



SUMMARY RECORD OF THE 12th MEETING

Chairman: Mr. VERCELES (Philippines)

later: Mr. RINGNALDA (Netherlands)

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ORGANIZATION OF WORK

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

#### ELECTION OF THE RAPPORTEUR

1. Miss STEPHENSON-VERNON (Jamaica) nominated Mr. Ould Sid'Ahmed (Mauritania) for the post of Rapporteur.
2. Mr. Ould Sid'Ahmed (Mauritania) was elected Rapporteur by acclamation.
3. Mr. SBIHI (Morocco), speaking on behalf of all delegations, welcomed the fact that all the officers had been elected and promised them the co-operation of all the members of the Committee.

#### TRIBUTE TO THE MEMORY OF MR. ROBERT KITCHEN

4. The CHAIRMAN paid a tribute to the memory of Mr. Robert Kitchen, who had for many years represented the United States in the Second Committee and who had participated actively in the work of various United Nations bodies. He asked the United States representative to transmit the Committee's condolences to the family of the deceased.

AGENDA ITEM 71: TRAINING AND RESEARCH (continued) (A/36/3/Add.5 and Add.33, A/36/14, 31 and 69):

- (a) UNITED NATIONS INSTITUTE FOR TRAINING AND RESEARCH: REPORT OF THE EXECUTIVE DIRECTOR (continued)
- (b) UNITED NATIONS UNIVERSITY: REPORT OF THE COUNCIL OF THE UNITED NATIONS UNIVERSITY (continued)

5. Mr. NICOL (Executive Director, United Nations Institute for Training and Research) said that all the comments made by delegations about the work of UNITAR would be fully taken into account in the implementation of the Institute's work programme and that individual responses would be provided to delegations which had made specific suggestions on research and training programmes. The fact that the Second Committee was discussing under one agenda item the work of UNITAR, the United Nations University and the University for Peace helped the three institutions to develop coherent programmes. Co-ordination between them was also facilitated by the overlapping membership of their governing bodies. Nevertheless, it would be advisable to heed the Joint Inspection Unit's recommendations that the executive heads of UNITAR, UNU and the University for Peace, and their senior colleagues, should meet for two days each year to discuss ways of avoiding unnecessary duplication and strengthening co-operation.

6. Annual meetings of directors of all United Nations institutes for training, research and planning were also held to co-ordinate activities and identify areas for collaboration. Eleven United Nations institutes, such as the Asian and Pacific Development Institute, and major bodies such as UNDP, were invited to those meetings. One example of their results was the joint seminar on economic development and its international setting, organized annually by UNITAR and the Economic Development Institute of the World Bank.

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(Mr. Nicol, UNITAR)

7. The sixteenth annual meeting, held in June 1981 in Geneva to consider new trends emerging within institutes and possibilities for co-operation, had considered a report by the Rector on the five-year programme recently proposed to the UNU Council and a summary submitted by the Under-Secretary-General for International Economic and Social Affairs of the forthcoming report on long-term development objectives, as well as questions connected with the Institute's work.

8. With regard to funding, he said that not only was UNITAR encountering problems during the current period of inflation, when donor countries themselves were facing budgetary constraints, but the Institute's problem was more serious because it did not have any endowment or voluntary contribution covering a period of several years. By their very nature, UNITAR's sources of income had been unpredictable and insufficient, so that it had been impossible to keep the deficit for 1981 at the low level calculated in the middle of the year, despite numerous economy measures. The Institute would greatly appreciate support from the General Assembly to cover that deficit, estimated to be half a million dollars. In that connexion, he thanked the representatives of Norway and Japan for their comments on the finances of UNITAR and the best way to contribute to their improvement.

9. If UNITAR was to balance its budget in 1982, it was to be hoped that the response of Member States to the General Assembly's appeal for contributions would be more encouraging in the current year than it had been in 1980. A zero-growth budget for UNITAR meant that it must find \$2.5 million every year for its most essential activities. Some delegations had stressed the need for UNITAR to have a core budget financed by the United Nations regular budget and, unless Governments responded more generously in the current year, it would be impossible to dismiss that idea.

10. With regard to the concern expressed by some delegations about a possible loss of independence for UNITAR if it became dependent on a regular subvention from the United Nations, those who had examined the legal and financial aspects of the question maintained that the Secretary-General could, with the authorization of the General Assembly, delegate aspects of his authority so as to avoid substantial constraints on the programmes and to retain budgetary control.

11. UNITAR was making every effort to meet the requests of the General Assembly and of other main organs of the United Nations; a good example was the study which the Institute had made on the norms and principles applicable to the new international economic order (A/36/143); it was to be hoped that the study would provide an invaluable tool for future negotiations. In addition, the Institute's work for the third world and for important subjects such as energy and peace and security had repeatedly received wide recognition. A recent example was the favourable editorial in The Wall Street Journal devoted to the conference sponsored by UNITAR in Los Angeles, which had brought together energy experts from over 70 developing countries. UNITAR was striving to serve the United Nations; it asked to be given the necessary tools, in the form of contributions, in order to do the job.

12. Mr. KWAPONG (Vice-Rector of the United Nations University) said that the University would benefit greatly from the large number of specific observations about its work made in the Committee. Among those observations, he singled out

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(Mr. Kwapong, UNU)

the commendation given to the progress and achievements of the original three programmes of UNU and the general support expressed for a broadening of the approach of the University in the coming years. The University accepted the wisdom of the cautionary comments concerning the dangers of attempting too much or changing too radically the emphasis of its work and wished to state that, as the Rector had already told the Committee, the new medium-term perspective of the institution was a realistic, workable perspective which would enable the University to address more effectively a wider range of pressing problems.

