved in an assessment of the current and prospective international economic situation, and his delegation felt that UNCTAD had a special responsibility for any signals it conveyed to the world concerning remedial courses of action. Like several of the preceding speakers, he regretted that differing views and lack of time had not made it possible to achieve full agreement in spite of sincere efforts on both sides.

98. Mr. PEREN (New Zealand) said that, while his delegation welcomed the statement on agenda item 8, it was disappointed that it had not proved possible for the Conference to reach a more constructive outcome. The interrelated themes of item 8 provided a unique opportunity to emphasize the importance of ensuring that institutional and other arrangements were adapted to the realities and demands of the highly interdependent world economy of the 1980s and beyond. In particular, the opportunity had been missed to provide a political impetus for a comprehensive examination of the interrelated issues in the fields of trade, payments and development that would constitute a basis for a new conference of the Bretton Woods type. His delegation's concern extended to other related areas of the Conference agenda. Political support by the Conference for movement in the direction outlined by the Prime Minister of New Zealand in the general debate[68] and by the leaders of a number of other delegations would have significantly increased confidence in the future of the world economy.

99. Mr. ROETHLISBERGER (Switzerland) said that his delegation regretted that, on such an important topic, it had not been possible to work out a text with a substantive content completely acceptable to all. It had not had enough time to make a systematic analysis of the statement that had just been circulated but, at first sight, it appeared that there were several elements of the text on the world economic situation which were not in keeping with the views of his delegation.

100. Mr. ELLIOTT (Belgium) said that, in a spirit of compromise, his delegation had joined in the consensus on the statement annexed to the working group's report, although the text was not what it would have wished. The statement could have given a new tone to the Conference. In particular, after a more balanced analysis of the economic situation, it might have stressed the need for international action, based on varying but combined and convergent efforts on the part of all countries, both developed and developing, animated by a recognition of their common interests and the will to revitalize the world economy and accelerate the development of the third world countries.

101. The PRESIDENT said that the Conference had completed its consideration of agenda item 8.

AGENDA ITEM 14

Other business (*concluded*)

Review of the calendar of meetings (TD/L.247)

102. The PRESIDENT said that, at its twenty-sixth session, the Trade and Development Board had adopted a revised calendar of meetings for the remainder of 1983, subject to review in the light of decisions and recommendations of the Conference. If he heard no objection, he would take it that the Conference wished to adopt the secretariat note on the subject contained in document TD/L.247.

103. *It was so decided.*[69]

Financial implications of the actions of the Conference

104. The PRESIDENT said that the Conference had noted the statements of financial implications of the decisions which it had adopted.

Expression of gratitude to the Government and peoples of the host country (TD/L.253)

105. The PRESIDENT said that the Conference had before it a draft resolution expressing gratitude to the Government and peoples of the Socialist Federal Republic of Yugoslavia (TD/L.253). The draft resolution was sponsored by Somalia, on behalf of the States members of the Group of 77, by Norway, on behalf of

[68] See part one, section A.1, above.

[69] Conference decision 166 (VI).

the States members of Group B, by the German Democratic Republic, on behalf of the States members of Group D, and by China. He presumed that the Conference wished to adopt that draft resolution by acclamation.

106. *The draft resolution was adopted.*[70]

AGENDA ITEM 15

Adoption of the report of the Conference to the General Assembly (TD/L.239 and Corr.1)

107. Mr. MARTINEZ (Argentina), Rapporteur, introducing the draft report (TD/L.239 and Corr.1), said that it covered the plenary meetings up to the 198th. In accordance with a decision by the Conference, its structure and format were similar to those of the reports of the fourth and fifth sessions of the Conference. The statements made at the last meeting concerning the adoption of resolutions and decisions would be fully reflected in the final report, in which connection he would be grateful if delegations would transmit of the secretariat the texts of their statements and any comments they might have on the translation of the documents distributed. With the permission of the Conference, he would also include in the final report complete references to the documentation.