13. One of the University's concerns was to ensure that the work in progress remained relevant to the current world situation, that such work was organized flexibly so as to respond to future changes, and that account was taken of Member States' concerns and intentions, as expressed in the decisions of the General Assembly and at many conferences and meetings, and of the guidance given by the Council of the University. The result of the evaluation of activities, achieved after 15 months of intensive review and planning, was the proposal for a medium-term perspective designed to enhance the academic credibility of the University and demonstrate its potential for becoming a vital institution in the United Nations system. That objective would be met by introducing suitable organizational methods and by defining five themes likely to be of major concern in the medium-term future. Those themes were described in paragraph 66 of the report of the Council of the University (A/36/31), and it should be stressed that they were not programmes as such, but guidelines within which specific activities would be undertaken to the extent possible.

14. The need for further funding was obvious, if the University was to do justice to the scope of those themes, and the statements by a number of delegations on that point had been encouraging. The Endowment Fund remained of fundamental importance to UNU, but other types of funding for programmes and projects would in future be sought from Member States and from other sources.

15. The importance given by a number of delegations to the continuation and fulfilment of the University's original three programmes had been noted, and the University agreed; within its over-all programme budget for 1982, a minimum of \$5.4 million was provided for programme activities stemming from ongoing work, compared with \$6.2 million in 1981 and \$5.9 million in 1980. To the question whether UNU was moving away from the emphasis thus far placed on the resolution of practical problems, the answer was no. Rather, in broadening its perspectives, UNU was hoping to ensure that the work already under way would become more relevant in its practical application, at both the global and the local levels.

16. The University had been urged to avoid duplication of work. Under its Charter, UNU was urged to address itself to pressing problems of human survival, development and welfare that were the concern of the United Nations and its agencies, and a certain measure of duplication was therefore inevitable. What was important was that the way in which UNU approached its work should be distinctive, complementary and supportive to work being undertaken both by the United Nations system and elsewhere. The University therefore intended to increase its efforts to plan and develop its activities in consultation with the various United Nations bodies. As to whether the work of the University should focus on the solving as opposed to the examination of problems, the answer was that it must do both. Too many supposed solutions had disintegrated in the face of human, social, cultural and economic realities.

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(Mr. Kwapong, UNU)

17. A question had been posed about the University's continuing concern with tangible benefits for the poorer sections of the community. By numbers, and even more by moral and ethical imperatives, the poor must remain the principal focus of any activities devoted to the pressing global problems of human survival, development and welfare. In that connexion, the University retained its commitment to institution-building in developing countries, since solutions to the problems of the poor in those countries would never be found unless the capacity to analyse and solve such problems existed in the developing countries themselves. The ongoing programme of fellowships, the high proportion of institutions in developing countries among the University's associated institutions and the intellectual and financial support given to such institutions provided evidence of the University's determination to carry out the mandate conferred on it by its Charter in that respect.

18. A question of particular interest was the extent to which the University's activities could contribute usefully to decision-making in United Nations bodies and Governments. It might be mentioned in that connexion that in 1980 the University had been selected as the lead agency by the Sub-Committee on Nutrition of the Administrative Committee on Co-ordination to review problems of food and nutrition research and training in several African countries, with a view to strengthening their capabilities in that important area. UNU had also played an active role in the conceptual and planning stages of the Conference on New and Renewable Sources of Energy and in several of the activities at the Conference itself. In addition, in association with the Conference secretariat, a regional meeting of Asian Ministers of Energy had been convened at University headquarters in Tokyo, and the UNU publication, ASSET, had been made the official newsletter of the Conference. That was the first major United Nations conference at which UNU had had the opportunity of making an input of such magnitude, and the results had been very encouraging.

19. The University agreed with the emphasis placed by some delegations on the importance of evaluation. The 1981 budget made provision for a planning and evaluation unit. Also, each programme of the University to date had undertaken an assessment of its work. Those assessments had been a very important part of the process of review and planning which had led to the medium-term perspective.

AGENDA ITEM 69: DEVELOPMENT AND INTERNATIONAL ECONOMIC CO-OPERATION (continued)  
(A/36/3/Add.2, 12-15 and 18, A/36/8, 16, 19, 25, 116 and Corr.1, 141, 142, 144, 149, 233, 260 and Add.1 and 2, 333, 380, 418, 421, 452, 466, 470, 475, 497, 528, 531, 566, 567, 571-573)

- (a) INTERNATIONAL DEVELOPMENT STRATEGY FOR THE THIRD UNITED NATIONS DEVELOPMENT DECADE (continued)
- (b) CHARTER OF ECONOMIC RIGHTS AND DUTIES OF STATES (continued)
- (d) INDUSTRIALIZATION (continued)
- (f) NATURAL RESOURCES (continued)
- (g) FOOD PROBLEMS (continued)
- (j) ENVIRONMENT (continued)

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(k) HUMAN SETTLEMENTS (continued)

(1) EFFECTIVE MOBILIZATION AND INTEGRATION OF WOMEN IN DEVELOPMENT (continued)

(n) UNITED NATIONS SPECIAL FUND (continued)

20. Mr. SZEREMETA (Poland) said that the 1970s had proved to be a decade of disillusionment as to the possibilities of continuing a satisfactory growth rate at the national and global levels and of generating broad international co-operation to overcome the difficulties in the most effective way. The developing countries had suffered most, but no country had been immune. Nevertheless, the growing international understanding of the true character of the difficulties, with due attention paid to the state of structural disequilibrium of the world economy and to the insufficiency of the unilateral or bilateral approach to external economic problems, had produced some basis for hope, particularly with the adoption of the International Development Strategy for the Third United Nations Development Decade and the chances of launching the global negotiations in the near future.