108. The PRESIDENT said that the report would be divided into three parts; part one would contain the text of resolutions and decisions and references to the observations or reservations made by delegations at the time of their adoption and would form part of the final report prepared after the session had ended. Part two would contain a summary account of the proceedings which would, according to practice, be completed by an account of the proceedings of the current meeting. Part three, dealing with organizational and procedural matters, would be completed as necessary after the closure of the session. If he heard no objection, he would take it that the Conference wished to adopt parts two and three of the draft report (TD/L.239 and Corr.1) in their entirety.

109. *It was so decided.*

110. The PRESIDENT said that if he heard no objection, he would take it that the Conference wished to adopt the draft report as a whole and authorize the Rapporteur, following the usual procedures, to complete it after the closure of the session.

111. *It was so decided.*

112. Mr. TAVAKOL (Islamic Republic of Iran) said that it was his delegation's understanding that part three of the report had been adopted in conjunction with the corrigendum to that part (TD/L.239/Corr.1).

113. The PRESIDENT confirmed that such was the case.

Closure of the session

114. The PRESIDENT said that the outcome of the sixth session of the Conference would be carefully assessed by all the delegations and regional groups. Despite many differences and difficulties during its work, an atmosphere of mutual respect and constructive efforts had prevailed. The session would also be assessed by world public opinion, especially in the developing countries: the impressive participation of statesmen from all over the world was in itself evidence of the great importance of the issues discussed and of the great hopes placed in the Conference. The results had not been commensurate with the gravity of the international economic situation and the challenges emanating from it, particularly in the most important economic areas. The fact that the sixth session of the Conference had been held in a very complex global political and economic situation had been an additional obstacle.

115. Nevertheless, after strenuous work and tremendous efforts, a number of agreements had been achieved in areas such as commodities, trade, money and finance, assistance to the least developed among the developing countries, technology, shipping, and the role of UNCTAD in economic relations among the developing countries. There had been a broad convergence of views on many aspects of those issues. If the Conference had not been able to provide solutions to all the urgent problems, it had preserved the constructive atmosphere of dialogue and kept the door open for further initiatives and efforts in the complex North-South relationship. The prevailing unjustified economic and financial relationships in the world could not be changed overnight, by one international conference, or, indeed, by any international forum. It was a continuous process which, he was confident, would inevitably end in a historic change.

116. UNCTAD should continue to deal with all unresolved questions as part of its regular activities, with the aim of reaching agreements conducive to the recovery and sustained development of the developing countries in particular. Irrespective of the evaluation of the outcome of the session on specific issues, he was encouraged by the fact that the perception of interdependence, as the reality of the contemporary world, was greater than ever and hence that development, as a global problem, was the common responsibility of the international community as a whole. The achievement of that objective would require fundamental changes in the approaches to the issues as well as in the system of international economic relations, and in that task UNCTAD would continue to play an essential role.

117. He also wished to emphasize that the successful outcome of such efforts would have a favourable impact on international political relations as a whole, since efforts in the economic sphere were an integral part of the endeavour to strengthen peace and security in the world.

118. He would like to include as an achievement of the session the signing of the Agreement Establishing the Common Fund for Commodities by 16 more countries and the decision of the Governments of six member countries to ratify that Agreement. That was directly attributable to the good atmosphere prevailing in the general debate, and he hoped it would lead to the Agree-

[70] For the final text, see Conference resolution 167 (VI).

ment entering into force and the Fund beginning to operate early in 1984.

119. In conclusion, he expressed his sincere gratitude to all those who had participated in the strenuous negotiating process, particularly the Ministers from all parts of the world who had attended the final stage of the session and assisted in the delicate phase of negotiations on some important issues. He also thanked the Secretary-General of UNCTAD and his staff for their dedication and competence and the Yugoslav and international press for their regular coverage of the work of the Conference.