21. What was needed now was, first, a deeper understanding that the economic difficulties were not rooted in economic causes alone and that a proper political climate must therefore be created to carry out the broad range of necessary political and socio-economic changes. The second need was for wisdom, imagination, courage and political will on the part of all concerned, in order to set up mechanisms ensuring the creation of a new, more just world economic order that would contribute universally to the improvement of human living conditions.

22. The new International Development Strategy—in spite of its limitations, which his delegation had pointed out during the eleventh special session and the thirty-fifth regular session of the General Assembly—was a significant political and economic programme that all nations should adhere to, regardless of their systems and levels of development. It was to be hoped that 1981 would also bring agreement on launching the global negotiations, which might well be used by the international community as an instrument for restructuring international economic relations in the interest of all countries. Poland was prepared to participate in them in a spirit of constructiveness and goodwill.

23. The Charter of Economic Rights and Duties of States was the most universal and progressive document so far adopted by the General Assembly in the field of international economic co-operation. Poland attached great importance to its provisions, and their implementation was under constant review by the Government. In practice, all Poland's agreements on economic co-operation, especially with developing countries, were based on relevant provisions of that Charter.

24. The activities of UNIDO in promoting industrial development and co-operation were viewed positively by his Government. Among the diversified activities of UNIDO, the System of Consultations deserved special attention. The System constituted an important instrument of restructuring world industry, to lead eventually to a just international industrial division of labour. Poland was prepared to strengthen its co-operation with UNIDO and attached importance to the use of Poland's technical capacity in the realization of UNIDO's programmes. It was a source of satisfaction that Poland's voluntary contribution to the Industrial Development Fund had been effectively utilized.

(Mr. Szeremeta, Poland)

25. With regard to the question of natural resources, Poland, which was one of the major coal producing countries in the world, welcomed the importance which the Committee on Natural Resources attached to all aspects of the exploration, production and processing of coal. In that connexion, he wished to draw the attention of the Second Committee to the results of the symposium on the world coal outlook, held in Poland, which had been highly praised at the most recent session of the Committee on Natural Resources, primarily for its practical approach to the matter.

26. With regard to the report of the World Food Council on the work of its seventh session (A/36/19), he considered that the issue of food should be included in the agenda of the global negotiations. He shared the Council's concern over the unsatisfactory state of affairs with regard to the liberalization of trade in food and agricultural raw materials and freer access for the agricultural exports from developing countries to developed countries.

27. Turning to the questions of the environment and human settlements, he said that, on the eve of the tenth anniversary of the United Nations Environment Programme, he considered the Programme's activities to have been well planned and executed. He wished to mention in particular the studies by UNEP on the dangers posed to the environment by nuclear weapons. He hoped that UNEP would pay greater attention to environmental hazards faced by the countries of Europe, which was the most industrialized region in the world. As to the activities of the United Nations Centre for Human Settlements, Poland, as a member of the Commission on Human Settlements, intended to continue to participate in activities in that field and was prepared to contribute to the projects of the Centre, whose programme of work for 1982-1983 and medium-term plan for 1984-1989 it supported.

28. Mr. SARAF (Food and Agriculture Organization of the United Nations) said that preliminary estimates for 1981 indicated that food and agriculture production had increased by 2.6 per cent and 2.8 per cent respectively, reflecting a limited recovery in relation to the previous year. The developing countries had again achieved higher rates of increase—3.5 per cent in food production and 3.7 per cent in agricultural output—than the developed countries (1.8 per cent and 2.0 per cent respectively). However, the average rate of growth for the 1970s (3.3 per cent) had fallen short of the target of 4 per cent set for the Second Development Decade and reiterated in the new International Development Strategy.

29. Despite the recovery in world food production, growth was very unevenly distributed among major regions and countries. Most of the increase in cereal production had occurred in the main exporting countries, and in consequence import requirements were rising. FAO was forecasting that world cereal trade would reach a new record in 1981/1982. The cereals imports of the low-income countries which were experiencing low agricultural production growth had increased from 26 million tons in 1976/1977 to 41 million tons in 1980/1981, but the value of those imports had trebled. Although those countries received about 30 per cent of all food aid, the proportion of the food aid to their total cereal imports had gone down. Moreover, food aid in cereals had declined in 1980/1981 to its lowest level since 1975/1976. At the same time, the current account deficit of low-income countries receiving food aid had increased from \$3.5 billion in 1976 to \$27 billion in 1980, which had reduced their capacity to pay for food imports.

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(Mr. Saraf, FAO)

30. The growth of world trade in agricultural commodities in 1980 had been below the average annual rate for the 1970s. The real value of the agricultural exports of developing countries as a percentage of world agricultural export earnings had declined to 28 per cent. There was every indication that in 1980 their agricultural trade situation had deteriorated even further owing primarily to the decline in the prices of many of their major agricultural export commodities. Against that background, it was regrettable that there had been a reduction in 1979 and 1980 in total official external assistance for agriculture in current prices as compared with previous years. However, concessional aid for agriculture to the least developed countries had recently been increasing in real terms, which was in line with recommendations of the recent Conference on the Least Developed Countries.

31. In the light of a number of positive developments in 1981, the Director-General of FAO felt that the time was opportune to put together a package of policy measures to be implemented at the national and international levels, and accordingly he was recommending a global food programme aimed at promoting increased production and equitable distribution, alleviating poverty, enhancing world food security and stimulating trade. Those elements were drawn from the various resolutions and recommendations of the governing bodies of FAO and of other United Nations organizations and agencies, and related closely to the New International Development Strategy for the Third Development Decade.

32. Particular importance should be attached to action to accelerate food production increases, especially in sub-Saharan Africa and the low-income food deficit countries in other regions. Increased self-reliance in food production, both collective and national, would depend very much on the success with which production in the traditional sector was improved and modernized. The development of appropriate but more productive technology, and its effective transfer to farmers, was a sine qua non for progress. In that connexion, there was an urgent need to establish national research facilities, with assistance from international research centres. That would require institutions and trained manpower, which constituted a serious constraint in many low-income countries owing to their lack of capital equipment and financing resources. As output expanded, transport and marketing services also needed to be strengthened as a stimulus to or pre-condition for further output expansion.

33. The policies and programmes for increased production would call for much larger investment in agriculture, and increased efforts by Governments to mobilize savings and other resources. However, such efforts would not succeed without a much larger flow of external assistance to food and agriculture. In addition, a much greater proportion of concessional aid must be channeled to the least developed countries. However, increased food production would not by itself reduce poverty unless specific measures were adopted towards that end. The World Conference on Agrarian Reform and Rural Development had adopted a wide range of policy measures which had accented poverty and peoples' participation. FAO was continuing the dialogue at the national and international levels to promote the implementation of the programme of action adopted by the Conference and, in co-operation with other United Nations agencies and national governments, was seeking innovative ways to reach rural poverty groups.

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34. It was incumbent on the international community to establish effective arrangements for ensuring world food security. That would require increasing the International Emergency Food Reserve, from its current level of 500,000 tons to a level of about 2 million tons to be achieved by 1985 in stages. In addition to increasing the level of the Reserve, voluntary understandings should be reached so that it would know two or three years in advance what level of contributions could be expected and whether they would be available for use on a multilateral basis. At the same time, Governments particularly vulnerable to emergencies should adopt measures, individually and collectively, for national preparedness to face such situations.

35. The recovery in food production provided a greater opportunity for increasing the allocation of food aid in cereals so as to reach the target of at least 10 million tons. The target for food aid also needed to be revised and increased to at least 17 million tons by the mid-1980s. Meanwhile, the Food Aid Convention should be revised to increase the floor level of food aid guaranteed by it to at least 10 million tons. In addition, the proportion of food aid channeled multilaterally through the World Food Programme should be increased to 20 per cent. It should be recalled, moreover, that the attainment of world food security required a much larger investment in storage and stockholding infrastructure in developing countries.

36. Another aspect of the global programme of crucial importance to the developing countries and to the international community was the liberalization and sustained expansion of agricultural trade and, in particular, of the exports of the developing countries. It was to be hoped that rapid progress would be made towards commodity agreements within the framework of the UNCTAD Integrated Programme for Commodities, and that the Common Fund would soon be able to play an important role. FAO was committed to co-operating fully with the Fund, particularly with the second window. In addition, much remained to be done to reduce trade barriers, particularly in respect of export commodities in processed or semi-processed forms, and to remove non-tariff barriers. In that connexion, increased vigilance was necessary to combat protectionist policies and measures.

37. Those were the basic elements of the global food programme, the implementation of which was a matter of considerable importance to the Director-General of FAO. The programme might provide the basis for the forthcoming negotiations on world food problems, and it was hoped that the international community would spare no effort to implement it. FAO and its Director-General stood ready to offer whatever assistance was needed in clarifying those elements of the programme and in facilitating decisions for their speedy and effective implementation.

38. Mr. Ringnalda (Netherlands) took the Chair.

39. Mr. JOSEPH (Australia) said that members of the Committee had received copies of the final communiqué of the Commonwealth Conference held at Melbourne from 30 September to 7 October 1981. Paragraphs 46 to 75, and especially paragraph 49, dealing with the forthcoming summit meeting to be held at Cancún, were of particular relevance to the work of the Second Committee.

(Mr. Joseph, Australia)

40. The pattern of the world economy over the past ten years had been one of gloom. Currently, inflation and unemployment were simultaneously high and growth dismally slow in the seven largest market-economy countries. In the socialist countries the situation was marked by a scarcity of certain goods and by inefficient use of manpower, while in the third world poverty, hunger, debt and financial instability were the rule. At the international level, the price and supply of oil had become a preoccupation of all nations, and there was a strong whiff of protectionism in the air.

41. The uncertainty and precariousness of the current situation seemed to be especially apparent in agriculture and food. Although there were predictions of record grain crops in North America, Western Europe and Australia, on a global basis population increases consistently outstripped food production, with dramatic results: some 500 million human beings were suffering from chronic malnutrition, while hundreds of millions more suffered periodic and debilitating food deficiencies.

42. A short-term solution to the problem was to step up and ease access to food aid. His country had raised its own food aid by more than 20 per cent in the past year and its expenditure in that respect was currently in excess of \$120 million. Currently it was also paying freight costs on an increasing proportion of its food aid, and had redirected it in order to channel large amounts to meet emergency situations in Africa.

43. Food aid must be regarded as a co-operative effort involving not only major grain producers and exporters, but other countries in a position to help with contributions towards meeting freight costs. While the OPEC countries had been generous in their aid, it was hoped that, given their favourable balance-of-payments position, they might be able to provide additional finance. Furthermore, it was high time that the Soviet bloc countries played a more realistic role in aid to the third world in general, and in the food and agriculture sector in particular. His country found it regrettable that globally the level of food aid had stagnated over the past two years, and it was therefore particularly concerned that there should be a negotiation of a new international grains arrangement. In that context, there was need to consider how severely affected developing countries might be guaranteed priority access to grain supplies in times of acute shortage.