120. Mr. OSMAN (Somalia), speaking on behalf of the countries members of the Group of 77, said that the Group regarded the sixth session of the United Nations Conference on Trade and Development as a historic occasion. The session had been held at a time when the world economy was in the throes of the deepest crisis since the Great Depression of the 1930s. The crisis had had the most devastating impact on the developing countries, particularly the least developed among them. In many of those countries, the development process had come to a halt, past achievements had been seriously impaired and the prospects of growth had been undermined. The crisis had dealt a severe blow to international economic co-operation, which had been at its lowest ebb during the preceding few years. Finally, it had dramatically demonstrated the inherent inadequacies, limitations and structural deficiencies of the institutional framework governing international economic relations.

121. Against that backdrop, the session had provided a unique opportunity to discuss in an interrelated way the whole gamut of issues relating to the current crisis and to agree on a set of concrete and convergent measures which could contribute to the recovery of the world economy and to the reactivation of the development of the developing countries.

122. The thorough and painstaking preparations that the Group of 77 had made for the session had won wide acclaim. It had formulated its position in the Buenos Aires Platform, which had become known to the developed countries more than two months before the session began. It had adopted a highly selective approach in formulating its position and, for the first time in the history of UNCTAD, it had made its proposals in the areas of critical importance to developing countries in the form of draft resolutions. The Platform contained both immediate measures to bring relief to the developing countries and contribute to world recovery and the reactivation of development, and suggestions for the restructuring of the world economic system and relations needed for the establishment of the new international economic order. Finally, from Buenos Aires, the Group of 77 had issued a call to the developed countries for consensus, dialogue and co-operation, with a view to entering into meaningful negotiations with them in order to make the sixth session of the Conference a success.

123. In spite of all that, the developed countries had not responded to the Group's resolutions until the session was more than half over. And when they did respond, they had shown no willingness to make any advance on their previous positions. In several respects, they had even backed away from the commitments they had entered into earlier. They had also tried to impose parallel obligations on developing countries, ignoring the fundamental asymmetry in the positions of the developed and developing countries. As the Conference was aware, he had spoken at the 196th plenary meeting on behalf of the Group of 77, to express its deep concern at the absolute lack of progress up to that time in the negotiations at the session and had appealed to the developed countries to negotiate seriously and meaningfully during the remainder of the session.

124. As the session had been held at a very critical juncture in the world economy, it had naturally aroused great expectations. The developing countries had expected to reach agreement at the session on a minimum programme of immediate measures to meet the challenge facing the world economy.

125. First of all, they had wanted the Conference to facilitate an increased flow of resources, in real terms, to the developing countries in order to satisfy their critical development requirements.

126. Secondly, they had expected the Conference to pave the way for an injection of a substantial amount of liquidity into the economies of the developing countries so as to put them back on the rails and rejuvenate their development.

127. Thirdly, they had hoped that the Conference would adopt a set of measures leading to an expansion in the access of the exports of developing countries to the markets of the developed countries. That was the only way in which a large number of developing countries could find a way out of their current grave debt problems.

128. Fourthly, they had thought it would be possible to initiate measures which would prevent the repetition of their experience during the preceding two years when commodity prices had virtually collapsed, upsetting the development programmes and prospects of a large number of developing countries.

129. Fifthly, they had thought that a start could be made towards setting in motion the long-awaited changes in the international economic institutions in order to make them just and equitable and supportive of development.

130. Lastly, they had expected that the session would mark a first step towards bringing about, within the framework of a well-conceived programme, structural changes in the economies of the developed countries, particularly in sectors where protectionism against the imports from developing countries had been rife for so many years.

131. The Group of 77 had to place on record its deep disappointment with the meagre results achieved by the Conference at its sixth session. The Group felt that the Conference had largely failed to live up to the expectations of the international community. It had missed a historic opportunity to contribute meaningfully to world development and recovery. The responsibility for that result rested squarely with the developed countries. The resolutions that had been adopted did not add up to a worthwhile programme of immediate

measures such as the Group had hoped the Conference would adopt. By and large, they marked only a slight advance over the positions that had been reached at the earlier sessions of the Conference. The Group had had, in fact, to struggle hard even to maintain those positions and, in spite of its efforts, it seemed to have slipped downhill in a few areas.

132. In the field of commodities, it had mainly been a question of restating previously held positions; there had been a few advances, but they were chiefly of a marginal nature. In the field of trade, there had been some modest steps towards getting a firmer commitment on a standstill on protectionism and some commitments of a general nature on the roll-back of existing protectionist measures and on structural adjustment. There had been no agreement, however, on a time-frame for implementing the agreed measures nor on effective monitoring of their implementation. In the field of money and finance, some advances of a conceptual nature had been made. That was the area in which the need was most critical, and the one in which the performance of the Conference had been most niggardly.

133. In spite of the disappointing outcome, the Group of 77 had decided to accept the package constituting the resolutions adopted during the current plenary meeting. It had done so because it felt that the spirit of international co-operation was currently so frail that it would not have been able to survive the setback that would have inevitably followed had the session ended in total failure. The Group had decided to try to preserve and nurture the spirit of international co-operation.

134. It had decided, therefore, to accept whatever emerged from the sixth session of the Conference and to build upon that foundation in the forthcoming negotiations within the continuing machinery of UNCTAD and the other forums available to it. In so doing, the Group would continue to be guided and inspired by the Buenos Aires spirit of dialogue and consensus, and it wished to reiterate its determination to co-operate with the developed countries in the common interests of mankind.

135. At the same time, the Group must preserve its unity and cohesion at all costs and by every conceivable means. Nothing would contribute more to the maintenance and strengthening of such unity than the intensification of co-operation among the members of the Group, and it would persevere in that path with renewed vigour and added determination. The forthcoming years would be crucial in that respect.

136. At Buenos Aires, the Ministers of the Group of 77 had requested the Group to take the necessary initiatives without delay, in the relevant organizations of the United Nations system, for the implementation of the decision of the Seventh Conference of Heads of State or Government of Non-Aligned Countries at New Delhi to overcome the remaining hurdles to the launching of global negotiations by providing a fresh political impetus for that purpose, and also to make concurrent efforts to secure the implementation of a programme of immediate measures in favour of the developing countries in areas of critical importance to them, including the convening of an international conference on money and finance for development. At the current session of the Conference, members of the Group of 77 had actively pursued the idea of launching the global negotiations and of convening such a conference, thus helping to widen recognition of the need for a comprehensive reform of the international monetary and financial system and for the effective representation of all interests in future discussions and consultations on the subject. The Group believed that the international community should vigorously pursue the preparatory process for the proposed conference and was determined to make its own contribution in that regard. It was also resolved actively to pursue during the coming months the objective of overcoming the remaining hurdles to the launching of global negotiations.

137. The Group of 77 would also like to reiterate the great importance it attached to UNCTAD as an institution for conducting continuing and comprehensive dialogue in the related fields of commodities, trade, money and finance, and development, and for the adoption and implementation of appropriate policies and measures in those fields. During the following year or two, when the major preoccupation of the international community was going to be world development and recovery, UNCTAD had a key role to play, and everything possible should be done to equip and strengthen it to discharge its functions effectively. As a first step in that direction, the Group of 77 called for the convening in 1984 of a special session of the Trade and Development Board at the ministerial level. A major task of that session should be to review the package of resolutions adopted at the sixth session of the Conference with a view to broadening the consensus on the Buenos Aires Platform and endowing the package with greater substantive content and operational significance.

138. The curtain was about to be lowered on the sixth session of the Conference. In spite of its inability to live up to the expectations of the international community, it would be remembered as an important event in the field of international economic co-operation. A large part of the credit for that was due to the President of the Conference for the tireless efforts he had made. He had displayed the greatest possible competence and patience and his masterly command of the matters under discussion, as well as his undoubted diplomatic ability and skill, had helped in the resolution of the intricate issues with which the Conference had been faced.

139. The Group was leaving Belgrade with a renewed and even firmer determination to pursue the path of co-operation. The long-term objective was the establishment of a new international economic order based on equity and justice. It would be an arduous and long-drawn-out task, even in the best of circumstances. The session had been yet another step in the march forward. The Group's immediate objective was to help to bring the world economy back on to the road to recovery and to reactivate the development of the developing countries. It would spare no efforts and deploy all the means and resources at its disposal, among which its unity and cohesion took the pride of

place, to achieve both its immediate and long-term objectives.