44. In the longer term, the solution to world food problems lay in greater self-sufficiency in developing countries. That, in turn, required adequate price incentives for farmers and the establishment of improved marketing and distribution systems in every country. The international community could assist in that: for example, the International Fund for Agricultural Development (IFAD) had made a visible impact. In his delegation's opinion, instead of continually haggling over percentages with respect to the IFAD replenishment, efforts should focus on securing the future of the Fund. At the same time, the co-operative arrangement between the industrialized countries and the OPEC countries should be fostered and preserved.

45. Another positive step would be the elimination of protectionist measures in the agricultural area. It had been shown that reduced protection of agricultural products would be highly beneficial to many developing countries and to the major

(Mr. Joseph, Australia)

producers. There was no validity in the argument that encouragement of production in developed countries through various support mechanisms could enhance world food security by adding to available world stocks; on the contrary, the major impact of protectionist régimes was to depress world markets and to discourage growth in production in the more efficient areas, including the developing countries.

46. Growing protectionism had had an impact on the trading environment generally, not only on agricultural products. Although tariffs were out of favour as a means of control, new barriers and distortions, much more subtle than tariffs, had evolved, ranging from dubious anti-dumping pleas to so-called orderly marketing arrangements and various forms of voluntary restraints; all those, moreover, were being implemented outside the General Agreement on Tariffs and Trade (GATT). The results of the Tokyo round had proved particularly disappointing for the developing countries, since the liberalization measures agreed were usually restricted to trade in industrial goods exchanged between the major countries.

47. Although his country welcomed the proposal for a ministerial meeting of GATT in 1982, it was by no means certain that the real problems of primary producers and the non-industrialized world would at last be addressed. In the trade area, practical measures, not simply rhetoric, were needed. Although many countries professed to be free traders, they soon changed their minds when imports began to pour in, threatening the financial viability of domestic industry or creating unemployment.

48. In the area of industrialization, UNIDO should basically concentrate on operational activities and there should be an increased role for the regional commissions in the definition of UNIDO priorities—for example, through the allocation of increased resources to the ESCAP regional centre for technology transfer. He noted with satisfaction the increasing number of countries which had ratified the instrument to transform UNIDO into a specialized agency; the necessary processes had been put into action for his own country's ratification. Furthermore, for the first time, Australia would be making a contribution to the Industrial Development Fund.

49. On environmental matters, his country supported the activities of the United Nations Environment Programme (UNEP), as well as the special arrangements for the next session of the UNEP Governing Council, which would coincide with the tenth anniversary of the Programme's establishment. The year 1982 would also mark the tenth anniversary of the publication of The Limits of Growth, which had so dramatically and so misleadingly spread the idea that environmental protection demanded consolidation and conservation of the fruits of development rather than expanding growth.

50. While the idea of limits to growth might appear attractive when per capita gross domestic product stood at over \$6,000 per annum, an approach which called into question the growth of the industrialized world had inevitably and cruelly reduced the forward prospects of the millions living in the non-industrialized world with per capita incomes of less than \$200. Environmental questions were important, but so was the need to ensure sustained growth; the General Assembly—particularly the Second Committee—which had to consider both issues, had to ensure a judicious balance between those often competing considerations.

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(Mr. Joseph, Australia)

51. Although some would argue that the concept of limits of growth did apply in the case of oil, it should be pointed out that, as a result of the most modern exploration techniques, the potential long-term elasticity of oil supply had increased enormously. Far from becoming exhausted, oil appeared to be increasingly abundant—not, of course, the light crude oil with a low production cost, but a heavier and dirtier crude oil frequently found at greater depths. The oil companies had discovered deposits amounting to thousands of millions of barrels of heavy crude; although it would have to be determined exactly how much of such oil could be extracted with existing technology, and at what cost, there was evident potential that might justify some optimism for the future.

52. With respect to environmental questions, Australia was keenly interested in desertification control; it had recently joined a consultative group on the question and had made a small financial contribution for the execution of a project in Africa. In addition, it was sponsoring an ESCAP regional workshop to be held in India, and had organized a number of training courses on management of arid and semi-arid land in Australia, in which representatives from many developing countries had participated.

53. With respect to the effective mobilization and integration of women in development, it must be borne in mind that the main obstacle to achieving the objectives of the World Plan of Action adopted by the international community in 1975 lay in the fact that the general economic climate was far less conducive to women's advancement than it had been six years earlier. Women suffered more than men from the effects of economic downtrends and political crises. Although the differential between male and female pay had narrowed, unemployment was increasing more rapidly among women than among men and women had been the first to be displaced by technological change. Despite their major share in total working hours, they had the smallest proportion of world income and world property, and the illiteracy rate among women had increased in the past five years.

54. Australia was committed to equality of opportunity for women everywhere. Women's development should form an integral part of all aspects of development and should automatically be taken into consideration in all programmes on the subject. In preparing its own development assistance programmes, Australia had been concerned to include women as equal beneficiaries with men and, where necessary, to adopt special measures to improve the rate of participation of women in decision-making and to introduce programmes specifically designed to improve the status of women.

55. Mr. SCHMID (Austria) said that the uncertainties and dangers of the current international economic situation resulted from continued stagnation and inflation in the industrialized countries, the sluggish demand for primary commodities produced by the developing countries, renewed protectionist tendencies with respect to manufactures and a curtailment of official development assistance and other flows of financial resources. That situation was unlikely to change quickly, and the next few years would therefore be difficult for the developing countries, particularly the poorest among them. Solutions to those problems could be found only by taking account of various viewpoints and striving to ensure not only market efficiency but greater world stability, harmony and justice.