140. Mr. HUSLID (Norway), speaking on behalf of the Group B countries, said that his Group, too, had come to the session in a spirit of co-operation and understanding to try to reach solutions to the common problems facing the world economy, and in particular, the economic problems of the developing countries.

141. Throughout the Conference, the Group had worked hard, together with the members of other groups, to attain that goal, and he did not intend to take up the somewhat critical remarks made in that connection by the spokesman of the Group of 77. The members of Group B were pleased—as no doubt everyone was—at the concrete results achieved at the sixth session of the Conference, which would form the basis for further work in UNCTAD in the years to come. Almost 30 resolutions had been adopted, covering more or less the whole area of international economic co-operation for development.

142. No doubt more extensive results could have been hoped for but, bearing in mind the economic background to the session, he thought that a certain satisfaction was permissible and he did not think that the word "failure" was warranted.

143. Mr. DIETZE (German Democratic Republic), speaking on behalf of the Group D countries and Mongolia, said that their delegations had come to Belgrade with a clear-cut mandate from their Governments. Their mandate had been intended to make it possible for the Conference to be instrumental in improving the tense international situation, normalizing the complicated pattern of international economic relations and settling the difficult economic problems of the developing countries.

144. The sixth session of the Conference had achieved certain positive results, and the socialist countries had made their contribution to that end. At the same time, it was clear that no breakthrough had been made in the key issues of money and finance, trade, or commodities. It was common knowledge why the adoption of urgently needed concrete decisions and measures in those fields had been delayed.

145. At the current juncture, it was necessary to realize that neither effective immediate measures nor longer-term changes in international economic relations could be brought about unless decisions on the democratic restructuring of international economic relations and on the establishment of a new international economic order were implemented. Like the developing countries, his Group looked for a proper response from all countries to those decisions which had been adopted by the overwhelming majority of the States Members of the United Nations. The socialist countries upheld their pledge to contribute towards the implementation of the Charter of Economic Rights and Duties of States and the establishment of a new international economic order. The development of their relations with the developing countries was ample proof of that.

146. The statements made by the heads of delegation of the socialist countries at the session, as well as the documents submitted both in the plenary meeting and to the organs of the Conference, had contained a detailed analysis of the current situation in the world, concrete proposals for the solution of contemporary problems connected with international economic relations, and information regarding the contribution of the socialist States to international economic co-operation and to the activities of UNCTAD.

147. In that connection, he wished to state that it was not the socialist countries which had changed their policy, introduced trade-related sanctions, stopped negotiations or cancelled contracts. It was not the socialist countries which had imposed protectionist measures and embargoes or used their economic relations for political purposes. The socialist countries fully supported the relevant decisions of the New Delhi non-aligned summit conference and of the Buenos Aires *Platform aimed at establishing economic relations* on an equitable and democratic basis.

148. In the interests of future economic relations, Group D wished to declare that it would serve the cause of peace, stability in international affairs and development if confidence in international economic relations were restored; if established international trading principles were fully implemented by all States in mutual relations; if all States declared their readiness to eliminate protectionism, discrimination and abuse of economic relations for political purposes; and if not only the socialist States and developing countries but all States opted for a halt to the arms race and allocations of the funds thus released to ensuring economic prosperity for all peoples.

149. The Group D countries were in favour of solving the burning economic global and regional problems which faced all countries. The difficulties currently encountered, in particular by the developing countries, made it imperative to devote every effort to the relaxation of tension and required action by each and every State member of UNCTAD. The socialist States were willing to play their part. The joint statement by participants in the meeting of Party and State leaders of the socialist countries made on 28 June 1983, which had been circulated as a document of the Conference (TD/322), contained some concrete proposals which, if implemented by all the countries concerned, would lead to a fundamental improvement in international relations and in the state of the world economy.