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(Mr. Schmid, Austria)

56. The interdependence between industrialized and developing countries, and the need for establishing an open dialogue and taking account of various viewpoints, had prompted the President of Mexico and the Chancellor of Austria to convene an international meeting, at the highest level, on development and economic co-operation, to be held shortly at Cancún, with the participation of 22 Heads of State or Government. The purpose of that summit meeting was not to replace negotiations within the United Nations system but to give political impetus to the efforts for international economic co-operation in other bodies.

57. The objectives of the International Development Strategy for the Third United Nations Development Decade could clearly not be reached if no progress was made with respect to industrialization, food, natural resources or environmental protection. In view of the importance of industrialization, UNIDO had a special role to play within the United Nations system. He was pleased to note that the deliberations at the fourteenth and fifteenth sessions of the Industrial Development Board had been conducted efficiently and constructively and that the Board had been able to reach agreement on the priority areas for UNIDO activities. The System of Consultations was playing an increasingly important part and was already making a significant contribution to international industrial co-operation. Austria welcomed the UNIDO activities in the energy field and hoped that the organization would contribute to the implementation of the Nairobi Programme of Action. Its interest in the question was shown by the fact that a workshop on petroleum processing for refinery managers from developing countries and a symposium on mini hydro-electric power plants with special regard to Latin American countries, jointly organized and financed by Austria and UNIDO, had been held in Austria in 1981.

58. The budgetary constraints impeding any real growth had a particular effect on a relatively young organization like UNIDO, which was in a critical stage of its development; the efforts being made to improve the organization's efficiency, and particularly the establishment of an internal evaluation system, were therefore important. In order to make UNIDO a more efficient instrument, it was essential, firstly, that its new Constitution should enter into force as soon as possible. Secondly, the Industrial Development Fund should be brought to a level that would enable it to meet the needs of the developing countries. The insufficient flow of resources to the Fund was a matter of concern; during the past year, Austria had provided about 5 per cent of the Fund's total resources and it would maintain its contribution at approximately the same level in 1982. Thirdly, the network of industrial field advisers should be strengthened, since that would enhance UNIDO's operational capabilities.

59. It would be difficult to make any significant progress in industrialization without far-reaching improvements in the infrastructure of the developing countries. The lack of an adequate physical infrastructure was undoubtedly one of the greatest obstacles to the participation of private capital in the economy of those countries—a participation that had recently been so keenly defended. To that end, the Chancellor of Austria had repeatedly called for the adoption of concerted international measures to improve the infrastructure, and particularly the transport facilities, in the most disadvantaged regions of the

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world, such as the African continent. Austria had recently entered into consultations with the Kagera River Development Association with a view to helping to alleviate the region's most pressing problems.

60. Another pre-condition for industrial and agricultural development was the provision of sufficient amounts of energy at reasonable prices. The harnessing of new and conventional sources of energy was the second priority area for which capital flows through multilateral agencies were required. Austria welcomed the strong endorsement of international action in that field expressed in the United Kingdom delegation's statement in the Committee on behalf of the member States of the European Economic Community and, in common with the Community, endorsed the expanded energy lending programme of the World Bank, while continuing to advocate the establishment of a separate energy affiliate of the Bank.

61. In view of the high priority that should be accorded to food problems at the national and international level, Austria welcomed the growing support shown in the World Food Council for the adoption of a more integrated food policy based on food sector strategies. Although the primary goal must be to increase food production in developing countries, it would also be essential to step up food aid significantly in order to bring rapid relief to the poorest sectors of the world. Only major efforts of investment, planning and research could make enough food available for the 6 billion people who were likely to inhabit the world by the year 2000.

62. The importance attached by Austria to increased food security and food production in developing countries had been shown by its accession in 1980 to the Food Aid Convention and by an increase in its contribution to the World Food Programme for 1981 and 1982. It welcomed the fact that it had been possible to reach agreement on an increase in resources for the International Fund for Agricultural Development.

63. Almost 10 years after the adoption of the Stockholm Plan of Action, there was at least a growing recognition throughout the world of the fact that environmental considerations were as important as traditional economic parameters in development planning. Austria therefore looked forward with particular interest to the special session of the Governing Council of the United Nations Environment Programme in 1982, which would provide an opportunity to assess all international efforts made during the past 10 years and to give additional impetus to future work on the matter.

64. It was to be hoped that agreement would be reached at the current session of the General Assembly to deal with the most pressing problems of development and international co-operation in a global and interrelated manner. Austria considered that the Conference on New and Renewable Sources of Energy and the Conference on the Least Developed Countries would help to determine some important features of economic co-operation measures to be adopted in the 1980s. In order to complete the work carried out at those Conferences, it was essential to avoid doctrinaire approaches and sterile confrontation and to establish a constructive dialogue based on the concept of interdependence.

65. Mr. Verceles (Philippines) resumed the Chair.

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66. Mr. NAIK (Pakistan) said that the main concern of the Group of 77, which his delegation fully shared, was to strengthen international co-operation and development. Although not even a year had passed since the General Assembly had adopted the International Development Strategy, in view of the disarray in that co-operation today, the international community now needed to reiterate and reaffirm the commitments undertaken in that document. Although the Strategy (para. 5) recognized that "the challenge of development calls for a new era of effective and meaningful co-operation for development responsive to the needs and problems of the developing countries", the efforts of those countries to inaugurate such an era through the launching of global negotiations had been stalemated for almost two years. Instead, the developing countries were being asked to submit themselves, as they had in the past, to the vagaries of the market.