150. In the conviction that only joint and concerted action by all groups of countries could facilitate the successful solution of international economic problems, the Group D countries thus urged all those involved in world trade and international economic relations to do their utmost to broaden and intensify their economic, scientific and technical co-operation with all interested countries and to strengthen UNCTAD activities so that constructive co-operation could continue.

151. Mr. LI Ke (China) said that, at a time when the world economic situation was facing extreme difficulties and the North-South dialogue was in a state of stalemate, the delegates of over a hundred countries had come together to engage in a serious exchange of views on the various fundamental questions facing the international economy and, more particularly, on the problems of the developing countries. Such an exchange

would undoubtedly contribute to an understanding of each other's positions and had provided favourable conditions for all parties to continue the search for ways and means to settle outstanding issues.

152. His delegation had noted that the Conference has adopted a statement (TD/L.260, annex) on the world economic situation, which proposed the transformation of the international economic system and structure and the attainment of the new international economic order. The statement had further proposed the implementation of a set of interrelated international economic policies on commodities, trade, finance and money, and development. In the resolutions adopted by the Conference, both North and South had expressed their willingness to promote the early entry into force and implementation of the Agreement Establishing the Common Fund for Commodities. Other resolutions had urged the international community and all the developed countries to implement completely and effectively the Substantial New Programme of Action for the 1980s for the Least Developed Countries. In shipping and various other areas, there had also been some progress.

153. His delegation had noted with satisfaction that, for the first time since the convening of the fifth session of the Conference, a consensus had been reached on a resolution on economic co-operation among developing countries and multilateral international institutions, and the developed countries had been requested to support the developing countries in the implementation of co-operative projects. It set great store by the resolutions on economic co-operation among developing countries, as the representative of China had stated in the general debate, at the 180th plenary meeting.[71]

154. However, the results achieved by the Conference at its sixth session had been very limited. On the key issues of trade, commodities, finance and money, there had not been the necessary progress. His own delegation, like the majority of the participating delegations, was highly dissatisfied with that state of affairs. The resolution of those issues would hasten the economic development of the developing countries and was vital for the revitalization of the world economy. It would also constitute a concrete step towards the establishment of a new international economic order. Yet, it was precisely in those crucial areas that the developed countries had lacked the necessary political will. Certain major developed countries had maintained an inflexible attitude and, relying on their own economic strength, had sought to protect their narrow, vested interests. They had insisted on maintaining existing international economic relations, and had refused to adopt substantive measures to adapt to the changing situation. Such short-sighted policies ran counter to the trend of the times and were not in their own best interests. However, his delegation had also noted that some other developed countries were adopting relatively wise policies and had expressed sympathy with the reasonable demands of the developing countries. To those countries, it expressed its appreciation.

155. His delegation believed that the various resolutions adopted by the Conference should be effectively implemented. With regard to the issues unresolved by the session, it hoped that all the developed countries, and particularly the major economic Powers, would adopt an attitude of co-operation and equality in future North-South dialogue in order to seek ways to improve North-South relations, hasten the economic development of the developing countries and contribute to the revitalization of the world economy.

156. Mr. COREA (Secretary-General of UNCTAD), having thanked the President of the Conference for his leadership and the Yugoslav authorities and staff for their collaboration and co-operation with the UNCTAD secretariat, said it was not his intention for the moment to make an assessment of the sixth session of the Conference, or of its results, but he did wish to express his conviction that the issues discussed by the Conference, the linkages established between those issues, and the perceptions that had been built up in the course of the very extensive dialogue that had taken place would continue to exert their influence for a considerable time ahead, not only in UNCTAD but also in many other forums. In retrospect, that particular contribution might well be among the most important contributions of the session.

157. The PRESIDENT declared closed the sixth session of the United Nations Conference on Trade and Development.

The meeting rose at 4 a.m.

[71] See part one, section A.2, above.

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Printed at U.N. Geneva
GE.85-50040—November 1986—4,125

03500P

United Nations publication
Sales No. E.83.II.D.7

TD/326 (Vol. II)

ISBN 92-1-112209-0