67. The Strategy rightly assumed (para. 4) that the "international economy remains in a state of structural disequilibrium" whose solution required a search for "equitable, full and effective participation by developing countries" (para. 6). Nevertheless, there had been no significant step in that direction. To the contrary, present trends led away from that objective. Similarly, the Strategy (para. 7) envisaged a significant reduction in "the current disparities between the developed and developing countries" and "the early eradication of poverty and dependency". Yet, the World Development Report, 1981 stated that if present trends continued, both the disparity between the rich and the poor nations and the total number of absolute poor would rise significantly over the decade. Finally, the Strategy stated (para. 17) that "the experience of the 1970s clearly indicates that the goals and objectives of the world community can only be attained through a substantially greater effort in the 1980s than was made in the Second United Nations Development Decade". Yet, over the past year, there had been a steady decline and erosion in the efforts of the international community.

68. That decline in efforts could be seen, for example, in food and agriculture. The progress achieved in that field had been far from satisfactory and there was little evidence of advance towards an effective system of food security. Concessional aid for food and agricultural development had lagged behind estimated requirements. The annual targets for food aid, emergency reserves, fertilizers and agricultural inputs had not been attained. The replenishment of the International Fund for Agricultural Development had been delayed too long. Even though there were exceptions, on the average, as a result of a lack of international support, the developing countries had been unable to achieve the goals and objectives for food and agricultural development. It was difficult to see how market forces alone could accelerate the rate of growth to 4 per cent annually. He therefore supported the measures aimed at reviving food and agricultural production in the developing countries proposed by the Executive Director of the World Food Council in his statement to the Committee.

69. The picture of industrial co-operation was even more bleak. The Strategy (para. 29) established a 9 per cent annual growth target for developing countries in the industrial sector, thus laying the basis for achieving the target of 25 per cent as the share of developing countries in world industrial production fixed in the Lima Declaration and Plan of Action. Nevertheless, since 1975, the share of developing countries had inched up from 7 per cent to only 10.9 per cent and, at that pace, the objectives set forth in the Lima Declaration could hardly be achieved.

70. At the centre of policies for achieving industrial growth was the redeployment of industrial capacity. The Strategy insisted that those policies should be

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accompanied by increased access to markets for the manufactured products of developing countries. However, in recent years there had been a steadily rising wall of protectionist and discriminatory measures against those products. If trade was to be the vehicle of development, then the third world could not be deprived of the opportunity to trade. The GATT ministerial meeting on trade to be convened in 1982 should be devoted primarily to the trade problems of the developing countries.

71. The Second General Conference of UNIDO, held at Lima, had visualized the establishment of a System of Consultations as an instrument for redeployment of world industrial capacity. Consultations had already been held at the world and regional levels and a programme of consultations had been established for the biennium 1982-1983. The consultations had produced valuable results in a number of important sectors. However, it was difficult to ignore the fact that the System still remained divorced from its original purpose, namely, redeployment. Those who raised questions about the cost effectiveness of the System of Consultations should remember that only the full participation of Governments in pursuing the objective of redeployment of industrial capacity could ensure the effectiveness of consultations.

72. Another equally important instrument of industrial development was technical co-operation. The progress in that sphere too had been slow. Six years after the Lima Conference, UNIDO had not yet become a specialized agency. It was hoped that that objective would be realized with the ratification of its constitution by the requisite number of Member States. If the effects of inflation and fluctuations in currency exchange rates were taken into account, the technical assistance programme of UNIDO had actually declined in real terms. The annual target of \$50 million for the Industrial Development Fund had never been achieved and the initiatives taken by UNIDO to mobilize industrial financial resources had not been favourably received.

73. In addition, UNIDO had now been subjected to the arbitrary constraints of a zero growth budget. His delegation shared the position of the Group of 77, which had taken the view that such constraints should not be applied indiscriminately to relatively new organizations such as UNIDO. It was to be hoped that financial considerations brought to bear on the budget through processes which were not normal to the functioning of the United Nations would not be allowed to erode the capacity of the Organization to deliver technical assistance to developing countries.

74. Another essential element for the International Development Strategy was financial co-operation. The stagnation in flows of concessional aid to developing countries was in danger of eroding the very basis of multilateral development co-operation. The situation in which the entire United Nations system found itself was evidence of the sad state of multilateral financial co-operation. Even though it was heartening that the European Economic Community had reaffirmed its agreement with the target of 0.7 per cent for official development assistance, it should not be overlooked that the report of the Secretary-General on operational activities for development (A/36/478) indicated that the richest of the industrialized countries tended to be at the lowest end of the spectrum both in ODA flows and in contributions to the United Nations development system.

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75. The need to increase official development assistance could not be obviated by expanded capital flows. Private capital could not play the role of ODA and the poorer developing countries could not rely on capital markets to meet their development needs simply because they did not have access to those markets. His delegation hoped that those realities would be recognized in formulating international policies and that the commitments undertaken with respect to ODA would be fulfilled both multilaterally and bilaterally.

76. In conclusion, he wished to turn to some developments which had given encouragement to the developing countries. The High Level Conference on Economic Co-operation among Developing Countries, held at Caracas, had given new impetus to the efforts of developing countries to promote and strengthen their collective self-sufficiency and Pakistan was committed to participating in and contributing to that process. Other positive elements were the Conference on New and Renewable Sources of Energy and the Substantial New Programme for the least developed countries adopted at the Paris Conference. It was now necessary for the Assembly to adopt, at the current session, the measures necessary to implement and follow up the results obtained at Nairobi and Paris.

77. Mr. HERRERA VEGAS (Argentina) expressed his deep regret over the death of the President of Egypt, Anwar El Sadat. The delegation of Argentina considered that the Committee's decision to abolish the former practice of having separate debates on agriculture, industrialization, the environment and so forth, and to hear all the statements of representatives of the various organizations at the start of the session, was a good one. That method of organizing the Committee's work should become the rule. Items 12 and 69 were both broad in scope and could be dealt with in general statements.

78. Delegations had all accepted the fact that the Economic and Social Council was going through a period of crisis and the President of the Council had himself raised the question unequivocally at the second regular session in 1981, attributing the crisis to the small membership of the Council. The delegation of Argentina had supported the proposal, three years earlier, with a view to implementing section II of the annex to General Assembly resolution 32/197 by extending the Council's membership to all the Members of the Organization. The move to increase the number of members of the Council had not come merely from one or two delegations; resolution 32/197 itself referred to the consideration of ways and means of making the Council fully representative, and if the need to expand the Council was not expressed more specifically, that was because the resolution had been adopted by consensus.

79. One of the arguments against that proposal was the supposed link between the composition of the Economic and Social Council and the composition of the Security Council. However, the delegations which had been proposing solutions to the crisis of the Economic and Social Council for the past three years had never linked those two questions; indeed, the fact that any of the five permanent members of the Security Council could, at will, prevent an amendment being made to the Charter meant that the so-called link was not a valid argument.

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80. It had also been claimed that the revitalization of the Council would not be brought about by a change in its composition, but by ensuring that the Council dealt with really important issues. His delegation would support that view if the Council were able to deal with important questions without having a full complement of its members. For example, it was difficult to see how the Council with its present composition could take on problems such as the International Development Strategy or the global negotiations.

81. Because of its limited composition, the Council was not strong enough to ensure effective co-ordination of the sectoral organs, in which all States were often represented. The Assembly had less and less time for such matters, as was clear from the fact that the Second Committee had had to abandon the practice of detailed sectoral debates. Experience showed that the Committee could not turn back, but nevertheless a more complex system needed greater co-ordination. The Council would not be able to help the Assembly to co-ordinate an unruly centrifugal system of organizations until all States Members participated in its work as full members. The delegation of Argentina would continue its efforts to ascertain the wishes of the General Assembly about extending the Council's composition to the entire membership of the Assembly and the full implementation of section II of the annex to resolution 32/197.

82. A year earlier, the main question-mark before the Committee would have been the position of the new United States Government concerning international co-operation for development. Now, some answers had been given in statements by the President of the United States, the Secretary of State, the Permanent Representative to the United Nations and the Under-Secretary of State for Economic Affairs. The characteristic common to all those statements was that they were designed to make recommendations on the economic systems that the developing countries should adopt in order to achieve higher growth levels, and the Group of 77 had expressed doubts on how helpful those statements were in achieving the objectives of multilateral economic co-operation.

83. It had also been said that the developing countries were trying to obtain benefits without making an effort. That was not true. The developing countries were ready to work and were doing so; they were not asking for a hand-out but for an equitable world economic structure which would provide support for their efforts and a proper framework for promoting their development. Contrary to what the present United States Government maintained, there was no assurance that an economic model based on belief in the magic of the market could provide a real solution to the problems of the developing countries, especially the least developed countries and those with poor natural resources and high population density.

84. The future development of the economy of the United States was extremely important to the developing countries, and they were therefore following with interest the implementation of the new ideas of so-called "supply-side economics" whose stated purpose was the long-term growth of the United States economy. The lack of growth in the industrialized countries had an adverse effect on the developing countries, which coloured their attitude towards monetary policies which were designed to control inflation but which also made money more expensive, deepened the world recession and generated massive transfers of funds and an

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increase in the developing countries' indebtedness. Those restrictive policies could exacerbate the protectionist trends which had already caused a sharp decline in the growth of world trade in the past two years.

85. There was obviously a contradiction between the effects of some of the policies applied in the centres of the world economic system and the objectives of international co-operation for development. It must be remembered that the anti-cyclic role of the developing countries had mitigated the adverse effects of the recession on the economy of the developed countries in 1974 and 1975. It was essential to avoid the danger of a simultaneous recession at the centre and the periphery, and the international monetary system must operate so as to enable the developing world to act as an anti-cyclic agent which it had shown itself capable of doing in recent years.

86. It was difficult to see how an economic programme such as the one adopted by the new United States Government could succeed at a time of world economic recession. Some of the developed countries had supported proposals for revitalizing the world economy by increasing the purchasing power of the developing countries. That position, which was based on the interdependence of the world economy and the need to increase real world demand, might help to produce a favourable climate for progress in the North-South dialogue. The developing countries with a trade surplus could make a valuable contribution to the process.

87. The final communiqué of the Ottawa Summit Conference was important, particularly because it was supported by the United States demonstrated the will of the developed countries which had attended, to take part in preparations for a mutually acceptable system of global negotiations in conditions which might be conducive to significant progress.

88. With the worst recession since 1930, the continued unprecedented rise in inflation, the structural imbalances in the balance of payments, the abrupt fluctuations in relative world prices, the rise in the cost of money, the sharp decline in the rate of increase in world trade and the resurgence of protectionism, there was little room for optimism. In the circumstances, international co-operation was an essential instrument for reaching agreement on the bases for sustained and balanced growth of the world economy.

#### ORGANIZATION OF WORK

89. The CHAIRMAN suggested that, in accordance with the Committee's decision to try to conclude consideration of the present agenda items before the scheduled date, the time-limit for submitting proposals on item 71 should be changed from Monday 19 October to Friday 16 October at 6 p.m.

90. It was so agreed.

91. The CHAIRMAN informed the Committee that a number of delegations had requested a further extension of the time-limit for submitting proposals on item 12 until Tuesday, 13 October, at 6 p.m. If there were no objections, he would take it that the Committee had agreed to the request.

92. It was so agreed.

The meeting rose at 6.20 p.m.